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Report No: PAD2222

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED ADDITIONAL FINANCING CREDIT

IN THE AMOUNT OF EURO 41.8 MILLION  
(US\$50 MILLION EQUIVALENT)

TO

BURKINA FASO

FOR THE

BAGRÉ GROWTH POLE PROJECT

MARCH 8, 2018

Finance, Competitiveness, and Innovation Global Practice  
Africa Region

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**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective December 31, 2017)

Currency Unit = CFA franc (CFAF)  
US\$1 = CFAF 526  
US\$1 = SDR 0.6900  
US\$1 = Euro 0.83423709

**FISCAL YEAR**  
January 1 – December 31

**ABBREVIATIONS AND ACRONYMS**

AF	Additional Financing
AfDB	African Development Bank
API-BF	<i>L'Agence de Promotion des Investissements du Burkina Faso</i> (Investment Promotion Agency of Burkina Faso)
CB	Construction Base
CCB	Climate Co-Benefits
CCSA	Cross-Cutting Solution Area
CMU	Country Management Unit
CNE	<i>Chenale Nord et Est</i> (Northern and Eastern Canal)
CPF	Country Partnership Framework
DA	Designated Account
DO	Development Objective
ED	Executive Director
EHS	Environmental Health and Safety
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
FA	Financing Agreement
FCI	Finance, Competitiveness, Innovation
FM	Financial Management
FY	Fiscal Year
GBV	Gender-based Violence
GoBF	Government of Burkina Faso
GP	Global Practice
GRS	Grievance Redress Service
Ha	Hectare
HSE	Health, Safety and Environment
ICT	Information and Communication Technology
ID	Identification
IFC	International Finance Corporation
IOI	Intermediate Outcome Indicator
IP	Implementation Progress
IPE	Individual Protective Equipment

IPF	Investment Project Financing
ISR	Implementation Status and Results Report
IUFR	Interim Unaudited Financial Report
LLC	Limited Liability Company
M&E	Monitoring and Evaluation
MD	Managing Director
MDTF	Multi-Donor Trust Fund
MEBF	<i>Maison de l'Entreprise du Burkina Faso</i> (Burkina Faso Business Association)
MEFD	Ministry of Economy and Finances Development
MOB	<i>Maitrise d'Ouvrage de Bagré</i> (Bagre Implementing Agency)
MTR	Mid-term Review
NEC	National Electrotechnical Committee
NGO	Nongovernmental Organization
NSSF	National Social Security Fund
OHS	Occupational Health and Safety
PA	Prior Action
PAD	Project Appraisal Document
PAP	Project-affected Person
PCA	<i>Président du Conseil d'Administration</i> (Chairman of the Board of Directors)
PCN	Project Concept Note
PCU	Project Coordination Unit
PDO	Project Development Objective
PIE	Project Implementation Entity
PIU	Project Implementation Unit
PMP	Pest Management Plan
PNDES	<i>Plan National de Développement Économique et Social</i> (National Plan for Economic and Social Development)
PPP	Public-Private Partnership
RAP	Resettlement Action Plan
RCT	Randomized Controlled Trials
RPF	Resettlement Policy Framework
SDR	Special Drawing Rights
SMEs	Small and Medium Enterprises
SONABEL	<i>Société Nationale d'Electricité du Burkina</i> (National Electric Corporation of Burkina Faso)
UOM	Unit of Measure
WSHMS	Worker Safety and Health Management System
ZUP	<i>Zone d'Utilité Publique</i> (Public Utility Zone)

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Country Manager: Cheick Fantamady Kante

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**BURKINA FASO**  
**BAGRÉ GROWTH POLE PROJECT ADDITIONAL FINANCING (P161234)**

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## ADDITIONAL FINANCING DATA SHEET

*Burkina Faso*

*Bagré Growth Pole Project Additional Financing (P161234)*

*AFRICA*

*FINANCE, COMPETITIVENESS, INNOVATION*

Basic Information - Parent				
Parent Project ID:	P119662	Original EA Category:	A - Full Assessment	
Current Closing Date:	30-Nov-2018			
Basic Information - Additional Financing (AF)				
Project ID:	P161234	Additional Financing Type (from AUS):	Cost Overrun, Restructuring, Scale Up	
Regional Vice President:	Makhtar Diop	Proposed EA Category:	A - Full Assessment	
Country Director:	Pierre Laporte	Expected Effectiveness Date:	July 30, 2018	
Senior Global Practice Director:	Ceyla Pazarbasioglu-Dutz	Expected Closing Date:	November 30, 2020	
Practice Manager:	Consolate K. Rusagara	Report No:	PAD2222	
Team Leaders:	Martin Maxwell Norman, Aguiratou Savadogo-Tinto, Michael Weber			
Borrower				
Organization Name	Contact	Title	Telephone	Email
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Project Financing Data - Parent (Burkina Faso - Bagré Growth Pole Project - P119662) (in US\$, millions)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P119662	IDA-H7270	Effective	21-Jun-2011	04-Jul-2011	01-Nov-2011	30-Nov-2018	30-Nov-2020		
P119662	IDA-Q9350	Closed	10-Oct-2014	10-Oct-2014	10-Oct-2014	30-Apr-2015	30-Nov-2015		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P119662	IDA-H7270	Effective	US\$	115.00	165.00	0.00	83.92	17.82	72.97
P119662	IDA-Q9350	Closed	US\$	2.30	0.00	2.30	0.00	0.00	
Project Financing Data - Additional Financing Burkina Faso - Bagré Growth Pole Project Additional Financing (P161234) (in US\$, millions)									
<input type="checkbox"/> Loan <input type="checkbox"/> Grant <input type="checkbox"/> IDA Grant <input checked="" type="checkbox"/> Credit <input type="checkbox"/> Guarantee <input type="checkbox"/> Other									
Total Project Cost:		60.00		Total Bank Financing:		50.00			
Financing Gap:		0.00							
Financing Source - Additional Financing (AF)								Amount	
BORROWER/RECIPIENT								10.00	
International Development Association (IDA)								50.00	
Total								60.00	
Policy Waivers									
Does the project depart from the CAS in content or in other significant respects?								No	
Explanation									
Does the project require any policy waiver(s)?								No	
Has the waiver(s) been endorsed or approved by Bank Management?									
Explanation:									

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<b>Bank Staff</b>				
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Extended Team				
Name		Title	Location	

<b>Locations</b>					
<b>Country</b>	<b>First Administrative Division</b>	<b>Location</b>	<b>Planned</b>	<b>Actual</b>	<b>Comments</b>
Burkina Faso	Centre-Sud	Centre-Sud		X	
Burkina Faso		Bagré		X	
<b>Institutional Data</b>					
<b>Parent (Burkina Faso - Bagré Growth Pole Project - P119662)</b>					
<b>Practice Area (Lead)</b>					
Finance, Competitiveness, Innovation					
<b>Contributing Practice Areas</b>					
Agriculture, Energy and Extractives, Transport and Information and Communications Technologies, Jobs CCSA					
<b>Additional Financing Burkina Faso - Bagré Growth Pole Project Additional Financing (P161234)</b>					
<b>Practice Area (Lead)</b>					
Finance, Competitiveness, Innovation					
<b>Contributing Practice Areas</b>					
Agriculture, Energy and Extractives, Transport and Information and Communications Technologies, Jobs CCSA					

## I. Introduction

1. **This Project Paper seeks the approval of the Executive Directors (EDs) to proceed with an Additional Financing (AF) credit in the amount of Euro 41.8 million (equivalent to US\$50.0 million) to the Burkina Faso - Bagré Growth Pole Project (P119662 - Grant Number H727-BF) and, at the same time, a Level I restructuring including the change of the Project Development Objective (PDO), components, and Results Framework for the parent project (P119662).**

2. **The proposed additional loan would help finance the costs associated with the infrastructure investments to attract private investment and ultimately create jobs in the Burkina Faso Bagré area.** The AF will cover costs of electricity, roads, and the diagnostics for an industrial park for agricultural transformation in the project area, which have not been completed under the existing credit because of cost overruns for the construction of irrigation canals. It would also allow for scaling up existing activities such as establishing effective investment promotion systems, improving the investment climate, providing additional support to value chains in the project area and land tenure pilots. The major changes proposed are (a) change in the PDO; (b) addition of activities to the existing three components; (c) modifications to the Results Framework; (d) extension of the closing date from November 30, 2018 to November 30, 2020 (first extension was done through the second Level II restructuring in December 2017; see Paragraph 9); and (e) AF equivalent to US\$50 million. US\$10 million of counterpart funding will be utilized primarily for the maintenance of roads and electric power infrastructure. The anticipated outcomes of these interventions will be increased private sector investment from agribusiness investors with greater financial resources, more competitive operations, and a greater number of jobs created.

3. **This Project has the potential to transform the entire Bagre region by attracting larger firms, enhancing the competitiveness and productivity of enterprises, providing a longer-term vision and framework for strategic investment, fostering greater value added to basic agricultural products, and successfully launching land titling pilots that could be replicated and rolled out beyond the project area.** The multi-sector, integrated aspect of the project recognizes that the construction of irrigation canals is just a first step to presenting a complete package that will attract the private sector. Without the electric power, the private sector cannot power the pumping stations they need for getting water from the irrigation canals into the fields. Without the roads, agricultural products cannot get to their destination markets. Hence, even though the electric power and roads are being constructed in a subsequent phase through this AF, they are just as necessary for Bagrépôle to attract significant private sector investment as were the irrigation canals.

4. **Partnership arrangements.** The African Development Bank (AfDB) will continue to finance the construction of the Rive Droite project area under a parallel financing of US\$35 million. Further partnerships may be necessary. The U.S. Agency for International Development has already shown interest in the World Bank's regional investment climate work, which may be leveraged for the AF of the Bagré Growth Pole Project.

## II. Background and Rationale for AF

### Summary of Original Project Implementation Status

5. **The original Burkina Faso - Bagré Growth Pole Project (P119662), approved on June 21, 2011, as an Investment Project Financing (IPF) in the amount of US\$115 million, has been effective since July 4, 2011.** The original PDO is to contribute to increased economic activity in the Project Area, resulting in an increase in private investment, employment generation, and agricultural production.

6. **The original project was conceived as a comprehensive assistance to the Government of Burkina Faso (GoBF), integrating infrastructure, services, and a strong value chain, for attracting the private sector to the depressed southern region of the country and enabling the success of agribusiness.** The project sought to strategically extend existing infrastructure—a dam and two canals of approximately 20 km each that had been built by the GoBF in part with donor funds—to increase the impact on job creation and private investment in the project's geographical area. In recognition that the region had great potential as an agricultural area but that it had little to offer the private sector in the way of irrigated land, electric power, access and internal roads, and services, the project sought to create the basic conditions not only for private producers but also for companies interested in transforming basic agricultural products. The development hypothesis and strategy of the original project was enshrined in a detailed strategic plan that aimed to attract more modern and sophisticated, market-oriented agribusinesses to the project area. The Bagré project area possesses land and water resources and is close to the large markets (Ghana, Togo, Niger) through adjacent trade corridors.

7. **However, the region and Burkina Faso, as a nation, have very few sophisticated agribusinesses or private investors in agriculture, almost none outside of the cotton sector.** Agriculture is overwhelmingly a low-productivity subsistence activity. The project sought to encourage a transformation in agriculture's role in the project area where market-oriented, sophisticated agribusinesses could help transform the region, create jobs, transfer know-how, and improve the productivity of associated smallholders. Other constraints that the project sought to address were a zone management structure that is ill-adapted to facilitate the success of agribusinesses and an unattractive business environment with cumbersome, ill-defined regulations and conditions for running a business. In this way, the Government sought to intervene in certain critical areas to unlock private investment, both local and foreign.

8. **The original project covers the following three components:**

- Component 1: Improvement of Institutional Capacity for Better Zone Management and Investment Climate in the Project Area (US\$20.5 million)—Satisfactory (Implementation Status and Results Report [ISR] of December 21, 2017).
- Component 2: Development of Critical Infrastructure (US\$78.5 million)—Moderately Satisfactory (ISR of December 21, 2017).
- Component 3: Development of Critical Services and Direct Support to Smallholders and SMEs (US\$12.5 million)—Satisfactory (ISR of December 21, 2017).

9. **The first project Level II restructuring was approved in May 2016 and the closing date was extended by 14 months from September 30, 2017 to November 30, 2018.** The restructuring also (a) eliminated the roads and electricity component from the project due to cost overruns with the construction of irrigation canals, resulting in a lack of funds for roads and electricity; (b) rationalized and streamlined the Results Framework; and (c) reallocated funds to cover the cost of the one-stop-shop building and other goods and works.

10. **The second project Level II restructuring was approved in January 2017 to** (a) adjust the Results Framework; (b) apply the following changes to two components: (i) adjust the size of area targeted under Component 2 and (ii) add cash grants to the project activities related to matching grants under Component 3; and (c) modify two legal covenants: (i) land rights review by addressing any lingering grievances through community projects rather than individual compensation and extending the deadline for compliance with the legal covenant (but not beyond the closing date of the actual project) and (ii) dam safety to extend the date for fulfilling this covenant and to allow Bagrépôle, the implementing agency, to carry out certain activities originally assigned to *Société Nationale d'électricité du Burkina* (National Electric Corporation of Burkina Faso, SONABEL), the state-owned company in charge of electricity in Burkina Faso.

11. **The Bagré Growth Pole Project had been a slow-disbursing project until the mid-term review (MTR) in November 2015; however, disbursements have significantly accelerated since the MTR when a specific set of action points was agreed upon.** Whereas the disbursement rate was 28 percent in October 2015, the disbursement rate just 10 months later was 45 percent and currently stands at 82 percent. Significantly, the Government released, after some delay, counterpart funding of US\$4 million for compensation and resettlement of the project-affected persons (PAPs) in May 2016. The project has also made good progress in constructing the irrigation canals that are necessary for the private sector to produce on irrigated lands. As of February 15, 2018, all the primary irrigation canals have been completed and the important milestone of releasing water into the primary canals was attained in October 2017. All irrigation works are on track to be completed by the end of May 2018. The project has also been responsible for building a commercial center, a fish market for women entrepreneurs, a livestock market, a one-stop shop, and a rice conversion facility for a women's cooperative.

12. **Land rights review and dam safety under the original project.** The original project contemplated activities in support of persons displaced or adversely affected by the construction of the Bagré Dam and irrigation schemes before the project and taking measures to ensure the proper management and safety of the Bagré Dam and of the operation and maintenance of the power station associated with the dam. It has, however, proven to be much more complex than originally anticipated to identify actual individuals, given (a) the time that has transpired between the original resettlement and the design of the project (for example, it was not possible to identify exactly who was resettled in the 1990s due to the construction of the dam); (b) the lack of any existing files, either electronic or physical, with the client or with the World Bank on individuals affected by the dam construction and previous irrigation projects; and (c) the constant flux of people moving in and out of the area in the decades following the dam construction and previous irrigation works.

13. **This conclusion was supported by an audit, which included community consultations, which was carried out and published through the InfoShop** (February 15, 2016, No. IPP 720)

to identify persons affected by the construction of the Bagré Dam (1992–1993) and irrigation schemes before the project (2004–2007), neither of which were World Bank projects. The original Project Appraisal Document (PAD) anticipated identifying the people who had been affected (displaced or lost land for cultivation) by the original dam and reservoir construction and determining if they had been properly compensated by means of this audit. Hence, the audit report and World Bank safeguard specialists considered that it was more appropriate to address any lingering grievances associated with the dam (as well as any other grievances in the area) through the implementation of community projects, a process which was started immediately and is currently ongoing<sup>1</sup>. An Action Plan agreed with the Recipient refers to these community projects and is made legally binding by cross-reference in the Legal Agreement.

**14. For dam safety, a Bagré Dam Management Agreement between the implementing agencies and SONABEL was signed on October 25, 2011.** The carrying out of a dam safety study of inundation risk which includes emergency plan and on-site emergency training, has been significantly delayed. The delays have resulted from a variety of factors, including (i) a low initial estimate of what the study would cost which caused a lack of interest from companies bidding for the work when the first two requests for proposal were launched (more funds were subsequently allocated to the study); and (ii) the recommendation of the World Bank water experts to conduct a study of the silting and quantity of water in the reservoir at Bagre Dam before launching the Resettlement Policy Framework (RPF) for the dam safety study, both of which have been completed with the RPF released publicly on January 20, 2017. These interim studies had not originally been anticipated, but enhanced the rigor of the dam safety analysis. Unfortunately, they were also factors in the delay of beginning the dam safety study. The silting and quantity of water study have since been completed and the dam safety study has been contracted out and commenced. Bagrépôle has legally committed to completing the dam safety study by end April 2018.

**15. The project is on track to achieve its current PDO outcomes: to increase agricultural production as originally projected and to create the number of jobs and the level of investment targeted through the original PDO indicators.** Both Implementation Progress (IP)<sup>2</sup> and Development Objective (DO) ratings were upgraded to ‘Moderately Satisfactory’ with the ISR of July 2016 and have been maintained at that level to the present. With respect to the PDO indicators, to date, the project has been responsible for attracting US\$24.85 million of new investments as a result of project assistance to companies for completing business plans, completing forms requesting credit from financial institutions, and negotiating with banks. It has likewise been responsible for creating more than 25,000 new jobs and fostering the establishment of more than 167 new enterprises in the project area for the agricultural value chain. The matching

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<sup>1</sup> The figures from the audit report, Page 9—320 households were displaced and 3,438 households were not displaced but lost some of the land that they were cultivating—are total numbers obtained from the census (*Recensement General de la Population et de l’Habitation*) of 2006 and there is no additional information available on individuals. Furthermore, neither the auditors nor the Bagrépôle Project Implementation Unit (PIU) was able to locate any specific information to verify the identity of or validate the number of 618 dam-related PAPs cited in the PAD for the original project. There are no individuals who have been able to produce any written information on compensation they may have received from the original dam and reservoir construction. Finally, it has been impossible to distinguish between people who have migrated to the area since dam construction and those who were already in the area when the dam and reservoir were constructed.

<sup>2</sup> Implementation progress.

grants component has benefitted more than 900 small and medium enterprises (SMEs) and because of project activities, the number of new private service providers now totals 97. The grants have been successful in building relationships between business development services and firms in the project area. The project has also made modest gains in agricultural productivity, although much more will be expected through the AF.

16. **However, there is a risk that without AF, project achievements would not be sustainable and transformational** in the sense of being able to attract private sector investments, especially foreign direct investment, for structural change to transform basic agricultural products and to make the Bagré of Burkina Faso more competitive in the regional context. Among other conditions, private investments require a reliable electric power network than the existing one in the project geographical area as well as roads to access markets.

17. **With the cost overruns on the irrigation canals, there was no further budget for the electric power and roads infrastructure under the original financing.** In the absence of the electric power and roads infrastructure and greatly enhanced efforts for investment promotion, Bagré is not yet well-equipped to attract this kind of transformational investment.

18. **Challenges in attracting private investment to Bagré remain, namely a lack of clear vision and strategy for investment promotion.** An Investment Forum in 2013 saw the attendance of over 700 potential investors, both foreign and local. Over the following two years, the list was prioritized and a short list of 108 investors was identified to receive the concentration of the investment promotion efforts and land allocations.<sup>3</sup> In January 2016, the International Finance Corporation (IFC) completed a survey of these 108 investors after more than a year during which the companies had received little communication or update from the Government, although more recently communication with these investors has improved. All have received notice of a preliminary allocation of land in the project area, and Bagrépôle and the *Maison de l'Entreprise du Burkina Faso* (Burkina Faso Business Association, MEBF) have had regular follow-up events to apprise them of the latest developments. However, the engagement with the private sector is not systematic, and Bagrépôle lacks either an adequate client relationship management system or an overall strategy for investor outreach. Furthermore, collaboration among the organizations in Burkina Faso that conduct investment promotion activities (Bagrépôle, MEBF, *Agence de Promotion des Investissements du Burkina Faso* [Investment Promotion Agency of Burkina Faso, API-BF]) is weak, and there is little coordination of their collective vision for target investors and sectors.

19. **API-BF has limited capacity and resources.** Established in August 2013, API-BF is the national entity responsible for promoting the private sector investment, both national and foreign. Key sectors for promotion are agribusiness, energy, hotels and tourism, health, education, and mining. API-BF has suitable offices to carry out its mandate and is staffing up to obtain the human resources needed to implement its mission. However, capacity at API-BF is still weak, and its experience with investment promotion is still in the incipient stages. Both implementing agencies

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<sup>3</sup> About 71 percent of these investors were individual farmers or enterprises and 19 percent companies with the rest consisting of nongovernmental organizations (NGOs) and associations. Twenty-eight of the abovementioned 108 investors were interested in investments in plots of 90–2,500 ha and 80 were interested in plots of 5–50 ha. Over 83 percent were interested in agricultural activities with the rest expressing interest in industry, trade, and services. Women made up close to 16 percent of these 108 investors.

of the Bagré Growth Pole Project, Bagrépôle and the MEBF, have a much broader experience in interacting with the private sector, and as they continue to have an investment promotion function in attracting the private sector to the Bagré region, it is vital for the two organizations, Bagrépôle and API-BF, to work in tandem. Given API-BF's mandate, it will be taking the technical lead on all investment promotion activities going forward.

**20. Other factors have been cited for the reluctance or even inability of the private sector to invest in the project area, including the following:**

- Delays with irrigation canal construction (and hence parceling and allocating of available irrigated land has been impossible to date).
- Inadequate road access and electric power.
- Lack of clear qualifying processes for the land.
- Weak value chain auxiliary services and inputs that must be enhanced through the matching grants program.

**21. The effectiveness of the project has sometimes been questioned as to why a US\$50 million financing is only projected to lead to a total of US\$32 million of new private sector investment and the creation of 33,000 jobs by the AF project end.** The question of effectiveness has to do both with Bagrépôle's value as a stand-alone project as well as its future transformational potential. As a stand-alone project, the metrics are not only about jobs and investment but also about creating an agricultural value chain in the southern part of the country where little currently exists. This includes providing the means for new agribusiness firms to be established, especially private service providers, through the matching grants and cash grants activities. Establishing a land titling mechanism for the private sector, a process which began under the original project and will be expanded under the AF, will also be needed to attract private companies, SMEs at first. Approximately seventy new SMEs will be able to locate in the Bagré project area once the Rive Gauche (under this project) and the Rive Droite (under the AfDB) have been irrigated. Integrating these into the value chain, providing a strong land titling mechanism for the Bagré region, diversifying the production base and dependence away from rice and toward other products such as onions, soy, sesame, corn, bananas, papaya, sunflowers and other products, and the construction of a much larger electric power and road network will positively impact the entire southern region of the country with Bagré as its hub.

**Yet Bagrépôle has significant future transformational potential for the entire country.** Burkina Faso has prioritized its growth poles as a major engine of economic growth with a total of 15 identified. However, these growth poles have not been successful and there are no successful models on which to base their growth pole initiative. Bagré is poised to be that model of success they so desperately need in bringing any investment to the area and demonstrate how a complex project can be phased, streamlined, rationalized and made feasible and replicated in other country contexts. Hence, while in strict number terms, the impact might appear to be less-than-expected for a project of this size, the transformational potential for the entire private sector in Burkina Faso, the potential impacts on the agricultural value chain in the Bagré area, and the model replicability not only in Burkina Faso but also in the entire West Africa region strongly recommend this project beyond the immediate impacts. Furthermore, the project team will work with the Government counterparts in approaches for attracting private investment to the project area above and beyond the current targets.



### Box 1. Lessons Learned from the Bagré Growth Pole Project

This AF will incorporate lessons learned from the original project, among which are the following:

- **Growth pole projects should be streamlined and sequenced.** The complexity of the original project was a factor for the major delays experienced. There were also some sequencing challenges, such as mobilizing the construction companies for the irrigation canals months before the supervision company was on board (this problem has since been rectified). This AF seeks to maintain the project as lean and manageable as possible in (a) sequencing and phasing the construction of infrastructure (that is, first irrigation canals and then roads and electric power) and (b) by concentrating on achieving success in the current geographic areas of project intervention, notably the Rive Gauche and Rive Droite, rather than branching out to the new *Chenale Nord et Est* (Northern and Eastern Canal, CNE) area.
- **Growth pole projects are not ‘silver bullets’.** The abovementioned original complexity of the project may have been based on the philosophy that growth poles can solve a broad range of development challenges. While the original project has not been able to resolve the challenges, it has demonstrated what growth pole projects all over the world have demonstrated that a growth pole should only concentrate on two to three key challenges in a designated geographic area and there is no ‘silver bullet’ of development that can solve all challenges with a single project, especially within 5–7 years.
- **Attracting private sector investment to a greenfield project is a long-term prospect.** The original expectations for the Bagré project related to (a) the time it would take and (b) the interventions that were required to realize new private investments were unrealistic. The proposed AF’s design and projections are based on renewed and rigorous analysis and the preparation has included extensive consultations with the private sector. Even with the activities programmed, the private sector is not expected to begin to respond until the midpoint of the AF, almost 7–8 years from original project effectiveness, despite Bagrépôle’s efforts to engage and inform them through events, calls, e-newsletters, and so on.
- **The importance of IFC expertise with private sector involvement and investment promotion.** Including IFC in the team as an essential partner has also significantly enhanced the project’s ability to understand and respond to private sector drivers. IFC has been extensively involved in the project design and especially in the engagement with the investors and financed the important 2016 survey/study of the 108 identified investors to identify issues and constraints, all of which have been considered in the AF project design.
- **‘South-South learning’ is vital to replicating what works elsewhere.** One key project challenge has been orienting future users of the irrigation canals and the implementing agencies on how to cover maintenance costs of infrastructure on an ongoing basis and how to allocate land to users. A study tour to Senegal in September 2016, of both implementing agency staff as well as the most important and influential end users of irrigated lands, was an important milestone in demonstrating a successful model in a similar country context in the region. Another example has been leveraging the communities that have been successfully resettled, such as Bire, as a learning field for the communities to be resettled in the future with learning visits from the new communities to Bire taking place on a regular basis.
- **Matching grants.** This scheme has not only been a powerful instrument in supporting activities of SMEs, smallholders, and their professional associations, but it has also served as a social mitigation tool that has contributed to the buy-in of the population for the Bagré Growth Pole Project. There are three important additional lessons learned: (a) the beneficiary businesses and smallholders are so credit-constrained that subsidies should provide cash as well as funds for services; (b) certain weaknesses of the monitoring and evaluation (M&E) system with adequate staffing have presented challenges with quantifying with complete accuracy the impact of the grants scheme in employment creation and survival and growth of the Recipient businesses and smallholders; and (c) the communication on the grant scheme with the beneficiaries should not only emphasize the implementing agency (MEBF) but also make clear that the grant is offered under the framework of the Bagré Growth Pole Project, in which case the matching grant could better improve the buy-in of the population for the entire project. The AF will address all these identified needs from the original matching grants program (see Component 3 description for a plan on how these will be addressed).
- **Crises management.** In the course of the two years running up to the AF preparation, the project experienced several crises including two fatal accidents at the site of the project, the discovery that the

client had delayed compliance with agreed actions of the legal covenants, negative publicity, and a building that was constructed under the project as an ineligible expense. The project team chose in each instance to tackle the crisis directly, communicate transparently to both internal and external stakeholders, and coordinate closely with the Country Management Unit (CMU) and the Government clients to carefully craft responses and design a course of action for each crisis. Management at the highest levels was informed of the worst crises and was involved at the earliest stages of the process as partners in responding. Responses to each crisis were proportional to the severity of the crisis, and our communications colleagues were involved from the outset. For example, the client's decision to publish a newspaper article responding to a previous negative one was handled in a measured and appropriate manner. The response to the two workers accidents was a much more aggressive completion of a worker safety and health audit in record time and organization of at least a dozen trips to the field to ensure that the recommendations from the audit were being implemented.

- **A strong engagement on the part of the Government, technical partners, and financiers.** To justify the choices made, mobilize resources and prioritize the allocation of resources, the commitment of the Government in the implementation of the project has been a determinant of success or failure. This commitment has translated into the mobilization of the national counterpart for compensation for PAPs and additional financial resources with other technical and financial partners. Effective Government involvement in the project through the organization of the sessions of the National Growth Pole Steering Committee and the contribution of the various ministerial departments implicated in the implementation of the activities of the project also constitute lessons for projects of this size.
- **The diagnostic studies should be conducted pre-implementation for similar projects.** Reports such as for the economic conditions in the concentration zone, census of the population at the work sites concerned, and other studies should be conducted pre-implementation. In this way, the project can avoid delays and low disbursement rates. Indeed, at the start of the project, the time required to conduct these studies was not well considered in the phasing of the project.
- **Establishment of a hospitable business climate in the intervention area.** Investor attraction in the project area is made possible through facilitation, improved business climate, and incentives provided by the project area to the benefit of investors both during the investment phase and during the exploitation phase. The start-up of Bagré's one-stop shop will reduce the processing time for start-up files and the simplification of business licenses. Without these favorable conditions, the private sector will not invest in the project area in a massive way nor indeed has it yet.

22. **To further enhance the ability of the project to support private sector job creation, the World Bank's Jobs Group (Cross-Cutting Solution Area or 'CCSA'; SPL&J Global Practice [GP]) and Finance, Competitiveness, Innovation (FCI) GP have obtained additional project funding from the Let's Work Multi-Donor Trust Fund (MDTF) for randomized controlled trials (RCT) to test and compare matching grants and cash grants interventions for job creation by SMEs working in agribusiness in the Bagré project area. The interventions will complement the existing matching grants component of the Bagré Growth Pole Project with alternative financial interventions to determine which approach is best suited for job creation. The findings of the evaluation will help the design of SME interventions in the Bagré Growth Pole Project AF. The additional funds acquired for the RCT amount to US\$230,000.**

### **Rationale for the Proposed AF**

23. **Many of the private sector constraints in the agriculture and agribusiness sectors still exist.** Burkina Faso's private sector is small, and the country struggles with creating jobs for a rapidly growing population. In line with other countries in the region, economic transition toward higher-value added industries such as manufacturing and services is low, resulting in low worker productivity and relegating an increasing number of people to subsistence agriculture for survival. This is not a sustainable trajectory for the country. The alternative is to encourage and

accommodate modern, sophisticated businesses, particularly in agribusiness, which can partner with less capable ones, and increase productivity and exports. To achieve this, investments in infrastructure are needed to lower operating costs. Public sector entities that interface with the private sector need to be strengthened and optimized, as well as regulatory frameworks for businesses. The rules of the game must be clarified, and the rights and responsibilities of the public and private sectors need to be enforced properly and efficiently to lower investment risk. Furthermore, investments in human capital, particularly in education and training, and also in information and communication technology (ICT) infrastructure are needed to overcome deficits in access to information and knowledge that put Burkina Faso's business people at a disadvantage.

24. **A theory of change for the project demonstrates how project activities under the AF will lead to the desired outcomes and impacts** (see Annex 6). For example, where the Bagré area has traditionally been an isolated area with poor access to markets and infrastructure, the construction of roads and electric power as an AF activity will lead to improved infrastructure and access to markets (intermediate outcome), which should facilitate increases in private investment (outcome) and ultimately lead to growth, job creation, and rising incomes (impacts).

25. **From this perspective, despite all its successes so far, there is a risk that without the AF, project achievements would not be sustainable and transformational in the sense of being able to attract investors**, both national and foreign, both producers and processors. Structural change is needed to make the Bagré region of Burkina Faso more competitive in the regional context. Under the original project, cost overruns for the construction of the irrigation canals had consumed the funds initially allocated for electricity, rural roads, and the diagnostics for a possible industrial park for the transformation and value added of basic agricultural products. Institutional capacity building, especially for an effective investment promotion strategy, has only partially been accomplished. In the absence of these things, Bagré will not be well-equipped to attract transformational private investment. The AF will cover costs of electricity, roads, and the diagnostics for an industrial park for agricultural transformation in the project area, which have not been completed under the existing credit because of cost overruns for the construction of irrigation canals. In addition, certain existing activities will be scaled up through the AF. These include investment promotion systems, investment climate, support to value chains in the project area, and land tenure pilots, which were not sufficient under the original project to be able to attract a critical mass of private investment to the project area.

26. **Furthermore, given that SMEs currently constitute the largest share of potential investors, there is also a need for SME development through a continuation and expansion of the SME support program.** SMEs often have basic needs such as a detailed business plan; a favorable business environment; or access to finance, inputs, and market information. The matching grants program under the original financing has so far been the primary vehicle for supporting SME growth within the project by providing activity-specific training, training in business management, accounting, marketing and quality management, and should continue with an expanded and further refined scope. Under the AF, a new cash grants program will run parallel to the matching grants activity and will complement and strengthen the SME development interventions of the project, as well as other SME support for training and links with larger anchor companies.

27. **The Jobs Group is currently conducting a cross-cutting jobs diagnostic in Burkina Faso involving multiple GPs and the CMU (The Jobs Agenda in Burkina Faso; FY16–17).** The diagnostic outputs that also involve a focused analysis on agriculture and a value chain and jobs survey will provide an important analytical contribution to the FCI work going forward. The FCI GP has been engaged with the Jobs Group in the jobs diagnostic effort since the beginning of the project and will feed the outputs into the AF design. Findings of the jobs diagnostic show that promoting economic diversification within agriculture and off-farm employment are critical challenges to economic growth and poverty reduction and to improved performance of the farming sector. The jobs diagnostic also confirms that Burkina Faso’s institutions and business regulations need to provide a dynamic environment to achieve growth and more productive jobs particularly outside of agriculture. These initial findings have obvious implications for the AF, which includes diversification and transformation of basic agricultural products, off-farm employment in the value chain, and significant investment climate improvements.

28. **As an alternative to the AF, the project team considered developing a new project that would not be limited to the Bagré region** but would perform diagnostics on the prime value chains in the entire country. However, the need for the additional infrastructure to be able to attract the private sector to the project area is urgent and an AF was more suitable for the additional infrastructure and activities. Also, a countrywide program is still out of the reach of local capacity and Bagré can serve as a valuable growth pole pilot project if results are achieved. Given Burkina Faso’s ambitious growth pole strategy with a National Growth Pole Policy and Steering Committee and the fact that Bagré is the first of these growth poles, the GoBF and World Bank agree that concentrating resources to ensure success with Bagrépôle is the correct approach and will provide the country with a model to replicate.

29. **The multi-GP approach with a task team leader function under FCI will continue to be taken under the AF as it was in the original project.** The primary objective of the project is to maximize private sector investment and to do so by integrating irrigation, electric power, roads, agricultural value chains, and land management. Since the private sector attraction lens drives all aspects of the project, FCI plays a major role in maintaining the focus on the optimal combination of infrastructure and services that will create excellent operating conditions for the private sector. This multi-GP approach has worked well under the original Bagre Project as the Water GP played a large role in ensuring the completion of the irrigation canals with a high quality of work, and the organization of the water user associations. The Agriculture GP has given major inputs into the product mix to target in the region. Now, given this experience in leading a phased multi-GP project, the same approach will be taken with the Energy and Extractives and Electric Power and Transport GPs for the electric power and roads components, respectively.

### **Institutional or Capacity Issues**

30. **Bagrépôle will take the lead on implementing critical infrastructure and the MEBF will complement the matching grants component and certain aspects of SME development.** Bagrépôle is a mixed public-private entity with goals tailored specifically to implementing the Bagré Growth Pole Project as expressed within its Articles of Incorporation. It is legally recognized as the successor to the *Maitrise d’Ouvrage de Bagré* (Bagre Implementing Agency, MOB), the primary implementing agency of the original project, and has legally assumed various assets and commitments to this effect. Nonetheless, an amendment will be processed to clarify

Bagrépôle's project role in assuming responsibilities from the MOB. Bagrépôle was established in 2012 through Decree No. 2012-1009/PM/PRES/MEF/MAH/MICA through the adoption of the statutes of *Société d'Economie Mixte Bagrépôle* and is headed by a President who serves as the *Président du Conseil d'Administration* (Chairman of the Board of Directors, PCA). The Board serves as Bagrépôle's executive body while a General Director carries out several technical and management functions. The Board maintains control and oversight over the General Director's scope of duties. The project's other primary implementing agency, the MEBF, was created through Loi No. 10-92-ADP and made a public utility in 2010 through Decree No. 2010-180/PRES/PM/MATD/MEF. The MEBF serves as a private sector support organization helping to facilitate services and instruments necessary to promote private sector investment. The MEBF was a primary implementing agency of the original project and has already signed a Project Agreement and Subsidiary Agreement to this effect.

31. **Client/PIU capacity is acceptable.** Despite certain challenges with the M&E framework, a group of 13 extension agents have been engaged by the MEBF to measure results in new enterprise start-ups and job creation on a quarterly basis, and good management of the matching grants activity has resulted in more than US\$8 million of grants being disbursed to more than 900 SMEs and a completed design for the new cash grants program. With regard to Bagrépôle, personnel with acceptable capacity in finance, procurement, engineering, social safeguards, and project management are in place, and the agency is adding new capacity in key areas such as environmental safeguards and investment promotion. Among the results which Bagrépôle's project management has achieved are completion of 19 km of primary canals and an advanced stage in secondary and tertiary canal construction. Hence, both implementing agencies are deemed to be sufficiently performing to continue as the executing agencies for the AF. The project team makes recommendations for enhancing the team from time to time and both implementing agencies have responded accordingly. For example, the project team recently recommended that Bagrépôle hire a dedicated environmental specialist to ensure that worker safety and health and environmental issues are taken seriously by the two construction companies. The recruitment is under way and the new specialist is projected to be on board by end March 2018. To ensure that the safeguard instruments will be implemented properly, the environmental safeguard specialist must have additional experience in Environmental Health and Safety (EHS)/ Occupational Health and Safety (OHS) and the social safeguards specialist in Gender-based Violence (GBV), Social inclusion and any labor related risk. Both specialists will be fully in charge of all aspects of environmental and social safeguards aspects and will regularly monitor all safeguard requirements. More specifically, the specialists, the whole PCU, the implementing agencies as well as the other stakeholders will ensure that children are not employed on the sites during the civil works or within irrigation schemes as labor.

32. **The AF will further strengthen the institutions implementation arrangements for the project.** By the end of the AF, the country will have an effective, active, and automated investment promotion program functioning, with API-BF taking the lead and coordinating the investment promotion efforts of other agencies in Burkina Faso who participated in investment promotion. Bagrépôle will have experience with issuing land titles and will have a streamlined process in place for doing so. As a result of ongoing project team support, the procurement function of both Bagrépôle and the MEBF will be considerably stronger and able to apply strong procurement principles to increasingly complex activities in the project area. Finally, the MEBF will be more agile in responding to the needs of the private sector in fostering an effective value chain.

33. **With the implementation of the New Procurement Framework effective since July 1, 2016, and as approved by the Chief Procurement Officer, the procurement activities for the proposed AF will be carried out in accordance with older guidelines:** Guidelines of Procurement of Goods, Works and Non-Consulting Services and Guidelines of Selection and Employment of Consultants under IBRD Loans and IDA & Grants, January 2011, revised July 2014. The client prepared a Procurement Plan which was approved during negotiations, including all contracts for which procurement action is to take place in the first 18 months of AF implementation.

### **Strategic Alignment**

34. **The proposed AF activities and restructuring are consistent with the current *Plan National de développement économique et social* (National Plan for Economic and Social Development, PNDES) 2016–2020.** The support for entrepreneurship in agriculture and agro-processing, investment promotion, and industrial park development in the project area will directly contribute to the PNDES impact indicators of improving ‘incidence of rural poverty’, ‘contribution of manufacturing to the gross domestic product (GDP)’ and ‘exports’, and ‘average number of productive jobs created per year’. This support will also contribute directly to the PNDES Pillar 3 ‘Make key sectors more dynamic for the economy and jobs’.

35. **The project also supports the Country Partnership Framework (CPF) under preparation for the period from 2018 – 2021 in the following ways:** Contribution to Pathway 1, “Create productive jobs for rapidly growing population” by implementing a cash grants and matching grants program to create jobs in SMEs; Pathway 3, “Reduce vulnerability” by providing year-round employment with benefits to the area.

36. **The Growth Pole Project AF will directly address all three of the objectives under Focus Area 1, in that** (a) activities under the AF will foster private investment and job creation, especially through the allocation of irrigated land to the private sector and the cash transfer activity; (b) the activities of the AF will be funding infrastructure (roads and electric power) and seek to make them more sustainable by finding private sector partners to manage the projects; and (c) the project will include an investment climate improvement component aimed at enhancing the business climate in the project area.

37. **In addition, the Policy for Growth Poles for Burkina Faso,<sup>4</sup> adopted in June 2016 with technical support from the World Bank, formalized the development of growth poles as a strategic mechanism of regional economic growth in the country.** The Bagré Growth Pole Project is a priority for the country and the Government supports allocating sufficient resources to ensure success with this project, before supporting the other five growth pole projects. However, since the inception of the Bagré Project, both the GoBF and the World Bank have scaled down their expectations of growth poles, given that they have not delivered on their promise of broad development in the geographic area, at least partially due to their complexity and demanding management requirements. The current AF seeks to moderate expectations and design a more streamlined growth pole project that can be replicated.

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<sup>4</sup> *La Politique Nationale de Promotion des Pôles de croissance [the National Policy on the Promotion of Growth Poles]*

## Analytical Underpinnings for the AF

38. **Given that the existing Bagré Growth Pole Project was prepared and designed in 2011, the project team has updated original documents and has conducted further analysis to ensure that the AF project design is consistent with current conditions and incorporates the lessons learned.** Fortunately, the project has a recent master plan (*Plan Directeur*) for the Bagré Growth Pole region completed in 2014, which lays out the development of the area from an integrated perspective, considering infrastructure and services.

39. **In addition, the following analyses have been incorporated into the design of this AF:**

- A review and update of the original safeguards framework documents (Environmental and Social Management Framework [ESMF], Pest Management Plan [PMP], Resettlement Policy Framework [RPF]) conducted in November 2016 (updates were uploaded to the InfoShop on January 20, 2017).
- **GBV Risks:** Prominent GBV risks in the project target areas include Intimate Partner Violence (IPV), public harassment including harassment, verbal insults, physical abuse; rape; harmful widowhood practices and women and child trafficking. Development and implementation of specific GBV risk prevention and mitigation strategies, tailored to local contexts, will be critical. Guidelines for situation analysis of GBV and safe reporting guidelines in line with international best practices will be implemented.
- Private sector sessions findings and a demand survey completed between October 2016 and the present time among more than 150 private companies and project beneficiaries to validate the design of the AF.
- An economic analysis from July 2017 to determine the best combination of infrastructure that would lead to the desired level of new private investment which also relied heavily on a survey among the 108 companies that are on Bagrepole's list to receive land. This study determined that the electric power and roads to be constructed are necessary to attracting the private sector.
- The two-year jobs diagnostic being carried out by the Jobs Group (CCSA), which will determine which agriculture sectors have potential for job creation.
- A completion report with final recommendations (November 2016) from a consulting company, which did extensive analysis of the agribusiness sector in 2013–2015.

40. During the third and fourth quarters of FY18, the client will also be carrying out diagnostic studies on the roads and electric power component and incorporating the findings of the studies into tendering documents for obtaining the services to construct roads and electric power plants.

41. **Further diagnostics will be carried out, as needed, during the life of the AF.** These may include updating of safeguards documents tied to specific geographical areas, further value

chain and sector analyses, technical studies related to the infrastructure, investment attraction, and a review of the legal framework for land titles and leases.

### III. Proposed Changes to the Original Project through Third Level I Restructuring

Summary of Proposed Changes	
The AF will change (a) the PDO; (b) the Results Framework; (c) cover costs of electricity, roads, and the diagnostics for an industrial park for agricultural transformation in the project area, which have not been completed under the existing credit as a result of cost overruns for the construction of irrigation canals; (d) scaling up of existing activities such as establishing effective investment promotion systems, improving the investment climate, and providing additional support to value chains in the project area and land tenure pilots; (e) extension of the closing date; and (f) reallocation of funds.	
Change in Implementing Agency	Yes [ ] No [ X ]
Change in Project's Development Objectives	Yes [ X ] No [ ]
Change in Results Framework	Yes [ X ] No [ ]
Change in Safeguard Policies Triggered	Yes [ ] No [ X ]
Change of EA category	Yes [ ] No [ X ]
Other Changes to Safeguards	Yes [ ] No [ X ]
Change in Legal Covenants	Yes [ ] No [ X ]
Change in Loan Closing Date(s)	Yes [ X ] No [ ]
Cancellations Proposed	Yes [ ] No [ X ]
Change in Disbursement Arrangements	Yes [ ] No [ X ]
Reallocation between Disbursement Categories	Yes [ ] No [ X ]
Change in Disbursement Estimates	Yes [ X ] No [ ]
Change to Components and Cost	Yes [ X ] No [ ]
Change in Institutional Arrangements	Yes [ X ] No [ ]
Change in Financial Management	Yes [ ] No [ X ]
Change in Procurement	Yes [ ] No [ X ]
Change in Implementation Schedule	Yes [ X ] No [ ]
Other Change(s)	Yes [ ] No [ X ]



Development Objective/Results						
Project’s Development Objectives						
Original PDO						
The original PDO is to contribute to increased economic activity in the Project Area, resulting in an increase in private investment, employment generation, and agricultural production.						
Change in Project's Development Objectives						
Explanation:						
The PDO is being changed largely to streamline objectives and to demonstrate that project interventions have a direct impact on each of the three objectives and not necessarily through ‘increased economic activity’, which may, for example, have no direct impact on agricultural production.						
Proposed New PDO - Additional Financing (AF)						
Revision of initial PDO. The proposed new PDO would be to increase private investment, employment generation, and agricultural production in the Project Area.						
The assumption is that increased economic activity will be a result of both improved infrastructure for irrigation contributing to more successful agriculture (financed mainly under the original project) and increased private investments in the Bagré region incentivized by rehabilitated feeder roads, access to electricity and water supply, and increased opportunities for SMEs and targeted investment promotion activities. All of the above are covered by project activities. A further assumption is that increased economic activity in the Bagré region will lead to increased job creation in the area and that the labor intensity of the supported agribusiness activities is relatively high.						
Change in Results Framework						
Explanation:						
New intermediate outcome indicators (IOIs) will be added to measure results for the roads and electric power to be funded by the AF as well as to add citizen engagement indicators: ‘Length of roads constructed (both paved and unpaved - km)’; ‘transmission lines constructed or rehabilitated under the project’; ‘number of feasibility studies/site assessments for the industrial park’; ‘beneficiaries satisfied with the quality of roads constructed in the Project Area’ (%); ‘changes to the matching grants / cash transfers activity as a result of consultations (Yes/No)’. Given the extension of the closing date, new higher project-end targets have been established for PDO indicators ‘value of investment flows’ and ‘number of jobs created’ and for IOIs ‘number of agribusiness firms having signed an agreement committing to invest in an area of at least 5 ha’, ‘number of enterprises established’, ‘hectares of land allocated with land title or under a lease’, ‘number of proposals financed by the matching grants and cash grants fund’, and ‘number of private service providers operating in Bagré’.						
Compliance						
Covenants - Additional Financing (Burkina Faso - Bagré Growth Pole Project Additional Financing - P161234)						
Source of Funds	Finance Agreement Reference	Description of Covenants	Date Due	Recurrent	Frequency	Action
IDA	Land Rights Review. Schedule 2,	Recipient to carry out, under terms of reference acceptable to the Association,	November 30, 2018	<input type="checkbox"/>		New

	<p>Section I, E,4(a) of the FA.</p>	<p>and furnish to the Association, a study to: (a) identify all persons displaced or adversely affected by the irrigation activities of this project; (b) confirm the implementation of compensation (including land) provided to such persons as a result of such displacement or adverse effects; (c) determine whether such persons have any outstanding grievances; (d) recommend measures to resolve any such grievances and to ensure the adequacy of the current land tenure arrangements of such persons, including transferring full ownership to them of such land or suitable equivalent alternative land, together with a time-bound action plan for the implementation of such measures; and (e) ensure the adequacy of community activities for persons currently residing within the project area who were displaced or adversely affected by the construction of the Bagré Dam or by other irrigation activities before the</p>				
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		date of this Financing Agreement.				
IDA	<b>Dam Safety.</b> Schedule 2, Section I, F, 1(a) of the FA.	Recipient to carry out study related to dam safety or to cause Bagrepole to (a) carry out a study of risks of inundation and related potential uncontrolled release of water from Bagre Dam; (b) prepare an updated operation and maintenance plan and emergency preparedness plan for the Bagre Dam based on the results of the study in (a); (c) furnish the study in (a) to the Association for review; (d) adopt and implement plan considering the Association's view; (e) establish an emergency committee with mandate, composition, and resources acceptable to the Association to be responsible for implementation; and (f) carry out an on-site training program for the members of said committee and National Electrotechnical Committee (NEC) staff on the implementation for the dam and maintenance emergency preparedness plans	November 30, 2018	<input type="checkbox"/>		New

		referenced in (d). Recipient must engage dam safety specialists.				
IDA	<b>Dam Inspection.</b> Schedule 2, Section I, F,1(b) of the FA.	Under an agreement to be concluded between the Recipient, Bagrépôle, and NEC (“New Bagré Dam Management Agreement”), ensure that Bagrépôle carries out a safety inspection of the Bagré Dam at intervals of not less than once every two years during the implementation of the project, by independent experts whose terms of reference, qualifications, and experience shall be satisfactory to the Association (the first of said safety inspections to be carried out not later than August 30, 2018, and the second of which to be carried out not later than August 30, 2020).	August 30, 2018 August 30, 2020			New
<b>Conditions</b>						
<b>Source of Fund</b>		<b>Name</b>			<b>Type</b>	
IDA		Subsidiary Agreements, Article V, 5.01 (a) of the FA.			Effectiveness	
<b>Description of Condition</b>						
The Subsidiary Agreements have been executed on behalf of Recipient and each respective Project Implementing Entity in accordance with the provisions of Section I.B of Schedule 2 of the Financing Agreement and Safeguard Implementation Agreement has been executed on behalf of the parties thereto, in accordance with the provisions of Section I.E(3). Schedule 2 of the Financing Agreement.						

Source of Fund	Name	Type
IDA	Project Implementation Manual, Article V, 5.01 (b) of the FA.	Effectiveness
Description of Condition		
The Recipient has adopted the updated Project Implementation Manual in accordance with the provisions of Section I.A(2) of Schedule 2 of the Financing Agreement.		
Source of Fund	Name	Type
IDA	Additional Legal Matter on subsidiary agreements, Article V, 5.02 of the FA.	Effectiveness
Description of Condition		
The Subsidiary Agreements have been duly authorized or ratified by all parties to the agreements and are legally binding upon said parties in accordance with their respective terms.		
Source of Fund	Name	Type
IDA	Matching Grants and Cash Grants, Schedule 2, Section IV, 2(b) of the FA.	Disbursement
Description of Condition		
No withdrawal shall be made under Category 2(b) for Matching Grants and Cash Transfers until (i) BFBA has entered into agreements with financial intermediaries referred to in Schedule 2, Section I.G of this Financing Agreement, in manner acceptable to the Association; and (ii) the funds under Category 2(b) of the table under Section IV of Schedule 2 to the Original Financing Agreement have been fully disbursed.		
Risk		
Risk Category		Rating (H, S, M, L)
1. Political and Governance		M
2. Macroeconomic		M
3. Sector Strategies and Policies		L
4. Technical Design of Project or Program		L
5. Institutional Capacity for Implementation and Sustainability		L
6. Fiduciary		H
7. Environment and Social		S
8. Stakeholders		L
9. Other		
OVERALL		M
Finance		
Loan Closing Date - Additional Financing (Burkina Faso - Bagré Growth Pole Project Additional Financing - P161234)		
Source of Funds	Proposed Additional Financing Loan Closing Date	
IDA	November 30, 2020	
Loan Closing Date(s) - Parent (Burkina Faso - Bagré Growth Pole Project - P119662)		
Explanation:		
Loan closing date was extended to November 30, 2018, under the restructuring of the original project. The AF will be for a two-and-a-half-year period from November 30, 2018 (current closing date) to November 30,		

2020 to accomplish the necessary construction of roads and electricity and begin to see a positive reaction on the part of private investors to the enhanced infrastructure of the project.

<b>Ln/Cr/TF</b>	<b>Status</b>	<b>Original Closing Date</b>	<b>Current Closing Date</b>	<b>Proposed Closing Date</b>	<b>Previous Closing Date(s)</b>
IDA-H7270	Effective	30-Sep-2017	30-Nov-2018	30-Nov-2020	30-Nov-2018
IDA-Q9350	Closed	30-Apr-2015	30-Nov-2015		30-Apr-2015, 30-Nov-2015, 30-Jun-2016

**Change in Disbursement Estimates (including all sources of Financing)**

Explanation: The AF will add US\$50 million to the project that currently has an undisbursed balance of US\$42 million, bringing the total disbursements to US\$92 million.

**Expected Disbursements (in US\$, millions) (including all Sources of Financing)**

<b>Fiscal Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Annual	30	40	22
Cumulative	30	70	92

**Allocations - Additional Financing (Burkina Faso - Bagré Growth Pole Project Additional Financing - P161234)**

<b>Source of Fund</b>	<b>Currency</b>	<b>Category of Expenditure</b>	<b>Allocation</b>	<b>Disbursement % (Type Total)</b>
			<b>Proposed</b>	<b>Proposed</b>
IDA	Euros	Good, works, services, training, and operating costs for Part A (excluding Part A(2)(b)), Part B and C(4) of the project.	34,700,000	100%
IDA	Euros	Good, works, services, training, and operating costs for Part A(2)(b), Part C(2) and Part C(3) of the project.	3,300,000	100%
IDA	Euros	(2)(b) Services for Sub-projects financed out of the proceeds of Matching Grants and Cash Transfers under Part C(1) of the project.	3,800,000	100% of the amounts paid under the Matching Grant from the counterpart or the Cash Transfer for the eligible expenditures under the sub-project
		<b>Total:</b>	41,800,000	

**Components**

**Change to Components and Cost**

Explanation:

The allocation for Component 1 under the AF is US\$7.15 million.

Component 1, Subcomponent 1.1., which, under the original Project, was “Restructured BDA/Bagrepole”<sup>5</sup>, will now be ‘Improved Institutional Capacity and Project Management’ and will include the salaries of some members of the PIU and other project management support.

Subcomponent 1.2, which under the original Project was narrowly focused on an improved investment climate will now be ‘Technical Assistance and Institutional Support for an Improved Investment Promotion and Investment Climate in Bagré’. It will streamline activities under three new activity headings, ‘Establishing Effective Investment Promotion and Facilitation Systems’, ‘Improving the Investment Climate’, and ‘Establishing Land Management Systems for Bagrépôle’, ‘Project Monitoring and Evaluation, and will ramp up the existing activities under this heading. It will also allocate more funds under a separate M&E subcomponent for even more robust measurement and ultimately more insightful and nuanced lessons learned can be generated at the end of the project. The activities under this component have been regrouped as follows:

Component 1. Improved Institutional Capacity

1.1 Improved Institutional Capacity and Project Management

1.2 Technical Assistance and Institutional Support for an Improved Investment Promotion and Investment Climate in Bagré

1.2.1 Establishing Effective Investment Promotion and Facilitation Systems

- Training on investment promotion and communications strategy
- Installation and operationalization of investor tracking system and other IT systems
- Consulting services (studies, analyses, reports), for example, sector analyses, export potential analysis, constraints, diversification, existing industries and secondary industries with high potential
- Support to agro-industry and commercialization
- Promotional materials and website
- Internal and external promotional activities (Trade fairs and events, promotion activities, meetings with anchor investors)
- Strengthening investor aftercare

1.2.2 Improved Investment Climate

- Establishing a one-stop shop in Bagré under the MEBF
- Finance of equipment for one-stop shop
- Warehouse receipts program
- Assessments of the investment climate
- Investment climate reforms support
- Doing Business reforms design and implementation support
- Agribusiness licensing reforms

1.2.3 Establishing Land Management Systems for Bagrépôle

- Review of the legal framework for land titles and leases
- Establishing additional land pilots
- Study tours to gain best practice for land tenure issues
- Design an effective land tenure system for Bagrépôle including training for managing the land tenure system

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<sup>5</sup> This restructuring was successfully carried out from 2011-2014. Many of the activities which were done under the original project under Sub-component 1.1 – carrying out of a study to design an optimal institutional structure for BDA/Bagrepole, inventory of government assets, legislative framework, strengthening of BDA/Bagrepole’s business planning capacity, etc. have either been complete or are no longer going to be part of the project.

### 1.3. Project Monitoring and Evaluation

Component 2 ‘Infrastructure’ will now include development of industrial park diagnostics as a subcomponent with a budget of US\$36 million, given that the diagnostics in preparation for the AF has demonstrated an initial strong demand for the industrial park for transforming basic agricultural products. Counterpart funding of US\$10 million will primarily be allocated to the maintenance of roads and electric power infrastructure. It will also include dam inspections carried out by Bagr  p  le, as was recommended during technical conversations in the appraisal mission, instead of SONABEL, which does not currently have the resources for inspections. Roads and electric power construction as intended under the original project will be funded under Component 2 of the AF. Component 2.2 for development of livestock infrastructure support will not be included in the AF. Projected activities under this component will be as follows:

#### 2. Infrastructure

##### 2.1 Development of Irrigation Infrastructure

- Dam safety inspections

##### 2.3 Development of Industrial Park Diagnostics

- Safeguards studies of the industrial park and resettlement action plan (RAP)
- Designing a preliminary master plan for promotional purposes
- Other safeguards studies as needed

##### 2.4 Development of Project Roads

- Updates of safeguards studies
- Construction, both access and internal, both paved and unpaved
- Maintenance planning
- Opportunities for private participation
- Citizen engagement in a third-party monitoring system

##### 2.5 Development of Project Electric Power

- Updates of safeguards studies
- Construction of additional power infrastructure to extend the electrical grid in the project area
- Maintenance planning
- Exploration of opportunities for private participation

Component 3 of the original project is adding the cash grants activity to the matching grants under Subcomponent 3.1 of the AF and providing additional funds for both activities. Also, additional funds are being allocated to the management and administration of the two funds and allow for an impact evaluation of both activities. An additional Subcomponent 3.3 is being added to provide broader support to SMEs through the avenues described below as well as institute a job bank and job matching activity. Finally, Subcomponent 3.4 will ramp up the support to PAPs and family producers. A total budgetary allocation of US\$6.85 million is being given to this component under the AF.

#### 3. Services

3.1 Matching Grants and Cash Transfers to Critical Services, SMEs, and Smallholders (with special targets for women and youth entrepreneurs and identification [ID] of a control group)

3.2 Matching Grants and Cash Transfers Management (at the MEBF)

3.3 SME Development, Training, and Linkages (for example, business plans, mentoring and coaching, management skills, navigating regulatory requirements, access to finance, identifying new markets, targeted recruiting of women and youth employees, technology, equipment maintenance, basic agronomic skills), job bank and job matching

3.4 Support to the Project-Affected Persons and to Family Producers for Strengthening a Sustainable System of Agricultural Advisory Support



<b>Current Component Name</b>	<b>Proposed Component Name</b>	<b>Current Cost (US\$, millions)</b>	<b>Proposed Cost (US\$, millions)</b>	<b>Action</b>
Improvement of Institutional Capacity for Better Zone Management and Investment Climate in the Project Area	Improvement of Institutional Capacity for Better Zone Management and Investment Climate in the Project Area	20.50	27.65	No Change
Development of Critical Infrastructure	Infrastructure	78.50	114.50	Revised
Development of Critical Services and Direct Support to Smallholders and SMEs	Services	12.50	19.35	No Change
	<b>Total</b>	111.50	161.50	
<b>Other Change(s)</b>				
<b>Change in Institutional Arrangements</b>				
<p>Explanation:</p> <p>The institutional framework is defined as Bagrépôle taking the lead on critical infrastructure, and the Maison d'Entreprise de Burkina Faso (MEBF) on the Matching Grants component and certain aspects of SME development. [Legal to provide a few lines on the institutional framework and the decree forming Bagrépôle :decree, legal powers, functions, and responsibilities, etc.].</p> <p>Client capacity is acceptable, there is a strong M&amp;E framework with a group of 13 extension agents measuring results in new enterprise start-ups and job creation on a quarterly basis, and construction has already begun on 22 km of new irrigation canals which are expected to enable more than 5,000 ha of new land for cultivation. Hence, the two implementing agencies, Bagrépôle and the MEBF are deemed to be sufficiently performing to continue as the executing agencies for the AF. Primary staffing is also deemed to be acceptable with qualified officials carrying out functions of engineering, environmental and social safeguards, procurement, M&amp;E, and overall coordination and management. The Project team makes recommendations for enhancing the team from time to time and both implementing agencies have responded accordingly.</p> <p>The AF will further strengthen the institutions implementing the Project. By Project-end under the AF, the country will have an effective, active, and automated investment promotion program functioning, with API-BF taking the lead and coordinating the investment promotion efforts of other investment promotion agencies in Burkina Faso. Bagrépôle will have experience with issuing land titles and have a streamlined process in place for doing so. As a result of ongoing Project team support, the procurement function of both Bagrépôle and MEBF will be considerably stronger and able to apply strong procurement principles to increasingly complex activities in the Project area. Finally, the MEBF will be more agile in responding to the needs of the private sector in fostering an effective value chain.</p>				
<b>Change in Implementation Schedule</b>				
<p>Explanation:</p> <p>Due to the change in the loan closing date.</p>				

## IV. Appraisal Summary

<b>Economic and Financial Analysis</b>
Explanation:
<p><b>Economic analysis.</b> An economic analysis completed in July 2017 to determine the ideal combination of infrastructure and services to attract private investment was conducted as an updated analysis for the AF. Preliminary analysis indicates that current realities are not significantly different from the original analysis conducted for the original project in 2011. The analysis also supported the conclusion that the roads currently planned for upgrading/construction by the AF (256.5 km) and the electric power currently projected to be constructed will optimize private sector uptake of land and maximize the impact of the Bagré Project as a whole.</p>
<b>Technical Analysis</b>
Explanation:
<p>Given that the existing Bagré Growth Pole Project was prepared and designed in 2011, the project team has updated original documents and is in the process of carrying out further analysis to ensure that the AF project design is consistent with current conditions and incorporates lessons learned. Fortunately, the project has a master plan (<i>Plan Directeur</i>) for the Bagré Growth Pole region completed in 2014, which lays out the development of the area from an integrated perspective, considering infrastructure and services.</p> <p>In addition, the following analyses have been incorporated into the design of this AF:</p> <ul style="list-style-type: none"> <li>• A review and update of the original safeguards framework documents (ESMF, PMP, RPF) conducted in November 2016 and approved by Regional Safeguards Advisor and published in the InfoShop on January 20, 2017</li> <li>• Private sector sessions findings and a demand survey completed from October 2016 to the present among more than 150 private companies and project beneficiaries to validate the design of the AF.</li> <li>• An economic analysis from July 2017 to determine the best combination of infrastructure that would lead to the desired level of new private investment which also relied heavily on a survey among the 108 companies that are on Bagrepole's list to receive land. This study determined that the electric power and roads to be constructed are necessary to attracting the private sector.</li> <li>• The two-year jobs diagnostic being carried out by the Jobs Group (CCSA) which will determine which agriculture sectors have potential for job creation.</li> <li>• A completion report with final recommendations (November 2016) from a consulting company, which did extensive analysis of the agribusiness sector in 2013–2015.</li> </ul> <p>The client is currently carrying out diagnostic studies on the roads and electric power component and incorporating the findings of the studies into tendering documents for obtaining the services to construct roads and electric power plants.</p> <p>Further diagnostics will be carried out, as needed, during the life of the AF. These may include updating of safeguards documents tied to specific geographical areas, further value chain and sector analyses, technical studies related to the infrastructure, and a review of the legal framework for land titles and leases.</p>
<b>Social Analysis</b>
Explanation:
<p>Because the roads, electric power infrastructure, and industrial park were all part of the original project design, and the project's geographical area is identical to the original project, the same risk factors are relevant. The project will remain a Category A project under the AF. No new safeguards policies will be</p>

triggered. The program will also reinforce specific approaches to target youth and women including widows from poorer households who currently face social barriers with limited means as they have been systematically excluded from programming and economic participation for a range of reasons including lack of involvement, lack of information etc. With respect to potential labor influx, the project will reinforce guidance and rules for (i) contractors to enhance the ESMPs and (ii) workers contracts will include measures for managing the potential impacts of such an outside workforce on the local community. Specific details will be prepared during the investment activities for contractors who will bring in workers and operators from outside the area, and these are likely to be housed in work camps during construction.
<b>Environmental Analysis</b>
Explanation:
Because the roads, electric power infrastructure, and industrial park were all part of the original project design and the project's geographical area is identical to the original project, the same risk factors are relevant. The project will remain a Category A project under the AF. No new safeguards policies will be triggered.
<b>Risk</b>
Explanation:
No change. Risks remain the same as the original project, given that the types of activities are similar.

## V. World Bank Grievance Redress

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

### Annex 1: Revised Results Framework and Monitoring Indicators

<b>PDO:</b> To increase private investment, employment generation, and agricultural production in the Project Area.												
PDO Level Results Indicators	Core	UOM <sup>6</sup>	Baseline Original Project Start (2011)	Progress to Date (2017)	Cumulative Target Values				Frequency	Data Source/Methodology	Responsibility for Data Collection	Comments
					2018	2019	2020	Project End				
1. Value of investment flows	<input type="checkbox"/>	US\$, millions	0	24.70	28	30	32	32	Annual	MEBF/Bagrépôle/AP I-BF	Bagrépôle	This will be measured annually, even though interim information is available.
2. Number of jobs created in the Project Area	<input type="checkbox"/>	Number	0	25,020	28,000	30,000	33,000	33,000	Annual	MEBF/Bagrépôle	Bagrépôle	This will be measured annually, even though interim information is available.
Of which % female	<input type="checkbox"/>	%	0	—	15	20	28	28	Annual	MEBF/Bagrépôle	Bagrépôle	This will be measured annually, even though interim information is available.

<sup>6</sup> UOM = Unit of Measurement.

<b>PDO:</b> To increase private investment, employment generation, and agricultural production in the Project Area.												
PDO Level Results Indicators	Core	UOM <sup>6</sup>	Baseline Original Project Start (2011)	Progress to Date (2017)	Cumulative Target Values				Frequency	Data Source/Methodology	Responsibility for Data Collection	Comments
					2018	2019	2020	Project End				
												n is available.
Of which % youth <sup>7</sup>	<input type="checkbox"/>	%	0	—	15	20	28	28	Annual	MEBF/Bagrépôle	Bagrépôle	This will be measured annually, even though interim information is available.
3. Volume of cereal production (cereal and cereal crops, vegetable cultures, bananas, in the 'zone de concentration')	<input type="checkbox"/>	Tons/year	157,867 <sup>8</sup>	160,300	176,000	195,000	220,000	220,000	Annual	Bagrépôle/Ministry of Agriculture	Bagrépôle	This will be measured annually, even though interim information is available.

<sup>7</sup> Once the jobs diagnostic is finished in 2017, it will inform these targets.

<sup>8</sup> This was for the *Zone d'Utilité Publique* (Public Utility Zone, ZUP) of approximately 500,000; subsequent targets apply to the *Zone de Concentration*.

Intermediate Results and Indicators												
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2011)	Progress to Date (2017)	Target Values				Frequency	Data Source/Methodology	Responsibility for Data Collection	Comments
					2018	2019	2020	Project End				
Intermediate Result 1: More competitive sectors and spillovers from agglomeration												
1. Number of agribusiness firms having signed an agreement committing to invest in an area of at least 5 ha	<input type="checkbox"/>	Number	0	0	0	10	20	20	Annual	Bagr��p��le	Bagr��p��le	This will be measured annually, even though interim information is available.
2. Number of enterprises established	<input type="checkbox"/>	Number	3	167	175	190	200	200	Annual	MEBF	MEBF	This will be measured annually, even though interim information is available.
Intermediate Result 2: Land management, improved support services for innovative SMEs, and entrepreneurship												
3. Hectares of land allocated with land title or under a lease	<input type="checkbox"/>	ha	0	0	100	200	300	300	Annual	Bagr��p��le	Bagr��p��le	This will be measured annually, even though interim information is available.
4. Number of proposals financed by the matching grants and cash grants fund	<input type="checkbox"/>	Number	0	821	1,000	1,400	1,600	1,600	Annual	MEBF	MEBF	This will be measured annually, even though interim information is available.
5. Number of private service providers operating in Bagr��	<input type="checkbox"/>	Number	0	89	95	105	110	110	Annual	MEBF	MEBF	This will be measured annually, even though

Intermediate Results and Indicators												
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2011)	Progress to Date (2017)	Target Values				Frequency	Data Source/Methology	Responsibility for Data Collection	Comments
					2018	2019	2020	Project End				
												interim information is available.
6. Operational water user associations created and/or strengthened	<input type="checkbox"/>	Number		0	11	26	26	26	Annual	Bagrépôle	Bagrépôle	This will be measured annually, even though interim information is available.
<b>Intermediate Result 3: Critical infrastructure and support for realized agricultural production and agro-industry</b>												
7. Area provided with irrigation and drainage services	<input type="checkbox"/>	ha	3,380	3,380	3,500	4,000	5,574	5,574	Annual	Bagrépôle	Bagrépôle	This will be measured annually, even though interim information is available.
8. Area of irrigated land in production with project support	<input type="checkbox"/>	ha	1,880	1,880	1,880	2,000	3,380	3,380	Annual	Bagrépôle	Bagrépôle	This will be measured annually, even though interim information is available.
9. Length of roads constructed (both paved and unpaved - km)	<input type="checkbox"/>	km		0	0	20	150	150	Annual	Bagrépôle	Bagrépôle	This will be measured annually, even though interim information is available.
10. Transmission lines constructed or	<input type="checkbox"/>	km		0	0	10	30	30	Annual	Bagrépôle	Bagrépôle	This will be measured

Intermediate Results and Indicators												
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2011)	Progress to Date (2017)	Target Values				Frequency	Data Source/Methology	Responsibility for Data Collection	Comments
					2018	2019	2020	Project End				
rehabilitated under the project <sup>9</sup>												annually, even though interim information is available.
11. Number of technical and feasibility studies for the establishment of the industrial park	<input type="checkbox"/>	Number		0	0	1	1	2	Annual	Bagrépôle	Bagrépôle	
<b>Intermediate Result 4: Enhanced citizen engagement</b>												
12. Beneficiaries satisfied with the matching grants and cash grants program (%)	<input type="checkbox"/>	%	0	65.3	70	75	80	80	Annual	MEBF	MEBF	This will be measured annually.
13. Changes to the matching grants / cash transfers activity as a result of consultations (Yes/No)	<input type="checkbox"/>	Yes/no	no	no	no	yes	yes	yes	Annual	MEBF	MEBF	This will be measured through the impact evaluation programmed annually
14. Beneficiaries satisfied with the roads constructed in the Project Area (%)	<input type="checkbox"/>	%		0	0	50	80	80	Annual	Bagrépôle/Ministry of transport	Bagrépôle	

<sup>9</sup> To be determined once several of the studies have been completed.



Revisions to the Results Framework		Comments/Rationale for Change
<b>PDO</b>		
<i>Current</i>	<i>Proposed</i>	
<b>To contribute to increased economic activity in the Project Area, resulting in an increase in private investment, employment generation, and agricultural production.</b>	To increase private investment, employment generation and agricultural production in the Project Area.	To refocus the project from agricultural production to the transformational aspects of Bagré: increased investment, job creation, and assistance for strengthening entrepreneurship in agribusiness.
<b>PDO indicators</b>		
<i>Current</i>	<i>Proposed change</i>	
Value of investment flows	Continued/change in the end of project target value/Bagrépôle and API-BF added as co-entities responsible for collecting data.	Extension of project closing date: Bagrépôle and API-BF will both be involved with investment promotion efforts and will be part of measuring results.
Number of jobs created	Revised/change: <ul style="list-style-type: none"> <li>Number of formal jobs created in the project area <ul style="list-style-type: none"> <li>of which % of female</li> <li>of which % of youth</li> </ul> </li> <li>Change in the end of project target value</li> <li>Bagrépôle added as co-entity responsible for collecting data</li> </ul>	The Government client has requested a disaggregation by both gender and youth, as both female and youth employment are priorities for the current administration.  Bagrépôle will be involved in collecting data for this indicator.
Volume of cereal production (cereal and cereal crops, vegetable cultures, bananas) in the 'zone de concentration'	Revised: <ul style="list-style-type: none"> <li>Take out horticulture and generalize 'cereal production'</li> <li>Ministry of Agriculture added as co-entity responsible for collecting data</li> <li>Reduced target value</li> </ul>	This was an original PDO indicator and will continue to be measured under the AF.  The new wording reflects the products for which the zone is proving to be attractive.  The Ministry of Agriculture plays a priority role in measuring these statistics.  The new target value reflects latest estimates from the Ministry of Agriculture for what can be achieved.
<b>Intermediate Results indicators</b>		
<i>Current</i>	<i>Proposed change</i>	
Number of agribusiness firms having signed an agreement committing to invest in an area of at least 5 ha	Continued with an increase in the end of project target value	Analysis in preparation for the AF has determined that demand exists primarily for land plots below 80 ha, each.
Number of enterprises established	<ul style="list-style-type: none"> <li>Continued with an increase in the end target value</li> <li>The MEBF is designated as the entity responsible for collecting the data</li> </ul>	An original IOI that will continue to be measured under the AF.  The MEBF will be collecting the data for this indicator under its matching grants and cash grants programs.
Hectares of land allocated with land title or under a lease	Continued with an increase in the end target value	A primary goal of this AF is to scale up land tenure activities.

Revisions to the Results Framework		Comments/Rationale for Change
Area provided with irrigation and drainage services	Continued	The original IOI will essentially continue to be measured under the AF.
Area of irrigated land in production with project support	Continued	The original IOI will continue to be measured under the AF.
Number of private service providers operating in Bagré	<ul style="list-style-type: none"> <li>Continued with an increase in the end target value</li> <li>The MEBF is designated as the entity responsible for collecting the data</li> <li>Given the extension of the closing date, the target values have been increased</li> </ul>	<p>The original IOI will continue to be measured under the AF.</p> <p>The MEBF will be measuring the results of this indicator through its matching grants and cash grants program.</p>
Number of proposals financed by the matching grants and cash grants fund	<ul style="list-style-type: none"> <li>Continued with an increase in the end target value</li> <li>The MEBF is designated as the entity responsible for collecting the data</li> </ul>	<p>The matching grants/cash transfer activity will be continued under the AF and will be critical for strengthening entrepreneurship in agribusiness.</p> <p>The MEBF will be measuring the results of this indicator through its matching grants and cash grants program.</p>
Beneficiaries satisfied with the matching grants and cash grants program	<ul style="list-style-type: none"> <li>Continued</li> <li>Cash grants have been added</li> </ul>	The cash grants program under the jobs MDTF will be launched in the AF of Bagré and hence satisfaction levels should be included for this as well.
Operational water user associations created and/or strengthened	<ul style="list-style-type: none"> <li>Continued</li> <li>Target value increased</li> </ul>	It will no longer be just a single water user association created but rather a series of associations created along the entire length of the irrigation canals.
Changes to the matching grants / cash transfers activity as a result of consultations (Yes/No)	New	An impact evaluation of the matching grants and the cash grants is hard-wired into the AF which will take beneficiary feedback and validate or modify the design of this activity according to the feedback.
Beneficiaries satisfied with the roads constructed in the project area (%)	New	—
Length of roads constructed (both paved and unpaved - km)	New	—
Transmission lines constructed or rehabilitated under the project	New	—
Number of technical and feasibility studies for the establishment of the industrial park	New	—

## Annex 2: Detailed Description of Modified Project Activities

### Component 1: Improved Institutional Capacity (US\$7.15 million equivalent)

1. **Under this activity, the work of institutional strengthening and project management support will be continued.** The focus will be on maintaining a capable team to run the project.
2. **These activities under Component 1 will be a continuation of client support for establishing an effective investment promotion and facilitation system to attract investors who have other options.** This will include the coordination of overall investment promotion in the country with API-BF taking the lead and implementing an established set of activities under a Memorandum of Understanding with Bagrépôle. Bagrépôle will continue to target investors who are interested in 5–82 ha of land,<sup>10</sup> given that the physical lots available fall within this range and that among the 108 investors identified through the original project, there appears to be sufficient demand for this size of plot. The project will finance the training of the Bagrépôle staff to provide all the necessary services to enable investors to settle in the Bagrépôle region. In the context of the communications strategy to be completed under Subcomponent 1.2.1, the project will also finance the preparation of promotional materials including an investment promotion website, the participation in trade fairs and other key events, one-on-one meetings with investors, and simple systems for maintaining an effective contact with all potential investors (programmed calls, e-newsletters, and so on).
3. **This component will also include investor aftercare and the improvement of the investment climate as vehicles for ensuring the success of the investors and attracting further investment to the project area.** Constraints identified in the surveys and studies of the private sector revealed several areas such as agribusiness licensing, access to finance, and obtaining of land leases and titles. Currently, farmers need to sell commodities earlier than desired to meet urgent financial needs. Warehouse financing is a secured lending technique that allows farmers access to finance secured by commodities deposited in warehouses. It is especially beneficial for farmers and SMEs, which are often unable to secure borrowing requirements due to lack of sufficient conventional loan collateral.
4. **Land tenure practice with the project is still in incipient stages,** although Bagrépôle is implementing a small pilot for land leases among a dozen producers in the project area through which progressive leases of 3, 18, and 50 years are granted to private producers based on performance. The project will make sure that all the PAPs will be given priority plot in the irrigation system. A review of the legal framework for land titles and leases, setting up of further pilots, and designing an effective and sustainable land tenure system for Bagrépôle will all be part of the AF. The AF will also closely examine land pricing and speculation issues and their impact on land management. Land tenure interventions will draw heavily on lessons learned from other projects in Africa and will pull in expertise from the IFC and the Global Land and Geospatial Unit in the Social, Urban, Rural and Resilience GP. Given the complexity of legal framework and

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<sup>10</sup> See Component 2; a decision has been made to not develop the Chenale Nord, hence, the plots in the Rive Gauche and Rive Droite areas will vary from 5 to 80 ha. Therefore, the decision to concentrate on investors for these smaller areas is driven by the size of the plots that will be available.

context, a key lesson is on land issues, strong monitoring at the local level to make sure legal process is effectively set up is crucial.

5. **This component would also include M&E for the entire project under a separate subcomponent.**

6. **The following is a list of representative activities to be confirmed based on analysis, diagnostics, and validation of priority interventions from the private sector.** These diagnostics are still being conducted during the AF preparation phase, and terms of references for performing the activities will be developed both during project preparation and after Board approval.

***Subcomponent 1.1: Improved Institutional Capacity and Project Management (Implementing Agency: Bagrépôle)***

7. This will be to provide funding for the PIU in terms of institutional strengthening and personnel salaries.

***Subcomponent 1.2: Technical Assistance and Institutional Support for an Improved Investment Promotion and Investment Climate in Bagré***

*Subcomponent 1.2.1 - Establishing Effective Investment Promotion and Facilitation Systems (Implementing Agency: Bagrépôle with API-BF as a benefitting partner from these activities under a Memorandum of Understanding)*

8. Possible representative activities would include the following:

- Training on investment promotion and communications strategy. This includes market research, preparation of promotional materials, proactive investor targeting, cold calls, follow-up, preparation of site visit, and the contracting of a consulting company to provide overall training, orientation, and organization of investment promotion efforts. Training can take a form of structured learning, on-the-job training, and coaching.
- Assistance with developing an overall communications strategy for investment promotion.
- Installation and operationalization of investor tracking system and installation and operationalization of other computer systems and applications.
- Consulting services (studies, analyses, reports), for example, sector analyses, export potential analysis, constraints, diversification, existing industries, and secondary industries with high potential.
- Support to agro-industry and commercialization.
- Printing of promotional materials, setting up website, and periodical update of content.

- Internal and external promotional activities (trade fairs and events, promotion activities, meetings with anchor investors).
- Strengthening investor aftercare.

9. The abovementioned activities will be part of a comprehensive consulting service that will sequence the activities and prioritize them, ensuring that they are all carried out according to an overarching investment promotion strategy.

*Subcomponent 1.2.2 - Improved Investment Climate (Implementing Agency: MEBF)*

10. Possible activities would include those discussed in the following paragraphs.

11. The API-BF will also be a partner in the actual implementation of the activities programmed under this subcomponent.

- Establishing a one-stop shop for licensing and permitting at Bagré
- Financing of equipment for the one-stop shop
- Warehouse receipts program. Assuming a strong demand and few alternatives for such a service, establishment of this system will include the establishment of legal, regulatory and institutional framework; mobilizing of finance for the construction of warehouses, financial institutions; and capacity building of warehouse receipts system management authority, warehouse managers, and users of warehouse receipts system
- Assessments of the investment climate in the project area
- Investment climate reforms support in the project area. This includes establishing additional pilots for sector- and subsector-specific investment climate and study tours to learn about best practices
- Doing Business reforms design and implementation support
- Agribusiness licensing reforms in the project area

12. Of the abovementioned, setting up the one-stop shop and a program of investment climate reforms will be the priority, with other specific activities such as setting up a warehouse receipt system will be implemented according to the demand among the private sector.

*Subcomponent 1.2.3 - Establishing Land Management Systems for Bagrépôle (Implementing Agency: Bagrépôle)*

13. Possible activities would include the following:

- Review of the legal framework for land titles and leases
- Establishing of additional land pilots

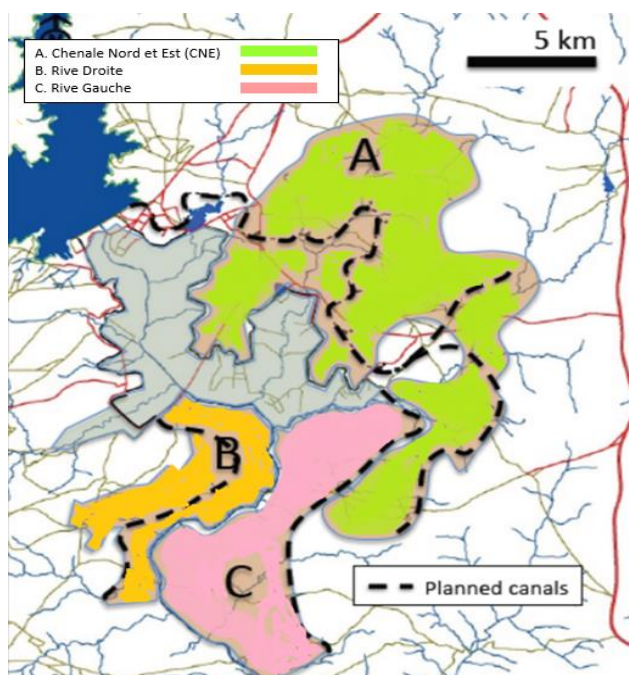
- Study tours to gain best practice for land tenure issues
- Designing of an effective land tenure system for Bagrépôle, including training for maintaining a land tenure system

***Subcomponent 1.3: Project Monitoring and Evaluation (Implementing Agency: Bagrépôle and MEBF)***

**Component 2: Infrastructure (US\$36 million equivalent - Implementing Agency: Bagrépôle)**

14. **Resources from the original project will be limited exclusively to the completion of irrigation infrastructure to enable cultivation in about 5,500 ha of the Rive Gauche and Rive Droite.** A strategic decision was made at the Project Concept Note (PCN) meeting to not support the construction of irrigation infrastructure in the CNE of the project at this time rather to concentrate resources on enabling the private sector investments in the Rive Gauche and Rive Droite project areas (areas B and C in Figure 2.1) and ensure that the private sector has the infrastructure (irrigation, electric power, roads, ICT, and possibly an industrial park for transformation) and value chain services needed to operate in those area. In this area, there will be approximately 70 plots that can be allocated to small and medium producers. A minimal budget under Subcomponent 2.1 will be kept funding the essential dam inspections that Bagré will be performing under the AF, given the limited capacity of SONABEL to do so.

**Figure 2.1. Map of Chenale Nord (A), Rive Droite (B), Rive Gauche (C)**



Source: Bagrepole.

15. Consistent with this decision, additional activities proposed to be introduced under this component are listed in the following paragraphs.

16. **Performing dam inspections.** Given the limitations of SONABEL's capacity and resources to conduct inspections of the dam, Bagrepole will be conducting the first two dam inspections scheduled for 2018 and 2020.

17. **Diagnostic studies for a proposed industrial park in the project area.** An industrial park such as the one proposed would be especially important in attracting investors who will diversify the economy of the region by transforming basic agricultural products. This can include fruit beverages, purees, botanicals and natural products, flavorings, nutraceuticals, extracts, cooking and edible oils, corn flour, couscous, pasta, snacks, soap, animal feed, organic fertilizers and processed agricultural residues, sugar and sweeteners, cosmetics, and other processed foods and products. The design of the AF includes the diagnostics for a proposed industrial park of approximately 190 ha<sup>11</sup> in the project area, which was already identified under the original project. The diagnostic will help inform essential 'go/no-go' decisions based largely on whether there is a strong demand for transforming basic agricultural products in an industrial park<sup>12</sup> or not in addition to considerations related to the suitability of the site chosen and social and environmental issues. Analytics would also determine how the industrial park is to be established, that is, whether the Government or the private sector develops and operates the park or some combination of the two through a public-private partnership (PPP). This determination will be highly dependent on the interest of the private sector in developing and/or operating the park.

18. **Construction of road infrastructure, covering both access roads and internal roads, paved and unpaved.** About 273 km of roads have been identified for access to and opening of the geographical zone of the project. The identified roads will connect the project site with the main neighboring countries (Togo and Ghana) and shorten the access to the capital Ouagadougou by allowing traffic to transit through Manga. The proposed investment complements the program of roads under the existing project to pave the national road R29 from Manga to Zabre. The internal network of earth roads will play a key role of connecting the production zone and the main roads and thus allow for the transfer of products and access to markets. Although the primary benefit of the roads to be constructed will be the transport of produce, there will also be a social dimension as they connect a zone with tourism potential as well as connecting displaced villages to each other.

19. **Component 2 will contribute to improving internal and external connectivity of the Bagré zone.** The investments will primarily be used for (a) paving of the regional road section RR9 and three sections inside the Bagré zone and (b) rehabilitation of earth roads inside the irrigated area. It includes the following:

- (a) Upgrading of RR9 and three other road sections inside the Bagré zone (about US\$20.7 million): (i) paving of about 36 km of the regional road and the section linking Bagrépôle to Bagré village (9.10 km) and the road section from Bagré to Bagrépôle (2.8 km).

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<sup>11</sup> There are actually two sites in proximity but not adjacent. One is 69 ha and the other is 122 ha.

<sup>12</sup> In a series of engagements with individual private investors from among the 108 as well as focus groups organized in October–November 2016 to validate the AF design, early indications were that there is indeed strong demand for transforming agriculture products in an industrial park. A full demand survey would be part of the analytics under this subcomponent of the AF.

- (b) Supervision and technical control for upgrading of the RR29 between Bagré and Dindéogo and the rehabilitation of the rural roads (about US\$400,000).
  - (c) Earth road rehabilitation (about US\$10 million): rehabilitation of 163.18 km of unpaved rural roads connecting production areas to the main roads and the villages inside the zone; this includes supervision and technical control.
20. **Feasibility studies and engineering designs.** The technical and feasibility studies of the rural roads have already been completed. The technical study of Bagré-Dindéogo is under revision and is being financed by the World Bank Transport and Urban Infrastructure Project [P151832].
21. **Safeguards studies.** Environmental and Social Impact Assessments (ESIAs) and RAPs for all the above investments have been prepared. The studies have been cleared by the World Bank and were disclosed both in the client country and in the external website of the World Bank. (see Annex 5 for a full list of Priority 1 roads to be included in the AF).
22. **Construction of electric power infrastructure, primarily to power the pumping stations that are needed for the irrigation infrastructure according to the Bagré master plan.** The objective of the electric power infrastructure to be constructed under the project is to provide electricity for small businesses, households, and industrial usage by funding the extension of the existing grid in the project area. The project will fund (a) the upgrade of existing electricity equipment such as Bagré dam substation transformer and transmission lines to increase their willing capacity for water pumping stations that are needed for the irrigation infrastructure and (b) extension of the medium and low voltage grid in the project area to electrify villages, small businesses, industrial and commercial areas.
23. **In parallel to electric power, roads, and an industrial park, the World Bank's West Africa Regional Communications Infrastructure Project - Burkina Faso (PRICAO-BF, P161836)<sup>13</sup> Project will be installing some primary ICT infrastructure in the project area,** providing essential ICT complementary infrastructure that is equally as necessary for the private sector.
24. **Introduction of a citizen engagement third-party monitoring system for roads, based on similar project monitoring in Bangladesh.** The idea is to provide citizens in the areas where roads were being constructed with the technical specifications for the roads, so that they could monitor construction of the roads on a daily basis and report any observed variations from the technical specifications immediately to the PIU through cell phone. All reported observations and complaints gathered through this approach would be kept completely confidential. The main communications vehicle of Bagré, Radio Bagrépôle, would lend itself to ensure that citizens were fully informed of this opportunity. This would also imply assisting Bagrépôle with an overall communications strategy to explore other effective vehicles of communication to achieve project goals and to conduct sensitization campaigns on the opportunities that would be offered by Bagrépôle to young people and women from urban areas wanting to invest in agriculture and agribusiness.

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<sup>13</sup> *Programme Regional d'Infrastructures de Communication de l'Afrique de L'ouest - Project Du Burkina Faso.*



25. **Projected specific subcomponents with corresponding activities under this component are the following.**

***Subcomponent 2.1: Development of Irrigation Infrastructure***

- Dam safety inspections

***Subcomponent 2.3:<sup>14</sup> Development of Industrial Park Diagnostics***

- ESIA, RAP and safeguards studies of the industrial park prepared, if needed
- Designing a preliminary master plan for promotional purposes - market and sector analysis and demand forecasting taken from private sector consultations, master plan (demand analysis, site validation, shared infrastructure requirements, plot plan, land use planning, phasing) from consultant's analysis
- Other safeguards studies and upgrade of studies, as needed

***Subcomponent 2.4:<sup>15</sup> Development of Project Roads***

- Updates of safeguards studies, as needed
- Construction, both access and internal, both paved and unpaved
- Maintenance planning
- Opportunities for private participation
- Citizen engagement in a third-party monitoring system

***Subcomponent 2.5:<sup>16</sup> Development of Project Electric Power***

- Updates of safeguards studies, as needed
- Construction of additional power infrastructure to extend the electrical grid in the project area
- Maintenance planning
- Exploration of opportunities for private participation, along with special purpose vehicles for financing the Government participation in PPPs.

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<sup>14</sup> This number was formerly assigned to fisheries, which was eliminated from project support in the Level II restructuring of May 2016.

<sup>15</sup> Retains the numbering from the original project.

<sup>16</sup> Retains the numbering from the original project.

### **Component 3: Services (US\$6.85 million equivalent)**

26. **This component will include activities in support of strengthening entrepreneurship in agribusiness and supporting SME growth.** It will continue to implement a matching grants program to incorporate SMEs into the agribusiness value chain. However, in addition it will begin to fund a parallel cash grants program to be designed under the Jobs MDTF and will provide both kinds of support in parallel and will have a third control group for rigorous impact evaluation purposes. It will provide specific support with cash<sup>17</sup> and matching grants to women's associations in the agribusiness value chains and critical services in the project area. With respect to "Maximizing Finance for Development" (MFD) enabling through this component, the project: (i) provides conditional partial co-financed grants for service providers to operate in Bagre and (ii) co-finance small productive investment and business development services to small holders and their association in each of the irrigation sites.

27. **Lessons learned from implementing the matching grants program for five years previously under the original project will be an essential input to the design of this component going forward** (see Box 1 Lessons Learned from the Bagré Growth Pole Project):

- (a) The cash grants program will supply cash grants to SMEs; then the team will gauge its ability to create jobs evaluated against the matching grants program and a control group. Both types of grants will be capped at US\$8,000 and recipients are screened from a pool of possible SMEs who have responded to a call for expressions of interest. Finally, the final recipients for each of the programs will be selected through a public lottery.
- (b) The M&E of results and rigorous impact evaluation will both be funded by a combination of the Jobs MDTF and the M&E funds under the AF. This is especially important given the necessity of comparing the impact on employment of the matching grants and cash grants approaches and measuring them both against the control group.
- (c) The institutional training funds under both the MDTF and this component of the project will include the formulation and implementation of an effective communications campaign to maximize the positive publicity around the matching grants and cash grants programs to increase popular buy-in for the Bagré Growth Pole initiative. The SME development aspects of this work will require strong partnerships to leverage the expertise of IFC, FCI's entrepreneurship and innovation team, and the Agriculture GP. There is also a possibility of technical and financial support from the Italian ED's office in the area of SMEs.

28. **The AF will also equip private sector associations to speak with one voice on important issues facing their subsectors, play an advocacy role, and provide help to the individual companies within their domain.** It will provide tools for matching employers with potential employees to increase the number of jobs created.

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<sup>17</sup> 'Unconditional' in the sense that no matching funds will be required on the part of the beneficiaries; however, they will be subject to disbursement approval by the implementing entity.

29. **Pilots in the Bagré project area must go beyond existing industries such as cotton and seek secondary industries with high potential that could benefit from project interventions.** Analysis and project activities will seek to strengthen these secondary industries, both agricultural and nonagricultural and will link up with the investment promotion activities of Component 1 to pull in key anchor companies from these industries.

30. **Of the 108 investors who were approved by Bagrépôle for access to land in Bagré, 80 are small operators looking for 5–50ha.** This means that the 69–70 plots available in the Rive Gauche and Rive Droite areas of the project ranging from 5 to 82 ha correspond well to a very strong demand from among the 108. Furthermore, the IFC survey of these 108 investors in early 2016 and a series of engagements with the same group at the MEBF in October and November 2016 revealed that the vast majority of these investors still have a strong interest in taking up the land allocated to them, in spite of the lack of investor follow-up. However, they typically lack in market knowledge, financing, appropriate technology and testing facilities, appropriate business services, access to business networks, and accompanying regulatory framework. Some have not yet gone through a formalization process. All the firms cite the challenge of access to finance. These private sector operators do not have financial, technical and managerial capacity to apply for credit from a commercial bank.

31. Hence, the activities in this component are designed to take the strong, existing demand and operationalize it through a series of investor-facilitation interventions.

32. **This component will include a predominant element of support for women and youth.** Gender will be supported on two levels: (a) women entrepreneurs will constitute some of the beneficiaries of the matching grants and cash grants program and (b) women will benefit from increased job creation opportunities. The IFC survey of the 108 investors in 2016 found that among the 108 investors, some women entrepreneurs and women-owned SMEs were represented, hence providing a wide scope for gender-based interventions. See Table 2.1 below:

**Table 2.1. Percentage of Women-Owned Enterprises among the 108 Identified Investors**

<b>Legal Nature of the Enterprise</b>	<b>Owned by Men</b>	<b>Owned by Women</b>	<b>Total</b>
Individual/agricultural developer	90.4% (47 companies)	9.6% (5)	100% (52)
Individual enterprise	63.6% (7)	36.4% (4)	100% (11)
Limited Liability Company (LLC)	82.4% (14)	17.6% (3)	100% (17)
Limited Company	100.0% (2)	0.0% (0)	100% (2)
Association, NGO, union of producers	66.7% (4)	33.3% (2)	100% (6)
State-owned structure	100.0% (1)	0.0% (0)	100% (1)
<b>Total</b>	<b>84.3% (75)</b>	<b>15.7% (14)</b>	<b>100% (89)</b>

33. **Similarly, youth will benefit from increased job creation and for the first time the project will begin to disaggregate information on new jobs by both gender and age (new youth employment).** Including and disaggregating by youth will encourage the GoBF to strategize innovatively about how to link to new ways of doing agriculture and agribusiness in general.

34. **This component will include enhanced support to PAPs and to family producers for strengthening a sustainable system of agricultural advisory support.** Activities to be included are procurement of agricultural inputs and providing capacity building.

35. The following is a list of representative activities to be confirmed for Component 3 based on analysis, diagnostics, and validation of priority interventions from the private sector.

Implementing Agency: MEBF

***Subcomponent 3.1: Matching Grants and Cash Transfers***

- Implementation of a cash transfers program and matching grants to a select group of investors, development of business plans, access to finance, regulatory requirements, technology, equipment, targeted recruitment of women and youth entrepreneurs and ID of a control group.

***Subcomponent 3.2: Matching Grants and Cash Transfers Management***

- Training for the MEBF in implementation of the new cash grants program and improvements on the matching grants program.
- Component Monitoring and Evaluation.

***Subcomponent 3.3: SME Development, Training, and Linkages***

- SME development, training, and linkages (for example, business plans, mentoring and coaching, navigating regulatory requirements, support to business associations, access to finance, identifying new markets, targeted recruiting of women and youth employees, technology, equipment maintenance, basic agronomic skills).

Implementing Agency: Bagrépôle

***Subcomponent 3.4: Support to the Project-Affected Persons and to Family Producers for Strengthening a Sustainable System of Agricultural Advisory Support***

- Procurement of agricultural inputs including fertilizer, seeds, phytosanitary handling products; strengthening warehousing and distribution capacity; support for the harvesting of agricultural products

### Annex 3: Revised Estimate of Project Costs

Component		Cost (US\$)	Implementing Agency
1:	<b>Improved Institutional Capacity</b>	<b>7,150,000</b>	
1.1	Improved Institutional Capacity and Project Management	<b>1,900,000</b>	Bagrépôle
1.2	Technical Assistance and Institutional Support for an Improved Investment Promotion and Investment Climate in Bagré		
1.2.1	Establishing Effective Investment Promotion and Facilitation Systems	<b>1,950,000</b>	Bagrépôle
	Training on investment promotion and communications strategy	320,000	
	Installation and operationalization of investor tracking system and other IT systems	300,000	
	Consulting services (studies, analyses, reports), for example, sector analyses, export potential analysis, constraints, diversification, existing industries and secondary industries with high potential	340,000	
	Support to agro-industry and commercialization	200,000	
	Promotional materials and website	270,000	
	Internal and external promotional activities (trade fairs and events, promotion activities, meetings with anchor investors)	320,000	
	Strengthening investor aftercare	200,000	
1.2.2	Improved Investment Climate	<b>1,800,000</b>	MEBF
	Establishing a one-stop shop in Bagré under the MEBF	200,000	
	Finance of equipment for one-stop shop	400,000	
	Warehouse receipts program	200,000	
	Assessments of the investment climate	200,000	
	Investment climate reforms support	400,000	
	Doing Business reforms design and implementation support	200,000	
	Agribusiness licensing reforms	200,000	
1.2.3	Establishing Land Management Systems for Bagrépôle	<b>900,000</b>	Bagrépôle
	Review of the legal framework for land titles and leases	100,000	
	Establishing additional land pilots	100,000	
	Study tours to gain best practice for land tenure issues	300,000	
	Design an effective land tenure system for Bagrépôle including training for managing the land tenure system	400,000	
1.3	Project Monitoring and Evaluation	<b>600,000</b>	Bagrépôle / MEBF
2:	<b>Infrastructure</b>	<b>36,000,000</b>	
2.1	Development of Irrigation Infrastructure	<b>400,000</b>	Bagrépôle
	Dam safety inspections		
2.3	Development of Industrial Park Diagnostics	<b>600,000</b>	Bagrépôle
	ESIA of the proposed industrial park and RAP	200,000	
	Designing a preliminary master plan for promotional purposes	200,000	
	Provision of technical assistance for structuring public-private partnership for park management and infrastructure		
	Other safeguards studies as needed	200,000	
2.4	Development of Project Roads	<b>31,100,000</b>	Bagrépôle
	Updates of safeguards studies		
	Construction, both access and internal, both paved and unpaved		
	Maintenance planning		
	Opportunities for private participation		
	Citizen engagement in a third-party monitoring system		
2.5	Development of Project Electric Power	<b>3,900,000</b>	Bagrépôle
	Updates of safeguards studies		

Component		Cost (US\$)	Implementing Agency
	Construction of additional power infrastructure to extend the electrical grid in the project area		
	Maintenance planning		
	Exploration of opportunities for private participation		
<b>3:</b>	<b>Services</b>	<b>6,850,000</b>	
3.1	Matching Grants and Cash Transfers to Critical Services, SMEs, and Smallholders (with special targets for women and youth entrepreneurs and ID of a control group)	4,500,000	MEBF
3.2	Matching Grants and Cash Transfers Management (at the MEBF)	750,000	MEBF
	Component Monitoring and Evaluation	300,000	
3.3	SME Development, Training, and Linkages (for example, business plans, mentoring and coaching, management skills, navigating regulatory requirements, support to business associations, access to finance, identifying new markets, targeted recruiting of women and youth employees, technology, equipment maintenance, basic agronomic skills), job bank and job matching	800,000	MEBF
3.4	Support to Project-Affected Persons and to family producers for strengthening a sustainable system of agricultural advisory support	500,000	Bagrépôle
<b>Total</b>		<b>50,000,000</b>	

**Annex 4: Breakdown of Demand from 108 Interested Investors by Sector and Size of Plot Requested with Observations**

Product/Activity	Number of Investors Interested in Plots				Total	Total Hectares per Product	Percentage of the Total Hectares
	5 <sup>a</sup> –19 ha	20–50 ha	90 <sup>b</sup> –200 ha	500 <sup>c</sup> –2500 ha			
Rice/Riz	11	17	8	2	38	3,037	26.9
Corn/Mais	17	7	3	2	29	2,307	20.4
Banana/Banane	6	6	4	—	16	835	7.4
Onion/Oignon	3	1	2	—	6	364	3.2
Soy/Soja	2	1	1	—	4	265	2.3
Sesame	2	—	1	—	3	124	1.1
Moringa	1	—	—	1	2	1,005	8.9
Papaya/Papaye	1	—	1	—	2	110	<1
Niébé/Cowpea	—	2	—	—	2	55	<1
Winery/Vigne	1	—	—	—	1	15	<1
Chili/Piment	—	1	—	—	1	20	<1
Stévia	—	1	—	—	1	50	<1
Arboriculture/Fruit Farming	—	—	1	—	1	90	<1
Sunflower/Tournesol	—	—	—	1	1	500	4.4
Sugarcane/Canne à sucre	—	—	—	1	1	2,500	22.2
<b>Total Enterprises</b>	<b>44</b>	<b>36</b>	<b>21</b>	<b>7</b>	<b>108</b>	<b>11,277</b>	
<b>Total Hectares</b>	<b>473</b>	<b>1,030</b>	<b>2,784</b>	<b>6,990</b>	<b>11,277</b>		

Note: a. None of the 108 investors expressed an interest in plots of less than 5 ha.

b. None of the 108 investors expressed an interest in plots from 51 to 89 ha.

c. None of the 108 investors expressed an interest in plots from 201 to 499 ha.

**Observations from the Table Above**

1. **Important note.** It is important, when examining the potential allocation of land to the private sector, to observe that (a) the priority/first allocations will be given to the PAPs including resettled populations; (b) the allocations will be done according to the audit report on the current construction under the World Bank Bagré Growth Pole Project (P119662); and (c) the PAPs will be receiving the prime land that can be irrigated by gravity. The irrigated lands that can only be irrigated with pumping (powered by electricity and therefore more expensive) will be allocated to the private sector.

- The percentage of hectares demanded for rice production (26.9 percent) is roughly in line with the decision to reserve one-third of the land for rice production and two-thirds for ‘polyculture’.
- The 80 companies from Column 1 and Column 2 that are requesting an aggregate total of approximately 1,500 ha form the base of demand for the 69 areas between 5 and 82 ha in the Rive Gauche and Rive Droite. It is still unsure exactly how much land will be available for the private sector after all PAPs are resettled and allocated land;

however, this is roughly in line with current estimates of the land allocation to the private sector.

- Also, the 21 companies from Column 3 that expressed an interest in areas between 90 and 200 ha have also expressed, during consultations, that they would be willing to take smaller plots if they are available, bringing demand to even higher levels.
- IFC's survey of these countries in 2016 concluded the following:
  - The issues that were of most importance to investors were obtaining a land title, availability of an adequate workforce, availability of agricultural equipment, and commercializing the agricultural products, all of which will be addressed by AF activities. Certainly, the delays with finishing the irrigation infrastructure and allocating land have been a major concern for the investors.
  - Many of the investors expressed that they need project assistance for constructing the secondary and tertiary canals, as they do not have the capacity to do this. The current project is addressing this concern.
  - All expressed that proper land titling or at least lease agreements are necessary for the successful uptake of land in the project area.
- In addition, the survey found that among the 108 investors, some women entrepreneurs and women-owned SMEs were represented, hence a wide scope for gender-based and age-based impacts (see table 4.1).

**Table 4.1. Percentage of Women-Owned Enterprises**

<b>Legal Nature of the Enterprise</b>	<b>Owned by Men</b>	<b>Owned by Women</b>	<b>Total</b>
Individual/agricultural developer	90.4% (47)	9.6% (5)	100% (52)
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LLC	82.4% (14)	17.6% (3)	100% (17)
Limited company	100.0% (2)	0.0% (0)	100% (2)
Association, NGO, union of producers	66.7% (4)	33.3% (2)	100% (6)
State-owned structure	100.0% (1)	0.0% (0)	100% (1)
<b>Total</b>	<b>84.3% (75)</b>	<b>15.7% (14)</b>	<b>100% (89)</b>



**Annex 5: Review of Roads (*'Routes et Pistes'*) to Be Developed in the Bagré Growth Pole Project AF - Prioritized List**

Trunk		Register Number	Paved Road (km)	Dirt Road (km)	Dirt Road (km)	Improve d Roads (type) (km)	Improve d Roads (km)	‘Pistes ordinaire’ (km)	Total (km)	Estimated Cost (SDA-April 2014)	Comment
Origin	Destination										
Access Roads Opening Up the Project Area											
End paved RR9 (Bagré)	Dindéogo	RR9	35.909	---	---	---	---	---	35.909	6,871,762,507	
Bagré Village	Bagré Ville	---	9.096	---	---	---	---	---	9.096	1,864,542,332	
Bagré	Bagrépôle	---	2.806	---	---	---	---	---	2.806	582,301,350	
Boakla	Béga	---	---	---	4.432	---	---	---	4.432	281,045,400	Trunk to be maintained
RR9	Sampema	4P59/4P7	---	---	17.078	---	---	---	17.078	1,913,808,500	
Sampema	Beka	4P36/4P19	---	---	13.479	---	---	---	13.479	3,012,031,800	
RR9	Zampa-RN16	---	---	---	16.5	---	---	---	16.499	1,077,698,900	Trunk programmed for development by the MIDT within the framework of the rehabilitation of 44.3 km of rural roads in PPCB under the national budget (TBC)
Sampema école	Passage pirogue rive droite	4P67	---	---	---	7.868	---	---	7.868	1,004,418,000	
RN 16 à Bittou	Extreme South Extention	4P67	---	---	---	11.886	---	---	0.000	—	On stand-by during this phase of the project
Extension Est Loaba	South Extentoin	---	---	---	---	14.448	---	---	14.448	1,080,739,600	

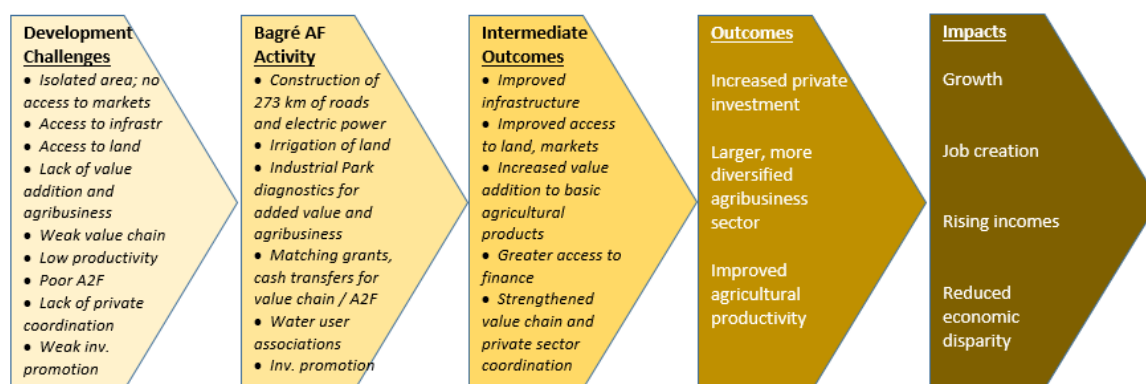
Trunk		Register Number	Paved Road (km)	Dirt Road (km)	Dirt Road (km)	Improve d Roads (type) (km)	Improve d Roads (km)	'Pistes ordinaire' (km)	Total (km)	Estimated Cost (SDA-April 2014)	Comment
Origin	Destination										
RR9	Road Béga - Boakla (chenal RG côté Nord)	---	---	---	---	7.556	---	---	7.556	---	The road along the CNE adductor canal has been included in the costs of the Rive Gauche. This road is mentioned here as a reminder.
Piste Béga - Boakla	End of Canal RG (length 5 m)	---	---	---	---	26.839	---	---	26.839	---	
Komboaré	South Extention Kounia	---	---	---	---	3.957	---	---	0.000	—	On stand-by during this phase of the project
Bagré	Pastoral Zone Doubégué	---	---	---	---	---	10.053	---	10.053	169,895,000	
Lergo	Pastoral Zone Tcherbo	---	---	---	---	---	11.187	---	11.187	260,236,142	
14P10 à Yibogo	Perimeter of Béguédo	---	---	---	---	11.886	---	---	0.000	—	On stand-by during this phase of the project
14P10 à Yibogo	Perimeter of Béguédo	---	---	---	---	---	1.543	---	0.000	—	On stand-by during this phase of the project
Niaogho	Perimeter of Niaogho	---	---	---	---	---	1.103	---	0.000	—	
Subtotal for access roads opening the project area under the AF			47.811	0	51.489	72.554	23.886	0	177.250	17,040,780,631	

Trunk		Register Number	Paved Road (km)	Dirt Road (km)	Dirt Road (km)	Improve d Roads (type) (km)	Improve d Roads (km)	‘Pistes ordinaire’ (km)	Total (km)	Estimated Cost (SDA-April 2014)	Comment
Origin	Destination										
Roads to livestock and Hippopotamus Refuge											
Access to the Woozi Refuge		4P111/4P24	---	---	---	16.381	---	---	16.381	509,601,520	Trunk programmed for development by the MIDT within the framework of the rehabilitation of 44.3 km of rural roads in PPCB under the national budget (TBC)
Interior Roads Woozi			---	---	---	---	---	20	20	24,800,000	
Access to the Gomboussougou Refuge		10P75	---	---	---	10.853	---	---	10.853	523,490,060	Trunk programmed for development by the MIDT within the framework of the rehabilitation of 44.3 km of rural roads in PPCB under the national budget (TBC)
Internal Roads Gomboussougou			---	---	---	---	---	10.168	10.168	18,600,000	
Road to livestock from Saré Peulh			---	---	---	---	---	3.575	3.575	9,230,000	

Trunk		Register Number	Paved Road (km)	Dirt Road (km)	Dirt Road (km)	Improve d Roads (type) (km)	Improve d Roads (km)	'Pistes ordinaire' (km)	Total (km)	Estimated Cost (SDA-April 2014)	Comment
Origin	Destination										
Subtotal roads to livestock and hippopotamus refuge		---	0	0	0	27.234	0	33.743	60.977	52,630,000	
Subtotal roads to livestock and hippopotamus refuge		---	---	---	---	---	---	---	---	1,033,091,580	
Subtotal roads to livestock and hippopotamus refuge		---	---	---	---	---	---	---	---	1,085,721,580	
<b>Grand Total</b>			47.8	0.0	51.5	99.8	23.9	33.7	238.2	17,093,410,631	
<b>Summary</b>											
										Amount in CFAF	Amount in US\$ (US\$1 = CFAF 550)
Priority 1		---	---	---	---	---	---			17,093,410,631	31,078,928.00
		---	---	---	---	---	---				
Priority 2		---	---	---	---	---	---			2,110,790,480	3,837,801.00
		---	---	---	---	---	---				
<b>Grand Total, Priority 1 + Priority 2</b>										<b>19,204,201,111</b>	<b>34,916,729.29</b>

Note: SDA = ; MIDT = ; PPCB = .

## Annex 6: Bagré Growth Pole Project AF Theory of Change



*Source:* Reference used in custom designing this Theory of Change for the project AF: T&C Results Framework, September 2015 (Presentation by Syed Estem Dabul Islam, Senior Results Measurement Specialist).

*Note:* A2F = Access to Finance.

## **Annex 7: Implementation Arrangements/ and M&E**

1. Given that Bagré Growth Pole is the management entity most suitable for responding to the ambition of developing a feasible, integrated zone in the southeastern region, the GoBF has proceeded with the Decree No. 2012-180/PRES/PM of March 12, 2012 to create the Integrated Development Society of Bagrépôle in the form of a society with mixed capital, with the acronym BAGRÉPÔLE-SEM, with a capital of CFAF 1 billion and a strong private sector investment.
2. **Bagrépôle has technical and administrative capacities and will be one of the two executing agencies of the project.** It has a PCA and a Chief Executive Officer. The current implementation team consists of the Chief Executive Officer; a Director of Economic Development; a Social Manager and Land Manager; a Director of Legal Affairs, Studies, and Corporate Affairs; an Investment Promotion Manager; a Director of Infrastructure and Sustainable Resources; a Communications Specialist; an Environmental Manager, an M&E Manager; an Administrative and Financial Manager; a Procurement Specialist and a specialist in Irrigation and Water Resources Management; a GIS<sup>18</sup> Specialist; a Gender Specialist; and three resettlement officers. Bagrépôle will coordinate all implementation actions of the project in accordance with its organization chart; ensure that the M&E function of the project is carried out in collaboration with the second executing agency, the MEBF; ensure that synergies between the project partners and the project are fully exploited, provide inputs to the analysis; and make recommendations to the decision-making bodies as to possible measures to be taken. The implementation manual and the administrative, financial, and accounting procedures manual, which set out the roles and responsibilities of the actors as well as the management instruments, are already developed as part of the initial project and will be updated to consider the principal changes. The adoption of the updated implementation manual is an effectiveness condition.
3. **The MEBF is the second executing agency** of the project for the implementation of the subcomponent ‘improvement of the investment climate’, Component 3 for counterpart grants (FASBagré), and cash grants for the benefit of SMEs. It will also intervene, alongside Bagrépôle, in the M&E of the project.
4. **Project Steering Committee.** To better coordinate field interventions and to ensure good planning, monitoring, and execution of results-oriented activities of the project’s DO, a single Project Steering Committee will be set up before the implementation of the project and will be chaired by the Prime Minister.
5. The Steering Committee of the project comprises representatives of the ministries supervising the project and the private and civil society actors will have the task of defining the strategic orientations, the approval of the work plans and the annual budgets, and monitor project implementation by reviewing activity reports.
6. The committee will meet twice a year.
7. The national Growth Pole Steering Committee, chaired by the Prime Minister, has the following main missions:

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<sup>18</sup> Geographic Information System.

- To define the growth poles in Burkina Faso
- To define the main orientations of growth poles in Burkina Faso
- To define the institutional arrangements to be put in place at the level of each growth pole
- To supervise the activities of the growth centers and to ensure their coherence between the objectives of the growth centers and those of the national economic policy
- To periodically analyze the results achieved by the growth centers based on the information provided
- To suggest to the various Steering Committees the orientation or reorientation of the resources to be deployed at a national level to attain the objectives.

8. The Bagré Growth Pole Technical Committee already in place is a working group comprising representatives of 15 private sector and public administration structures and responsible for supporting the technical implementation process and implementation of the process. It is responsible in particular for (a) providing an opinion on the study documents, the annual and half-yearly programs of activities, the budgets, and the periodic results reports of the project; (b) proposing solutions relating to difficulties encountered and/or potential impacts of conducting the activities; (c) proposing any other measures necessary for the proper execution of the project; (d) making any recommendations necessary for the proper execution of the project. These bodies will ensure the proper execution of project activities in accordance with their respective mandates.

9. **Associated organizations.** The execution of the activities under the aegis of Bagrépôle will be realized with the support of various specialized and experienced organizations to execute or monitor tasks that come under their domain of core competences: (a) strategic partner institutions and (b) contractual providers. The strategic partners are those that provide direct functions of the public services in charge of Agriculture, Environment (*Bureau National des Evaluations Environnementales*), Transport, Energy (SONABEL), Trade, Investment Promotion Agency of the Burkina Faso (API-BF) Livestock, Promotion of Women, Economy, Research. Depending on the case, they will be responsible, based on protocols or agreements, for advisory support, support to producer organizations in terms of structuring, enterprise development, monitoring and control of seed production, Environmental and Social Management Plan (ESMP) monitoring, and so on. They will also support Bagrépôle in carrying out activities and evaluating the work of service providers, disseminating information, facilitating dialogue at the local level, and so on. Private service providers (companies, consulting firms, NGOs, individual consultants, and so on) will be responsible for the supply of all other works, goods and services. They will be recruited on a competitive basis and linked to Bagrépôle by contracts. Some ESMP activities will be implemented through the High Intensity Workforce approach under the supervision of the project team.

10. **Partnership arrangements.** The AfDB is helping to support the construction of the Bagré Growth Pole Project Area by financing the construction of the irrigation canal on the right bank and the development of value chains in the context of the vision to modernize agriculture in the

area. Further partnerships would be needed to fully achieve the goals and business models of the Bagré Growth Hub.

### **M&E Platform**

11. **The AF will run for two-and-a-half years from 2018.** During the commencement of the financing, the GoBF and the World Bank will organize a launching mission to put in place all the conditions required for a quick and efficient start of the project.

12. **Internal M&E.** The project will be monitored by Bagrépôle, including the FASBagré and cash transfer system in collaboration with the MEBF and its existing bodies, which bring together national and regional technical structures. Internal M&E will be provided by Bagrépôle's M&E service, which is already operational. Drawing lessons from the initial funding M&E system and the recommendations of the MTR mission, the M&E service will have substantial capacity and resources for monitoring, dissemination, and capitalization focused on the results of the project.

13. External M&E will be provided by the National Growth Pole Steering Committee, chaired by the Prime Minister, the Steering Committee of the project, and the Board of Directors of Bagrépôle and the MEBF, as well as technical ministries.



## **Annex 8: Health and Safety Action Plan**

**Dated: December 1, 2017**

1. The following recommendations come from a Worker Safety and Health Audit which was conducted by an international expert from July – September 2017. It was completed and delivered to the client and the construction companies during a site visit from September 18-19, 2017. Since that time, a team consisting of the project team and the client has made six site visits to ensure the proper implementation of all recommendations.

2. The Recipient shall, or shall cause the entities listed in the tables below, to take the actions listed in the tables below on or before March 30, 2018.

### **General/Cross-cutting actions**

#### **Compliance with general management measures of the project**

**Table 8.1. General Actions**

<b>No.</b>	<b>Actions</b>	<b>Responsible for Implementation</b>
5	The Recipient shall cause the PIE to recruit an environmentalist dedicated to environmental aspects of the project, with terms of reference acceptable to the Association.	PIE
6	The Recipient shall cause the PIE to implement a platform for HSE management in a manner acceptable to the Association.	PIE
7	Following the implementation of the SME, the Recipient shall cause the PIE to communicate the HSE policy to work-site staff and workers and applicable subcontractors, through trainings and placement of on-site HSE advisory posters.	PIE
10	The Recipient shall cause the PIE to create and implement an HSE monitoring system at the work site.	PIE
11	The Recipient shall cause the PIE to approve and sign construction base (CB) reports.	PIE
12	The Recipient shall cause the PIE to implement a mechanism for monitoring the effective control of the obligations outlined in this annex in a manner acceptable to the Association.	PIE
13	The Recipient shall cause the PIE to implement a mechanism of sanctions and communicate these to the CB with the consequences for not complying with the HSE actions.	PIE

#### **Compliance on the part of the supervisory company (BRLI/CINTECH/LAMCO)**

**Table 8.2. Actions for Implantation by CB**

<b>No.</b>	<b>Actions</b>	<b>Responsible for Implementation</b>
4	The Recipient shall cause the CB to monitor the implementation of the ESMPs and report on that implementation to the PIE.	CB (Construction Base)

No.	Actions	Responsible for Implementation
5	The Recipient shall cause the CB to submit to the PIE the corrective measures relating to the implementation of the ESMPs and request the confirmed implementation of those corrective measures.	CB
6	The Recipient shall cause the PIE to hold a session with the construction companies hired to work on the project and the CB to clarify the mission and duties of the abovementioned environmental specialist and the CB and to identify and correct any gaps in the environmental specialist's mission and duties.	PIU/CB

### Water Component (Both surface and subterranean water)

**Table 8.3. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to take measures to prevent the pollution and degradation of surface waters throughout its work sites through measures such as avoiding accidental spills, capping with concrete the repair areas of vehicles, washing materials far from water sources and reserves, and any other preventative measures deemed appropriate by the Association.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to install a decantation basin (settling pond), in a manner acceptable to the Association.	Chaabane et Cie

### Geo-Morphophysic Component (Ground and Landforms)

**Table 8.4. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause Chaabane et Cie to (a) submit rehabilitation plans of work collection and distribution sites ( <i>sites d'emprunt</i> ) for machinery and tools to the CB and the PIE for validation, and (b) complete such rehabilitation plans.	Chaabane et Cie
4	The Recipient shall cause Chaabane et Cie to (a) submit the rehabilitation plans of the warehousing sites and the concrete batching plant and concrete work sites to the CB and the PIU for validation, and (b) complete such rehabilitation plans.	Chaabane et Cie
5	The Recipient shall cause Chaabane et Cie to waterproof work areas where oil is drained from engines and machines. The Recipient shall cause Chaabane et Cie to monitor the engines and machines that leak oil or fuel and repair them.	Chaabane et Cie

## Environment (Noise, Air)

**Table 8.5. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	<p>The Recipient shall cause Chaabane et Cie to procure anti-noise protective helmets, in a manner acceptable to the Association.</p> <p>The Recipient shall cause Chaabane et Cie to choose tools and materials that produce less noise, such as electrogenic generators, in a manner acceptable to the Association.</p> <p>The Recipient shall cause Chaabane et Cie to equip certain engines with silencers, in a manner acceptable to the Association.</p>	Chaabane et Cie

## Waste Management

**Table 8.6. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the elimination of used or dirty water, in a manner acceptable to the Association.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the elimination of tires, in a manner acceptable to the Association.	Chaabane et Cie
3	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the elimination of used batteries, in a manner acceptable to the Association.	Chaabane et Cie
4	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the elimination of oils, grease, and used filters (collection, stockage and elimination), in a manner acceptable to the Association.	Chaabane et Cie
5	<p>The Recipient shall cause Chaabane et Cie to remove contaminated earth in all areas where it is found to be soiled, in a manner acceptable to the Association.</p> <p>The Recipient shall cause Chaabane et Cie to provide bins for storage of excavated contaminated earth, in a manner acceptable to the Association.</p> <p>The Recipient shall cause Chaabane et Cie to sign a contract with a company for the elimination of the contaminated earth collected in said bins, in a manner acceptable to the Association.</p>	Chaabane et Cie
6	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the disposal of garbage and rubbish or to negotiate with the nearest municipality or town hall for the disposal of such garbage and rubbish, in a manner acceptable to the Association.	Chaabane et Cie
7	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the disposal of cement packaging or resale to approved companies for recycling, in a manner acceptable to the Association.	Chaabane et Cie
8	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the disposal of used paperboard and paper, in a manner acceptable to the Association.	Chaabane et Cie
9	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the disposal of plastic waste or resale to authorized companies for recycling, in a manner acceptable to the Association.	Chaabane et Cie
10	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the disposal of ferrous waste (scrap metal), in a manner acceptable to the Association.	Chaabane et Cie

No.	Corrective/Preventative Actions	Responsible for Implementation
11	The Recipient shall cause Chaabane et Cie to sign a contract with a company for the disposal of demolition products (concrete, masonry) or to use them in plugging holes when they do not pose a risk to the population, in a manner acceptable to the Association.	Chaabane et Cie

## Energy Consumption Component

**Table 8.7. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to incorporate an awareness session ( <i>la sensibilisation</i> ) of ¼ hours on work-site fuel consumption, in a manner acceptable to the Association.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to incorporate an awareness session ( <i>la sensibilisation</i> ) of ¼ hours on work-site electricity consumption, in a manner acceptable to the Association.	Chaabane et Cie
3	The Recipient shall cause Chaabane et Cie to incorporate an awareness session ( <i>la sensibilisation</i> ) of ¼ hours on work-site water consumption, in a manner acceptable to the Association.	Chaabane et Cie

## Legal and Socio-cultural Component

### Analysis of the Subcomponent LEGAL

**Table 8.8. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to take measures to protect all employees against accidents and occupational diseases, in a manner acceptable to the Association.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to produce to the Association documents confirming statements and registration into the National Social Security Fund (NSSF) of all workers employed in any capacity by Chaabane et Cie for work on the project, in a manner acceptable to the Association. The recipient shall cause Chaabane et Cie to declare all workers to the NSSF in accordance with their individual contracts and legal provisions, in a manner acceptable to the Association.	Chaabane et Cie
3	The Recipient shall cause Chaabane et Cie to establish and post work schedules, in a manner acceptable to the Association.	Chaabane et Cie
4	The Recipient shall cause Chaabane et Cie to plan vacations for employees and workers.	Chaabane et Cie
5	The Recipient shall cause Chaabane et Cie to establish a committee drawn from environmentalists at CB, Bagrepôle, and companies that have been hired to work on the project to share their experiences and work.	Chaabane et Cie

## Analysis of the WATER component (surface and subsurface)

**Table 8.9. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to take preventative action against the pollution and the degradation of surface and groundwater during work on the project, in a manner acceptable to the Association.	CGE/SNCE
2	The Recipient shall cause CGE/SNCE to set up a system for decanting or treating the water coming from washing concrete mixers loaded with cement, in a manner acceptable to the Association.	CGE/SNCE

## Analysis of the Component GEO-MORPHOPHYSIC (sols, reliefs)

**Table 8.10. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause CGE/SNCE to write a rehabilitation plan for the disposal sites and ensure its execution through to the end of construction.	CGE/SNCE
4	The Recipient shall cause CGE/SNCE to work on watertight areas (especially for the mechanical workshop). The Recipient shall cause CGE/SNCE to ensure ground soiled by spilled fuel at the pump is scoured and cleaned, in a manner acceptable to the Association. The Recipient shall cause CGE/SNCE to avoid throughout CGE/SNCE's work on the project any spillage or soil contamination by, for example, wastewater, hydrocarbons, and paint, in a manner acceptable to the Association.	CGE/SNCE

## Analysis of the Component WASTE MANAGEMENT

**Table 8.11. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to enter into a contract with a company for the management of used tires, in a manner acceptable to the Association.	CGE/SNCE
2	The Recipient shall cause CGE/SNCE to enter into a contract with a company for the management of used batteries, in a manner acceptable to the Association.	CGE/SNCE
3	The Recipient shall cause CGE/SNCE to enter into a contract with a company for waste management (removal, disposal, and/or recycling), in a manner acceptable to the Association.	CGE/SNCE
4	The Recipient shall cause CGE/SNCE to enter into a contract with a company for waste management (removal, disposal, and/or treatment), in a manner acceptable to the Association.	CGE/SNCE
5	The Recipient shall cause CGE/SNCE to not burn cement packets. The recipient shall cause CGE/SNCE to resell cement packets to licensed recyclers or to contract with a company to manage cement packets, in a manner acceptable to the Association.	CGE/SNCE

No.	Corrective/Preventative Actions	Responsible for Implementation
6	The Recipient shall cause CGE/SNCE to enter into a contract with a company for the management of ferrous waste, in a manner acceptable to the Association.	CGE/SNCE
7	The Recipient shall cause CGE/SNCE to collect demolition products, dispose of iron, reduce iron products to fill holes, or sign a contract with a company for the management of iron products, in a manner acceptable to the Association.	CGE/SNCE

## Analysis of the subcomponent LEGAL AND SOCIO-CULTURAL

### Analysis of the subcomponent LEGAL

**Table 8.12. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to post and enforce work schedules, in a manner acceptable to the Association.	CGE/SNCE
2	The Recipient shall cause CGE/SNCE to establish an employee vacation schedule, in a manner acceptable to the Association.	CGE/SNCE
3	The Recipient shall cause CGE/SNCE to establish a committee drawn from environmentalists at CB, Bagrépôle, and companies that have been hired to work on the project to share their experiences and work.	CGE/SNCE

## Chapter II Assessment of the worker safety and health management system (WSHMS) of the company Chaabane et Cie

### Assessment of the component GENERAL REQUIREMENTS OF THE WSHMS

**Table 8.13. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
4	The Recipient shall cause Chaabane et Cie to identify the requirements and needs of the different work units on the project site to better integrate them into the proactive risk management systems, in a manner acceptable to the Association.	Chaabane et Cie
12	The Recipient shall cause Chaabane et Cie to conduct regular and periodic formal OHS inspections (once a month) of the project site, in a manner acceptable to the Association.	Chaabane et Cie

### Assessment of the component WSHMS POLICY

**Table 8.14. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
2	The Recipient shall cause Chaabane et Cie to continually improve its commitment to WSHMS and to allocate funds sufficient for action to that end, in a manner acceptable to the Association.	Chaabane et Cie
3	The Recipient shall cause Chaabane et Cie to prioritize preventative measures in designing its OHS policy and to integrate that policy into all its systems, in a manner acceptable to the Association.	Chaabane et Cie

No.	Corrective/Preventative Actions	Responsible for Implementation
5	The Recipient shall cause Chaabane et Cie to account for the budget it receives to finance HSE mitigation plans, in a manner acceptable to the Association.	Chaabane et Cie
6	The Recipient shall cause Chaabane et Cie to update its OHS policy with clear objectives, in a manner acceptable to the Association.	Chaabane et Cie
9	The Recipient shall cause Chaabane et Cie to post its OHS policy in a public place to remind workers of the daily OHS goals, in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of the component HYGIENE, SAFETY AND HEALTH

**Table 8.15. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The recipient shall cause Chaabane et Cie to maintain sanitary facilities at the project base, in a manner acceptable to the Association. The recipient shall cause Chaabane et Cie to make cleaning products available to all workers employed in any capacity to work on the project, in a manner acceptable to the Association. The recipient shall cause Chaabane et Cie to post a sheet tracking the frequency of cleanings, in a manner acceptable to the Association.	Chaabane et Cie
2	The recipient shall cause Chaabane et Cie to give instructions on cleaning to all dormitory users, in a manner acceptable to the Association. Make maintenance equipment available, in a manner acceptable to the Association.	Chaabane et Cie
3	The recipient shall cause Chaabane et Cie to organize the base station thematically with corresponding instructions, in a manner acceptable to the Association. The recipient shall cause Chaabane et Cie to improve the interior of the base station by arranging it (that is, to spread out the laterite and to compact other waste materials).	Chaabane et Cie

## 3.2 Assessment of the subcomponent SAFETY AND HEALTH

**Table 8.16. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to take measures and establish procedures to protect workers employed in any capacity for work on the project from falling objects such as toolbars, tool cases, attachment points, wrists, tool belts, and safety buckets, in a manner acceptable to the Association.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to write a safety procedure relating to and to be used for any demolition work Chaabane et Cie or its subcontractors conducts throughout the project, in a manner acceptable to the Association.	Chaabane et Cie
3	The Recipient shall cause Chaabane et Cie to write a safety procedure relating to and to be used for any electrical installments Chaabane et Cie or its subcontractors conducts throughout the project, in a manner acceptable to the Association.	Chaabane et Cie

	The Recipient shall cause Chaabane et Cie to train workers employed in any capacity for work on the project on electrical hazards, in a manner acceptable to the Association.	
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## Assessment of the communications system

**Table 8.17. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to put up a sign to display all HSE information, including instructions, good practices, working hours, number of accidents, and all days for the execution of the work, in a manner acceptable to the Association.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to strengthen its signage, in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of Training

**Table 8.18. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to define a procedure for collecting information on OHS, in a manner acceptable to the Association. The recipient shall cause Chaabane et Cie to establish an attendance list for all courses.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to establish a database of awareness building and training, in a manner acceptable to the Association.	Chaabane et Cie
3	The Recipient shall cause Chaabane et Cie to allow the HSE manager to participate in recycling courses or specific trainings relating to, for example, chemical waste, hazardous products, and life cycle analysis, in a manner acceptable to the Association.	Chaabane et Cie
4	The Recipient shall cause Chaabane et Cie to train new hires, whether employed directly or as subcontractors by Chaabane et Cie, before starting their job, in a manner acceptable to the Association.	Chaabane et Cie
6	The Recipient shall cause Chaabane et Cie to train as many of its employees and subcontractors as feasible in fire protection and firefighting techniques, accepting training assistance from professional rescue services when possible, in a manner acceptable to the Association. The Recipient shall cause Chaabane et Cie to raise awareness among all of its workers employed in any capacity to work on the project and to strictly prohibit smoking on site except where indicated, in a manner acceptable to the Association.	Chaabane et Cie
7	The Recipient shall cause Chaabane et Cie to train as many of its workers employed in any capacity to work on the project as feasible in drowning prevention techniques, accepting training assistance from professional rescue services when possible, in a manner acceptable to the Association. The Recipient shall cause Chaabane et Cie to build awareness of drowning risks among all of its workers employed in any capacity to work on the project and prohibit bathing on site in areas not explicitly designated for that purpose, in a manner acceptable to the Association.	Chaabane et Cie
8	The Recipient shall cause Chaabane et Cie to identify work- and safety-related grievances and to collect OHS information to identify training needs to develop the skills of all of its workers employed in any capacity to work on the project, in a manner acceptable to the Association.	Chaabane et Cie



No.	Corrective/Preventative Actions	Responsible for Implementation
9	The Recipient shall cause Chaabane et Cie to recruit a program manager, if a qualified candidate exists, for training needs or to liaise with the human resources department to integrate these aspects, in a manner acceptable to the Association.	Chaabane et Cie
10	The Recipient shall cause Chaabane et Cie to call on a specialist for training on specific risks inherent to the project (such as chemical risks related to the use of sulfur, hydrocarbons, paints, cement, and tetanus) when the HSE manager does not have the skills necessary to conduct such training, in a manner acceptable to the Association.	Chaabane et Cie
13	The Recipient shall cause Chaabane et Cie to establish a system of learning assessment and to ensure the frequency of training, which is to be twice a month, in a manner acceptable to the Association.	Chaabane et Cie

### Assessment of emergency situations

**Table 8.19. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause Chaabane et Cie to communicate to all of its workers employed in any capacity to work on the project the list of rescue personnel, in a manner acceptable to the Association.	Chaabane et Cie
4	The Recipient shall cause Chaabane et Cie to post emergency numbers in visible, prominent locations throughout all of its work sites, in a manner acceptable to the Association.	Chaabane et Cie
6	The Recipient shall cause Chaabane et Cie to simulate emergency tests to prepare all of its workers employed in any capacity to work on the project to respond to emergencies that may arise given the nature of the work, in a manner acceptable to the Association.	Chaabane et Cie
8	The Recipient shall cause Chaabane et Cie to train all of its workers employed in any capacity to work on the project on emergency situations that may arise given the nature of the work, in a manner acceptable to the Association.	Chaabane et Cie

### Assessment of overpasses and other

**Table 8.20. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
2	<p>The Recipient shall cause Chaabane et Cie to control the safety level of ladders periodically to prevent the risk of falls, in a manner acceptable to the Association.</p> <p>The Recipient shall cause Chaabane et Cie to remove noncompliant ladders, in a manner acceptable to the Association.</p> <p>The Recipient shall cause Chaabane et Cie to not use ladders for any use other than that for which they are intended, in a manner acceptable to the Association.</p> <p>The Recipient shall cause Chaabane et Cie to use a lifting system for heights above 3 meters, such as lifting platforms and appropriate Individual Protective Equipment (IPE), in a manner acceptable to the Association.</p> <p>The recipient shall cause Chaabane et Cie to train all of its workers employed in any capacity to work on the project on the proper use of ladders, in a manner acceptable to the Association.</p>	Chaabane et Cie

## Assessment of circulation

**Table 8.21. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause Chaabane et Cie to reinforce signs everywhere on the site, including the routes, the base station, the concrete plant, the loan-out station and the warehouses, and along the canal, in a manner acceptable to the Association.	Chaabane et Cie
4	The Recipient shall cause Chaabane et Cie to mark all hazardous areas along the primary canal and machine work areas, in a manner acceptable to the Association. The Recipient shall cause Chaabane et Cie to establish a safety perimeter when operating a machine in a small field, in a manner acceptable to the Association.	Chaabane et Cie
5	The Recipient shall cause Chaabane et Cie to train select personnel to direct traffic to ensure safe traffic, in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of the qualifications of drivers and engine maintenance

**Table 8.22. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to train drivers on safe driving and good driving practices in general, in a manner acceptable to the Association.	Chaabane et Cie
3	The Recipient shall cause Chaabane et Cie to place fire extinguishers near motors and machinery and in vehicles, in a manner acceptable to the Association. The Recipient shall cause Chaabane et Cie to maintain work tools that heat a lot and can catch fire near the exterior of machines (for example, small manual compactors and generators), in a manner acceptable to the Association.	Chaabane et Cie
4	The Recipient shall cause Chaabane et Cie to strengthen the means of firefighting in the base station (RFT, fire extinguishers, sandboxes, and waterjet hoses), in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of worker health

**Table 8.23. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
2	The Recipient shall cause Chaabane et Cie to systematically include medical visits into the recruitment phase, in a manner acceptable to the Association.	Chaabane et Cie
5	The recipient shall cause Chaabane et Cie to place first aid kits in all vehicles and near machinery and equipment, in a manner acceptable to the Association.	Chaabane et Cie
8	The Recipient shall cause Chaabane et Cie to broaden awareness of HIV/AIDS among all of its workers employed in any capacity to work on the project, in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of protective equipment

**Table 8.24. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
4	The Recipient shall cause Chaabane et Cie to sanction all of its workers employed in any capacity to work on the project who do not wear the appropriate IPE, in a manner acceptable to the Association.	Chaabane et Cie
5	The Recipient shall cause Chaabane et Cie to order IPE as a reserve for urgent needs, in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of space management

**Table 8.25. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to locate and create an emergency evacuation point far from any source of danger, in a manner acceptable to the Association.	Chaabane et Cie

## Evaluation of the quality of life of workers

**Table 8.26. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
2	The recipient shall cause Chaabane et Cie to set up a centralized canteen and to establish sanitation measures, in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of the management of chemical products

**Table 8.27. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
2	The Recipient shall cause Chaabane et Cie to provide safety data sheets for all chemicals and instruct all of its workers employed in any capacity to work on the project on their use, in a manner acceptable to the Association.	Chaabane et Cie

## Assessment of monitoring measures

**Table 8.28. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to set up a system for measuring the company's OHS performance, in a manner acceptable to the Association.	Chaabane et Cie
2	The Recipient shall cause Chaabane et Cie to set up an OHS dashboard and to ensure that it is updated, in a manner acceptable to the Association.	Chaabane et Cie
5	The Recipient shall cause Chaabane et Cie to conduct internal audits to verify its own compliance, in a manner acceptable to the Association.	Chaabane et Cie

## Chapter III Assessment of the safety and health management system of the company CGE/SNCE

### 1. Assessment of the component GENERAL WSHMS REQUIREMENTS

**Table 8.29. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to define and write a policy implementing the WSHMS, in a manner acceptable to the Association.	CGE/SNCE
9	The Recipient shall cause CGE/SNCE to commit to the OHS plan through a clear charter validated by the top management and to display it, in a manner acceptable to the Association.	CGE/SNCE
10	The Recipient shall cause CGE/SNCE to identify the processes and directions that govern the company's OHS component and to continually work on their continuous improvement, in a manner acceptable to the Association.	CGE/SNCE
11	The Recipient shall cause CGE/SNCE to review the tasks of the HSE manager who sometimes performs other tasks indirectly in relation to his basic contract, in a manner acceptable to the Association.	CGE/SNCE
12	The Recipient shall cause CGE/SNCE to establish a periodic inspection program, in a manner acceptable to the Association.	CGE/SNCE

### 2. Assessment of the component POLICY ON WSHMS

**Table 8.30. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
5	The Recipient shall cause CGE/SNCE to incorporate a component 'financial commitment of the company' in the general policy of the company, in a manner acceptable to the Association.	CGE/SNCE
6	The Recipient shall cause CGE/SNCE to update the company's environmental policy by integrating the OHS aspects, in a manner acceptable to the Association.	CGE/SNCE
9	The Recipient shall cause CGE/SNCE to post the company's OHS policy, in a manner acceptable to the Association.	CGE/SNCE

### 3. Assessment of the component HYGIENE, SAFETY AND HEALTH

#### 3.1. Assessment of the subcomponent HYGIENE

**Table 8.31. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The recipient shall cause CGE/SNCE to sign a contract with a company for disposing of excrement, in a manner acceptable to the Association.	CGE/SNCE

## 3.2. Assessment of the sub-component SAFETY AND HEALTH

### 3.2.1 Assessment of procedures

**Table 8.32. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to write and apply work procedures for working in high places, in a manner acceptable to the Association.	CGE/SNCE
2	The Recipient shall cause CGE/SNCE to write and apply procedures on lifting operations, in a manner acceptable to the Association.	CGE/SNCE
3	The Recipient shall cause CGE/SNCE to take measures to protect against falling objects, such as tool lanyards, tool cases, attachment points, wrists, tool belts, and safety buckets, in a manner acceptable to the Association.	CGE/SNCE
7	The Recipient shall cause CGE/SNCE to write and apply a procedure on the installation of electricity, in a manner acceptable to the Association. The recipient shall cause CGE/SNCE to train all of its workers employed in any capacity to work on the project on electrical hazards, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.2 Assessment of the communications system

**Table 8.33. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
2	The Recipient shall cause CGE/SNCE to post all necessary information for OHS, in a manner acceptable to the Association.	CGE/SNCE
6	The Recipient shall cause CGE/SNCE to post reminder signs along the entire work site, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.3 Assessment of training

**Table 8.34. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause CGE/SNCE to allow the HSE manager to participate in recycling courses or specific trainings relating, for example, to chemical waste, hazardous products, and life cycle analysis, in a manner acceptable to the Association.	CGE/SNCE
7	The Recipient shall cause CGE/SNCE to train as many all of its workers employed in any capacity to work on the project as feasible on the prevention of drowning, accepting training assistance from professional rescue services when possible, in a manner acceptable to the Association. The recipient shall cause CGE/SNCE to prohibit swimming on site, in a manner acceptable to the Association.	CGE/SNCE
9	The Recipient shall cause CGE/SNCE to recruit a program manager, if a qualified candidate exists, for training needs or liaise with the human resources department to integrate these aspects, in a manner acceptable to the Association.	CGE/SNCE
10	The Recipient shall cause CGE/SNCE to contract with a specialist for training on specific inherent risks, such as chemical risks related to the use of sulfur, hydrocarbons, paints, cement, and reinforcement (tetanus), when	CGE/SNCE

No.	Corrective/Preventative Actions	Responsible for Implementation
	the HSE manager is not qualified to give such training, in a manner acceptable to the Association.	
13	The Recipient shall cause CGE/SNCE to establish a system for assessing the effectiveness of training and to ensure the frequency of training (twice a month), in a manner acceptable to the Association.	CGE/SNCE

### 3.2.4 Assessment of emergency systems

**Table 8.35. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause CGE/SNCE to communicate to all of its workers employed in any capacity to work on the project the list of rescuers, in a manner acceptable to the Association.	CGE/SNCE
4	The Recipient shall cause CGE/SNCE to post emergency numbers throughout the work site, in a manner acceptable to the Association.	CGE/SNCE
6	The Recipient shall cause CGE/SNCE to simulate tests to prepare all of its workers employed in any capacity to work on the project to respond to emergencies, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.5 Assessment of elevated walkways and other

**Table 8.36. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
2	<p>The Recipient shall cause CGE/SNCE to monitor the ladders to prevent the risk of falls, in a manner acceptable to the Association.</p> <p>The recipient shall cause CGE/SNCE to remove noncompliant ladders and use them only for the purpose for which they were designed, in a manner acceptable to the Association.</p> <p>The Recipient shall cause CGE/SNCE to use a lifting system for heights above 3 meters, utilizing lifting platforms and appropriate IPE, in a manner acceptable to the Association.</p> <p>The Recipient shall cause CGE/SNCE to train all of its workers employed in any capacity to work on the project on the proper use of ladders and the lifting systems, in a manner acceptable to the Association.</p>	CGE/SNCE

### 3.2.6 Assessment of circulation

**Table 8.37. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause CGE/SNCE to ensure the presence of signs everywhere on the site, including the routes, the base station, the concrete plant, the loan-out stations and warehouses, and along the canal, in a manner acceptable to the Association.	CGE/SNCE
4	<p>The Recipient shall cause CGE/SNCE to section off all hazardous areas along the primary canal and machine work areas, in a manner acceptable to the Association.</p> <p>The Recipient shall cause CGE/SNCE to establish a safety perimeter when operating a machine works in close quarters, in a manner acceptable to the Association.</p>	CGE/SNCE

### 3.2.7 Monitor the qualification of drivers and the maintenance of engines

**Table 8.38. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
4	The Recipient shall cause CGE/SNCE to strengthen the means of firefighting in the base station by, for example, making available fire extinguishers, sandboxes, and waterjet hoses, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.8 Assessment of the health of workers

**Table 8.39. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
5	The Recipient shall cause CGE/SNCE to place first aid kits in all vehicles and near machinery and engines, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.9 Assessment of protective equipment

**Table 8.40. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
3	The Recipient shall cause CGE/SNCE to adapt the IPE to the specific activities performed by all of its workers employed in any capacity to work on the project on the whole site and in the prefabricated area, in a manner acceptable to the Association.	CGE/SNCE
4	The Recipient shall cause CGE/SNCE to sanction all of its workers employed in any capacity to work on the project who do not use IPE where required by the specific activity performed, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.10 Assessment of space management

**Table 8.41. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause Chaabane et Cie to create an emergency evacuation point in case an emergency develops, in a manner acceptable to the Association.	Chaabane et Cie

### 3.2.11 Assessment of the quality of life of personnel

**Table 8.42. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to provide vehicles to the construction site for the transport of the workers, in a manner acceptable to the Association. The Recipient shall cause CGE/SNCE to prohibit the transportation of workers on machinery, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.12 Assessment of the management of chemical products

**Table 8.43. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to properly treat sulfur residues and to ensure storage of sulfur residues and the treatment by-product in a well-ventilated area, in a manner acceptable to the Association.	CGE/SNCE
2	The Recipient shall cause CGE/SNCE to post chemical safety data sheets, in a manner acceptable to the Association.	CGE/SNCE
3	The Recipient shall cause CGE/SNCE to ensure the labeling of all hazardous chemicals and ensure that the label remains attached, in a manner acceptable to the Association.	CGE/SNCE

### 3.2.14. Assessment of monitoring measures

**Table 8.44. Corrective Actions**

No.	Corrective/Preventative Actions	Responsible for Implementation
1	The Recipient shall cause CGE/SNCE to establish a system for measuring the company's OHS performance, in a manner acceptable to the Association.	CGE/SNCE
2	The Recipient shall cause CGE/SNCE to establish an OHS dashboard and to ensure that it is updated, in a manner acceptable to the Association.	CGE/SNCE
5	The Recipient shall cause CGE/SNCE to conduct internal audits to verify its own compliance, in a manner acceptable to the Association.	CGE/SNCE

## 4. Investigation of the accident of June 3, 2017

The recipient shall cause Bagrepole to cause Chaabane et Cie to contact the competent authorities (prosecutor, labor inspectorate) to recover the report of the gendarmerie related to the accident of June 3, 2017 to complete the file for compensation by the NSSF by December 30, 2017, or the recipient shall cause Bagrepole, to cause Chaabane et Cie. to provide to the family of the worker who passed away on July 3, 2017 a compensation equal to the amount that would have been provided by the NSSF.



## **Annex 9: Update of Land Management Annex from the original PAD**

1. Annex 10 of the PAD from 2011 contained information on the ‘Project Approach on Land Management’. This annex provides an update of that annex with the status of land interventions through the project.

2. The following are the general updates:

- The previous regulatory framework for land, the 2009 law on rural land, has now been complemented with a new law, the 2012 Law No. 034-2012, *Portant Reorganisation Agraire et Fonciere au Burkina Faso* (with regard to the Agrarian and Land Reorganization in Burkina Faso).
- The functions of the original implementing agency, MOB, were transferred to Bagrépôle, and in the organization’s statutes that were adopted by decree in August 2012, Bagrépôle was given the responsibility to ‘manage the land aspects and physical resources of the Bagré Growth Pole’.
- Several studies and analyses have been conducted since project effectiveness:
  - A master plan for the project was completed in 2014 and now provides guidelines for all development in the region including land management issues.
  - In April 2015, the project completed a Land Framework for the Sustainable Management of Land and of the Environmental of Bagré Growth Pole (*Cadre Foncier pour la Gestion Durable des Terres et de l’Environnement du Pole de Croissance de Bagré*), that was approved by the Board of Bagrépôle on April 15, 2015.
  - An audit, which included community consultations and identified affected people under the Bagré Dam and the original project, was published through the InfoShop and locally (February 15, 2016 No. IPP 720). The original PAD anticipated identifying the people who had been affected (displaced or lost land for cultivation) from the original dam and reservoir construction and determining if they had been properly compensated by means of this audit. However, the consultants were not able to locate any specific information on these populations or confirm how they had been compensated above and beyond general census information obtained from the GoBF.<sup>19</sup> Hence, the auditors recommended any

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<sup>19</sup> The figures from the audit report, Page 9—320 households were displaced and 3,438 households that were not displaced but lost some of the land that they were cultivating—are total numbers obtained from the census (*Recensement General de la Population et de l’Habitation*) of 2006, and there is no additional information available on individuals. Furthermore, neither the auditors nor the Bagrépôle PIU were able to locate any specific information to verify the identity of or validate the number of 618 dam-related PAPs cited in the PAD for the original project. There are no individuals who have been able to produce any written information on compensation they may have received from the original dam and reservoir construction. Finally, it has been impossible to distinguish between people who have migrated to the area since dam construction and those who were already located on the land when the dam and reservoir were constructed.

remaining compensation be done through communal projects (construction of additional infrastructure and facilities in host communities such as schools and livestock markets, occupational training, and so on). These projects have been outlined and formulated into a time-bound action plan that the GoBF has committed to in writing. It is important to note that the audit report was completed much later than was originally programmed in the PAD (at the latest December 30, 2012), and this delay represented a failure to comply with legal covenants on time.

3. With regard to specific issues, the following were identified in the original PAD as important issues. They are presented in the Table 7.1 with corresponding updates.

**Table 9.1. Update of Original PAD Land Management Annex**

Issue from the Original PAD	Update
<p>Three sets of issues have been identified during project appraisal and extensively discussed in project preparation documents and studies initiated during the preparation stage. These issues can be categorized as follows:</p> <p>(a) <b>Legacy issues</b> that relate to the displacement of populations before the proposed project and specifically during the construction of the Bagré dam</p>	<p>An audit was completed, in 2016, of the legacy issues and previous compensation as a result of the dam and reservoir construction. The original PAD anticipated identifying the people who had been affected (displaced or lost land for cultivation) from the original dam and reservoir construction and determining if they had been properly compensated by means of this audit. However, the consultants were not able to locate any specific information on these populations or confirm how they had been compensated above and beyond general census information obtained from the GoBF. Subsequent searches by the project team and Government clients for any information either in physical files or in the virtual filing system determined that no such information on individuals affected by the previous dam and irrigation construction was available. Hence, the project team and management decided that any remaining compensation be done through communal projects (construction of additional infrastructure and facilities in host communities such as schools and livestock markets, occupational training, and so on). These projects have been outlined and formulated into a time-bound action plan that the GoBF has committed to in writing.</p>
<p>(b) <b>Involuntary resettlement issues</b> related to existing landholders, occupants, and users who may be affected by the implementation of new activities under the proposed project (for example, people who might be displaced or suffer harm to their livelihoods as a result of the implementation of project investments [roads, canals, irrigation schemes, and so on] and/or because of land allocation to medium and large agribusiness enterprises) and the potential risk of conflicts between residents and new private enterprises over the access to and the use of the resources</p>	<p>The following RAPs have been completed under the original project:</p> <ul style="list-style-type: none"> <li>• RAP for the 1,000 ha area in the Rive Gauche</li> <li>• RAP for the 1,130 ha area in the Rive Gauche</li> <li>• RAP for the Northern Extension ('Chenale Nord') of 5,796 ha</li> <li>• RAP for the 4,464 ha area in the Rive Droite (1,000 ha and 1,173 ha in the West Extension; 2,291 ha in the East Extension)</li> <li>• Report on the consultations with the PAPs in the 1,000 ha and 1,130 ha areas of the Rive Gauche, North and East Extensions, and 1,000 ha in the West Extension</li> <li>• RAP for the 157.43 km of improved and dirt roads</li> <li>• RAP for the 47.8 km of paved roads</li> <li>• RAP for the 51.5 km of dirt roads</li> </ul> <p>In addition, the following framework documents have been updated since the original project went to the Board: the ESMF, Pest and Pesticides Framework, and RPF, all of which were uploaded to Infoshop on January 20, 2017, and published locally in various publications between January 9 and 20, 2017.</p>
<p>(c) <b>Public Interest Zone (or "Zone d'Utilité Publique" ZUP) issues</b> related to the clarification of the legal status of the ZUP declaration to clarify the Government's proprietary rights in the area and to facilitate the transfer of titles to smallholders or the leasing of land to private enterprises during the implementation of the project</p>	<p>The legal and regulatory regime stipulates that the MOB (now Bagrépôle) has the legal right to allocate and provide titling for the land within the ZUP.</p>

Issue from the Original PAD	Update
Future irrigation schemes have not been ‘immatriculated’ yet.	The project will register the area (immatriculation with the name of the state).
<p>The recognition by <i>Réforme Agro Foncière-2009</i> (agricultural land reform [or “responsable administratif et financier” RAF-2009]) of community and private property rights over rural land, and the proposed project’s requirement of compensation to persons displaced under the project according to the World Bank OP 4.12, may raise expectations and trigger latent complaints from purported customary or user rights holders who were displaced either that the compensation they received was inadequate or that they did not receive compensation at all. To date, there is no evidence of such dissatisfaction, and hence it is not certain that such complaints will arise or that they would have any legal basis. Nevertheless, the potential poses a risk to the project implementation and may undermine the efficient use of existing public investments and the attractiveness of private investment in the area.</p> <p>To this end, the Government will undertake an audit to identify all persons who were displaced or adversely affected by the dam construction, to confirm that the compensation provided to the affected people was adequate and to ascertain if there are outstanding grievances.</p>	<p>The audit report of PAPs from the construction of the dam and reservoir was intended to identify specific people who had been either displaced by the dam and reservoir or who had lost cultivable land. The identification of specific people proved to be impossible because no records, either physical or digital, exist of these individual PAPs, nor was there any reliable information available on the compensation they had previously received. Hence, the required audit was performed, but following the original approach that was identified to ensure that these PAPs received appropriate and adequate compensation was not possible, and the consultant preparing the audit report recommended compensation by way of community projects (schools, livestock markets, and so on).</p>
<p>Lands that have a lower operation and maintenance cost (for example, irrigable areas without pumping, or inland valleys that can be developed at lowest investment cost, village fisheries, and husbandry) will be allocated on priority to small farmers/fishermen/herders living in the areas.</p>	<p>According to Bagrêpôle’s resettlement and compensation policies, (a) the priority/first allocations will be given to the PAPs including resettled populations; (b) the allocations will be done according to the audit reports completed in 2016 both for the people resettled by the previous canal construction projects and the current construction under the World Bank Bagrê Growth Pole Project (P119662); (c) the PAPs will be receiving the prime land that can be irrigated by gravity. The irrigated lands that can only be irrigated with pumping (powered by electricity and therefore more expensive) will be allocated to the private sector.</p>
<p>Specific investments in the project area will only be identified once a Zone Development Plan is completed by the end of the first year of project implementation. This Zone Development Plan will help identify the exact sites for project investments, based on soil and water conditions, economic and financial benefits, social and environmental impacts, and technical patterns of the sites, at which point RAPs will be prepared in accordance with the project’s RPF.</p>	<p>A Zone Development Plan was completed in April 2014, which determines all land uses and the sites for project investments.</p>
<p>Small and medium agribusiness enterprises and larger agribusiness firms will be located on priority in areas with minimum occupation, in the upper lands along the Nakanbé river, downstream of the dam, or around the dam reservoir. These areas will be supplied with transport, water, and energy to facilitate private investment. These new agribusiness entrants will initially be given short 3-year probationary leases to verify their capacity to</p>	<p>Bagrêpôle has given 10 agribusiness companies a short lease of three-years according to the original plan in the existing irrigated areas from previous projects. This is serving as a pilot for licensing the companies anticipated to be located in the project area as of January 2018.</p>

Issue from the Original PAD	Update
develop the land and they will then be provided with long-term leases of between 18 and 99 years, in accordance with the RFR-2009.	
Sustainable use of the land and water resources in the area	<p>The following ESIA/ESMFs have been conducted under the current project:</p> <ul style="list-style-type: none"> <li>• ESIA/ESMF for the irrigation of 1,000 ha (by gravity), Rive Gauche</li> <li>• ESIA/ESMF for the irrigation of 1,130 ha, Rive Gauche</li> <li>• ESIA/ESMF for the irrigation of the East Extension and Rive Droite (Extensions West 1, West 2, 1,000 ha perimeter)</li> <li>• ESIA/ESMF for the irrigation of the North Extension, Rive Gauche</li> <li>• ESIA/ESMF for 47.8 km of paved road construction</li> <li>• ESIA/ESMF for the construction of 51.5 km of dirt roads</li> <li>• ESIN/ESMF for the construction of 157.43 km of rural roads</li> <li>• Study of the environmental and social issues of the Kiaka Gold Mine</li> <li>• Baseline studies for the physiochemical and biological indicators of the Bagré dam</li> <li>• ESIN/ESMF of the Grand Marche of Bagré</li> <li>• Environmental and social studies of the pastoral zone of Doubegue et Tcherbo and of livestock-supporting infrastructure.</li> <li>• All of these documents have been disclosed and disseminated.</li> </ul>
Social acceptance of land allocation to the private sector	<p>Although each ESIA and RAP carefully document the consultations that were done for each report, an additional General Report on the Consultations for the areas of 1,130 ha and 1,000 ha, Rive Gauche, North and East Extensions, and the 1,000 ha of the West Extension, Rive Droite was also completed.</p> <p>Gaining social acceptance of the land allocation to the private sector is an ongoing process, and Bagrépôle maintains regular contact with the PAPs to register any grievances that might arise as well as ensure that PAPs are better off after the resettlement. One innovative aspect of what Bagrépôle has done is to institute a system of South-South learning by which people who are to be settled visit people who are already successfully resettled to learn best practices. This has begun with the people of Bire who were resettled in 2015 and are generally satisfied with their experience.</p>
Sound legal framework for the securitization of land rights including	<p>See comment under general updates above. The original PAD presented the legal framework up to that point in the time for securitization of land rights, and since that time a new decree in 2012 provided a clear mandate for Bagrépôle to ‘manage the land aspects and physical resources of the Bagré Growth Pole’.</p> <p>Under the original project, Bagrépôle was provided with a series of trainings to manage land issues better, among which were a study tour to Senegal learn from their successful allocation of irrigated lands to users.</p>

Issue from the Original PAD	Update
	The AF will seek to improve Bagrèpôle's skills still further and to work more effectively with the other Government agencies that are working with land issues.
Customary rigor/technical capacity and a sound institutional framework for land administration	In addition to a regulatory framework for land, Bagrèpôle has institutional systems in place for land management.  The organization keeps a record of judicial documents on the lands in the project region. They follow the guidelines for allocating land contained in the attached document <i>Mecanisme d'allocation terres dans le PCB VFF ca bon a tirer</i> . They also have a database with all the entities that will be receiving land with their corresponding land allocations.
The 500,000 ha Bagré Development Zone was declared a ZUP by the Government in 1998. The effect of this declaration was to provide notice to the public that the Government might proceed to expropriate land use rights to develop the area, in accordance with the law, should the public interest so require.	A strategic decision was made in 2016 that the ZUP was much too large for project resources and that henceforth the project would concentrate on an approximately 57,800 ha called the 'Zone de Concentration'. This had the greatest impact on the measurement of agricultural production (PDO indicator), which from that time onward measured agricultural production only in the Zone de Concentration.
However, none of the families allocated plots in this irrigation scheme were granted formal rights to their land, an issue that will be addressed by the project by supporting them in obtaining formal legal ownership.	With respect to the dam-related PAPs, given that no individual PAPs can be identified, no titles will be issued, rather additional compensation will be effected through community projects for the communities affected.  With respect to the PAPs who have been relocated or have lost land and harvest as a result of the construction of the irrigation canals under the current Bagré Growth Pole Project, 'protocols' have been provided to the PAPs confirming the amount of land each will receive, and land titles will be issued once the land has been irrigated commencing at the beginning of 2018.
<b>Additional Issues</b>	
The legal and institutional basis of the one-stop shop and how it will work with the mechanism for monitoring land transactions is going to be sustainable even when the World Bank project is completed	The MEBF, the other implementing agency of the project, will have the mandate to set up and run the one-stop shop. Various agencies will deploy a representative for the one-stop shop. Bagrèpôle would represent their own organization for land titles/leases within the one-stop shop, as would other agency representatives.  Other agencies involved with land issues, and with whom Bagrèpôle is cooperating, are the following: <ul style="list-style-type: none"> <li>• <i>Ministère de l'Economie et Finance</i></li> <li>• <i>Ministère d'Agriculture</i> (foncier rural)</li> <li>• <i>Ministère de Justice</i> (processing and issuing of legal docs for land)</li> <li>• <i>Ministère de l'Urbanisme</i> (foncier urbain)</li> <li>• <i>Ministère de l'administration territoriale et de la décentralisation</i></li> </ul>

Note: ESIN =Environmental and Social Impact Notification.

## Annex 10: Analysis of Opportunities for Climate Co-Benefits (CCB) in the Bagre Growth Pole Project

The following opportunities to incorporate CCB into the Bagre Growth Pole Project under the AF have been identified and will be analyzed during the first implementation phase of the project. Those opportunities deemed to be appropriate after analysis will be incorporated into the design and implementation of those components.

Component/Prior Action (PA)/Disbursement-linked Indicator	Total Financing (US\$, millions)	Adaptation Co-benefits (US\$, millions)	Mitigation Co-benefits (US\$, millions)	Potential to Improve CCB
Subcomponent 2.3 Industrial Park Diagnostics	2.1	0	0	<b>None</b>
Subcomponent 2.4 Roads	31.1	0	0	<b>CATEGORY III (a) ADAPTATION: Design Potential:</b> This sub-component can be assigned adaptation co-benefits if the constructed roads, as well as their safeguard studies and maintenance planning, integrate climate change considerations. Three required steps will need to be provided.
Subcomponent 2.5 Electric Power	3.9	0	0	<b>CATEGORY III (b) MITIGATION: Design Potential:</b> Potential for mitigation co-benefits exists for investment in additional power plants under <i>1.1: Electricity Generation</i> of the MDB List of Eligible Mitigation Activities if they are powered by solar or other renewable energy sources.  <b>CATEGORY III (a) ADAPTATION: Design Potential:</b> This subcomponent can be assigned adaptation co-benefits if power plants, as well as their safeguard studies and maintenance planning, integrate climate change considerations. The three required steps will need to be provided.
Component 5	7.3	0	0	<b>CATEGORY III (b) MITIGATION: Design Potential:</b> Potential for assigning mitigation co-benefits exists under <i>9.1: Support to national, regional or local policy, through technical assistance or policy lending</i> if the component targets SMEs that support climate smart agriculture, or promote sustainable agriculture practices.
<b>TOTAL</b>	<b>50.0</b>	<b>0</b>	<b>0</b>	

## **Annex 11: Financial Management Assessment Report of the Project Coordination Unit**

- 1. The Financial Management (FM) system and performance of the Project Coordination Unit (PCU) at the Ministry of Economy and Finances Development (MEFD) under the parent project are acceptable to IDA.** The PCU will be responsible for FM aspects of the AF and remains the World Bank focal point. The FM team is familiar with the World Bank FM requirements and is currently managing the first phase of this IDA-financed project ‘Bagre Growth Pole’. The FM of the AF will follow the same approach to the implementation arrangements in place for the ongoing project. The current FM staffing composed of one FM officer (*responsable administratif et financier* [RAF]) and one accountant is adequate. The FM performance was rated Moderately Satisfactory following the last supervision mission completed in February 2018. No specific critical FM issue was noted during the supervision mission except the execution of the project budget.
- 2.** The overall residual FM risk of the AF has been assessed **Substantial** following the risk assessment which considered the current risk rating of the parent project, the design of the additional financing (type of activities under component 3) and the mitigation measures required for the AF (Table 11.1). It is considered that the FM satisfies the World Bank’s minimum requirements under World Bank Policy and Directive - IPF, and therefore is adequate to provide, with reasonable assurance, accurate and timely FM information on the status of the project as required by the World Bank.
- 3.** To mitigate the risks, the following measures will be required: (a) the configuration of the current accounting software ‘TOM2PRO’ will be updated; (b) the existing FM procedures manual which was prepared during the parent project will be revised to reflect the aspects of the AF; and (c) a copy of the reports of the internal audit missions will be sent to the World Bank. The contract of the external auditor of the parent project will be revised to include the audit of the financial statements of the AF. All these actions and measures are dated covenants and should be implemented within two to four months following the AF effectiveness date (Table 11.2).
- 4. The consolidated interim unaudited financial reports (IUFs) comprising the components implemented by the PCU are prepared every quarter and submitted to the World Bank regularly (45 days after the end of each quarter) on time.** The frequency of the preparation of the IUF as well as its format and content will remain unchanged.
- 5. There is a formal internal audit function.** The existing internal audit unit arrangements of the parent project will remain unchanged for the AF. The scope of work of the internal auditors (individual consultants) will include the AF of project. A copy of the internal audit mission report will be shared with the World Bank and the project governance structures.
- 6. There is no overdue audit report in the project and the sector at the time of preparation of the AF.** The audit report of the project managed by the PCU covering the period ending on December 31, 2016 was submitted on time; the external auditor expressed an unmodified (clean) opinion. The financial statements of the AF will be audited on an annual basis and the external audit report will be submitted to IDA not later than six months after the end of each calendar year, like the ongoing phase 1 of the project. The contract of the current external auditor should be revised to reflect the AF no later than six months following the AF effectiveness



date. The project will comply with the World Bank disclosure policy of audit reports and place the information provided on the official website within one month of the report being accepted as final by the team.

7. **This is an AF in the amount of Euro 41.8 million (US\$50 million equivalent) through an IPF.** Upon grant effectiveness, transaction-based disbursements will be used. The credit will finance 100 percent of eligible expenditures inclusive of taxes. Two new Designated Accounts (DAs) will be opened. A DA-1 managed by the PCU of the Bagre Growth Pole will be opened at *Banque Centrale des Etats de l'Afrique de l'Ouest* (Central Bank). The DA-2 managed by MEFD will be opened in CFA francs in a commercial bank. A 'Project Account' PA-1 will be opened by Bagre in a commercial bank under terms and conditions acceptable to IDA. The ceiling of the DAs will be stated in the Disbursement Letter. The existing signatories' arrangements of the parent project will remain unchanged. An initial advance up to the ceiling of the DAs will be made and subsequent disbursements will be made against submission of Statements of Expenditures reporting on the use of the initial/previous advance. The option to disburse against submission of quarterly IFRs (also known as the report-based disbursements) could be considered, as soon as the project meets the criteria. The other methods of disbursing the funds (reimbursement, direct payment, and special commitment 'letter of credit') will also be available to the project. The minimum value of applications for these methods is 20 percent of the DA ceiling. The project will sign and submit withdrawal applications electronically using the eSignatures module accessible from the World Bank's Client Connection website.

8. **The government counterpart funds will be made available to the Project following the country financial management system.**

9. Based on the current overall residual FM risk which is Substantial, the project will be supervised at least twice a year to ensure that project FM arrangements still operate well and funds are used for the intended purposes and in an efficient way (Table 11.3).

10. A description of the project's FM arrangements above indicates that they satisfy the World Bank's minimum requirements under World Bank Policy and Directive - IPF.

**Table 11.1. Update of the FM Risk Rating of the PCU of the Bagre Growth Pole Project**

Type of Risk	Residual Risk Rating		Brief Explanation of Mitigation Measures
	Previous	FMAR	
<b>Inherent Risk</b>			
Country level	M	M	
Entity level	M	M	
Program level	S	S	
<b>Overall Inherent Risk</b>	<b>M</b>	<b>S</b>	
Budgeting	S	S	Annual work plan and budget to be submitted to the Bank not later than Nov 30 every year.
Accounting	M	M	
Internal controls	S	S	Copy of each internal audit reports submitted to the Bank within 30 days following the approval of the final version of the report.
Funds Flow	S	S	Risk of delay in disbursing government funds. Budget of the project includes in the budget line of the ministry to ensure that

Type of Risk	Residual Risk Rating		Brief Explanation of Mitigation Measures
	Previous	FMAR	
			appropriate allocation will be made and funds disbursed on due time to support the project.
Financial Reporting	M	M	
Auditing	M	M	
<b>Overall control risk</b>	<b>M</b>	<b>S</b>	
<b>Overall FM risk</b>	<b>M</b>	<b>S</b>	<b>As described above</b>

Note: H = High; M = Moderate; S = Satisfactory.

**Table 11.2. FM Action Plan**

Action	Responsible Party	Deadline and Conditionality
1. Update the FM manual to reflect the AF aspects	PCU	Two months after AF effectiveness
2. Update the configuration of the accounting software 'TOM2PRO'	PCU	Two months after AF effectiveness
3. Revise the terms of reference of the external auditor of the parent project to include the audit of the financial statements of the AF	PCU	Three months after AF effectiveness

**Table 11.3. Implementation Support Plan**

FM Activity	Frequency
<b>Desk reviews</b>	
IUFRs' review	Quarterly
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports	Continuous, as they become available
<b>On-site visits</b>	
Review of overall operation of the FM system (Implementation Support Mission)	Semester for Substantial risk
Monitoring of actions taken on issues highlighted in audit reports, auditors' Management Letters, internal audits, and other reports	As needed
Transaction reviews	As needed
<b>Capacity-building support</b>	
FM training sessions	Before project effectiveness and during implementation as needed