

Project Name Burkina Faso-Sustainable Energy(*)...
Management Project/ AIJ Component

Project ID BF-PE-52442

Region Africa

Sector Energy

Borrower(s) Government of Burkina Faso

Implementing Agency Unite de Coordination du RPTES (Ministry
of Energy; Ministry of Environment);
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Environment Category C

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County and Sector Background

1. Burkina is a land locked country with limited energy resource endowments and a semi-arid climate. Only one third of the standing 154,000 km² forest land is accessible. Low incomes have limited interfuel substitution efforts and woodfuels still account for over 91% of total national energy consumption and 98% of household energy use. The limited penetration of imported LPG during the last 10 years was further slowed down after the FCFA devaluation. As population continues to grow, concentrated urban demand for forest-based products, largely including woodfuels, is estimated to be responsible for an annual deforestation of 80,000 ha. to 100,000 ha. The majority of that deforestation is taking place unsustainably in open-access areas outside the control of the forestry services.

2. Although officially banned, charcoal is rapidly becoming the fuel of choice among urban households (30%). Because of its illegal nature, however, the production of charcoal is generally done in small kilns without allowing for proper combustion cycles. Such practices result in an estimated conversion efficiency of less than 11% (compared to 18% in Senegal and other Sahelian countries) and implies the need for an additional 40% of wood cutting. The economic and political power of the markets will make it extremely difficult for the government to enforce the charcoal ban it promulgated. There is however an opportunity to reorient the charcoal trade towards sustainable forest management and maximization of conversion efficiencies so that there is less destruction of forest resources. This reorientation would require the elaboration of a sound charcoal policy and strategy based on a detailed study and understanding of the charcoal trade ("filier"). In the aggregate, clearing of forest lands is leading to: (i) loss of agricultural productivity; (ii) impoverishment of the rural areas and acceleration of rural exodus; (iii) continued and growing loss of forest cover, carbon sink and carbon sequestration capacity; and (iv) loss of biodiversity, due to the rapid

encroachment on wildlife parks and reserves ("Biosphere Reserves" candidates). Furthermore, because of Burkina's limited energy supplies a large majority of the rural population have little or no access to electricity (lighting for health and education applications), potable water, and communications.

3. Within that overall context there is an urgent need to (i) promote a rapid expansion of community-based forest management schemes as the only proven mechanism to achieve natural resource sustainability; and (ii) undertake a comprehensive assessment of the charcoal filiere and -- on the basis of its findings -- prepare a sound charcoal utilization policy and strategy. Additionally, and because interfuel substitution and increasing the access to useful energy in the rural areas must still be actively pursued, it is necessary to: (iii) review the prospects for kerosene substitution in the urban household energy markets at non-subsidized prices as a lower cost alternative to LPG (equipment and fuel); and (iv) elaborate and implement a viable strategy to promote the use of PV systems for social applications in the villages participating in the project to improve the quality of life and to provide a strong incentive for active village participation in the project's sustainable forest management schemes.

4 The GoBF recognizes the "local" and "global" environmental threats and implications of the prevailing natural resource use patterns, and has long since understood the rural development and poverty alleviation opportunities presented by sustainable and participatory natural resource management schemes. The GoBF has already undertaken a series of concrete measures including: (i) undertaking several community-based natural resource management project, such as the PNAF and PNGT; (ii) inscription of community-based land management in the National Environment Action Plan (June 1991); and (iii) launching the national decentralization process that emphasizes fiscal decentralization to improve regional resource allocation (January 1997). This proposal is yet another effort to strengthen the actions taken thus far by the GoBF by expanding the forest areas under sustainable community management from 270,000 ha. to 600,000 ha. and would address the key issues highlighted above.

Project Objectives:

5. The objective of the project is to meet an important part of the rapidly growing urban demand for household fuels, without the loss of forest cover and the ecosystem's carbon sequestration potential, biodiversity and wildlife. A secondary objective is to increase the income of the rural population, particularly women.

Project Costs and Financing:

6. The total cost of the Burkina Faso Traditional Energy Sector Investment Program (SIP) is estimated at US\$27.4 million: the AIJ (Activities Implemented Jointly) component (US \$2.4 million) is financed by a Norwegian grant. Other major projects within the Burkina Traditional Energy SIP include, US\$9 million traditional energy component within PNGT-II to be financed by a Dutch grant cofinancing and the DANIDA parallel time-sliced project (total US\$14 million), which has been initiated under a first phase in the amount of US\$3 million. The GoBF's

(government of Burkina Faso) counterpart contribution to the SIP is US\$2 million.

Project Implementation:

7. The Ministry of Energy and Mines (MEM) and the Ministry of the Environment and Water Resources (MEE) through the appointment of a National Project Director would establish a Project Management Office to be housed in the Ministry of Energy and Mines. The National Project Director will be responsible for the overall implementation of the project and will ensure the coordination between the two project management units within M.E.M and M.E.E. The National Council for the Environmental Management (NCEM) would assist the National Project Director in the monitoring of the climate change impacts of the project. NGOs would actively participate in the implementation of several components of the project.

Project Sustainability:

8. The sustainability of the project would be achieved by the following key design features: (i) the effective transfer of responsibility for the management of the forest resources from the Government to the rural communities; (ii) the effective opening-up of the woodfuels trading system to the financial benefit of the rural population; (iii) the gradual change in the woodfuels fiscal and pricing policies and regulatory framework towards a comprehensive policy environment that promotes long-term sustainable management of forest resources, strongly discourages non-managed resource exploitation and maximizes direct revenues at the producer level (rural communities); (iv) the effective implementation of a strategy and action plan to rationalize the structure and functioning of the charcoal industry; (v) the strengthening of the long-term capacity of the rural communities to manage their forest resources sustainably; and (vi) the strengthening of the relevant national and local government institutions.

Lessons Learned from Past Operations in the Country/Sector:

9. The principle lessons learned are from PNGT in Burkina Faso and "household energy" in West-Africa, including projects in Gambia, Mali and Niger. These include the need: (i) to focus on the establishment of sustainable community-based woodfuel supply systems; (ii) the need for a legal and regulatory framework that provides for the effective transfer of the control over natural resources from the Government to the rural populations; (iii) to adequately integrate all relevant land-uses (agriculture, partoralism, forestry, etc.) from the inception of the project, hence reducing possible social and environmental conflicts; (iv) to ensure a proper treatment of women development problems and opportunities within the scope of community-based natural resource management schemes; (v) for a simplified fiscal and pricing regulatory framework which avoids loopholes and opportunities for market distortions and "corruption;" (vi) to regulate and enforce measures to rationalize woodfuels exploitation in non-sustainably managed areas; (vii) to re-orient the role of government agencies toward planning and policy formulation activities and away from actual operational activities, and to promote increased participation of the civil society.

Poverty Category:

10. P.A.

Environmental Aspects:

11. The proposed AIJ activities have been rated environmental category C.

Project Objective Categories:

12. The project will contribute to poverty reduction, will support the government's decentralization efforts and provide institutional development at the community level.

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Note: This is information on an evolving project. Certain components may not be necessarily included in the final project.

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