Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 06-Mar-2019 | Report No: PIDISDSA25254
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burkina Faso</td>
<td>P164786</td>
<td>Financial Inclusion Support Project in Burkina Faso</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tr>
<td>AFRICA</td>
<td>07-Mar-2019</td>
<td>30-Apr-2019</td>
<td>Finance, Competitiveness and Innovation</td>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Implementing Agency</th>
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<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Ministère de l’Économie, des Finances et du Développement</td>
</tr>
<tr>
<td></td>
<td>Direction General du Tresor et de la Comptabilité Publique</td>
</tr>
</tbody>
</table>

### Proposed Development Objective(s)

The Project Development Objective is to increase access to digital financial services and facilitate access to credit for targeted beneficiaries.

### Components

- Increase usage of transaction accounts
- Strengthen institutional capacity for enhanced financial inclusion
- Increase farmers' and SMEs' access to credit
- Project management and unallocated funds

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total Project Cost</td>
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<tr>
<td>Total Financing</td>
<td>100.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
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<tr>
<td>Financing Gap</td>
<td>0.00</td>
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</table>

### DETAILS

World Bank Group Financing
The World Bank
Financial Inclusion Support Project in Burkina Faso (P164786)

International Development Association (IDA) | 100.00
---|---
IDA Credit | 100.00

Environmental Assessment Category
B-Partial Assessment

Decision
The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context
1. Burkina Faso, is a low-income and landlocked country in West Africa. Burkina Faso has a population of 19.7 million and a GDP per capita of US$ 650. With approximately 40 percent of the population living below the poverty line of US$2/day, the country relies heavily on foreign assistance to support its social and economic objectives. A weak industrial base, cotton production and gold mining drive Burkina Faso’s economy.

2. Burkina Faso has posted good macroeconomic results recently. According to the IMF, economic growth accelerated to 6.5 percent in 2017 from 5.9 percent and 4.0 percent in 2016 and 2015, respectively. Economic growth was fueled by increased private sector credit and increased spending on public infrastructure. Accommodative monetary policy of the regional central bank (BCEAO), through low refinancing rates from 2012-2016 and a reduction in reserve requirements in 2016, contributed to a surge in domestic credit to the private sector to 29.4 percent in 2017 from 18.0 percent in 2012.

3. Burkina Faso’s public debt remains viable, but fiscal deficits have been on the rise recently. Burkina’s public debt as a percentage of GDP was evaluated at 40.4 percent in 2018, up from 38.3 percent in 2017, relative to a maximum WAEMU (West African Economic and Monetary Union) threshold of 70 percent. However, the public deficit has deteriorated recently, with net government lending over borrowing as a percent of GDP at -8.2 percent in 2017 from -3.5 percent in 2016. The worsening deficit is due to higher expenditures for increased security measures, increased investments, and the wage bill.

4. The security situation in Burkina Faso has worsened significantly since June 2018 due to an upsurge in violent attacks by terrorists and criminal groups in the Eastern and Northern regions. The country is witnessing frequent incidents including the destruction of security outposts and schools, attacks on security personnel, attacks on cash points, and the kidnapping and killing of civilians. The Government’s increased counterterrorism operations on suspected terrorists’ positions has had limited impact. Most alarming is the increased use of Improvised Explosive Devices (IEDs) to cause harm and destruction.
5. In addition to the security challenge, poverty and gender disparities remain critical issues. Burkina’s relatively sustained economic growth over the past decade has had negligible impact on poverty reduction. Burkina Faso remains one of the poorest countries in the world. Poverty’s root causes are linked to low agricultural productivity, rural-urban migration and high population growth. Additionally, the country was ranked 146th out of 149th in terms of gender inequality in the 2016 Human Development Report due to several unfavorable socioeconomic factors. Poverty is higher for women than for men (52% compared to 48%) and women lack representation in decision-making bodies (in 2016, only 9.4% female representation in parliament compared to the global average of 23.3%).

6. The authorities have adopted an inclusive growth strategy for all sectors of the economy as outlined in the National Economic and Social Development Plan (Plan National de Développement Economique et Social – PNDES 2016-2020). The plan’s vision is to structurally transform the economy, through inclusive growth and decent jobs for youth and women. As such, the plan aims to stimulate an average annual GDP growth rate of 7.7 percent and reduce poverty from 40.3 percent in 2014 to 35 percent by 2020. As for the financial sector, the plan highlights the need to improve access to finance to catalyze private sector growth and stimulate economic diversification.

**Sectoral and Institutional Context**

7. The financial system is dominated by the banking sector which accounts for approximately 82 percent of the sector assets. The financial sector is made up of 13 banks, 2 leasing companies, 16 insurance companies, 2 pension funds, 1 guarantee fund, and 133 MFIs. Nonbank financial institutions remain small and capital markets under-developed.

8. The banking sector is profitable and could play a bigger role in providing credit to individuals and SMEs. The banking sector has expanded significantly in recent years, growing faster than the average Sub-Saharan Africa (SSA) and most of the West Africa Economic and Monetary Union (WAEMU). Total banking sector assets as a percentage of GDP were 70.5 percent as of December 2017, second highest in the BCEAO region after Togo (86.4%), and higher than its neighbors, such as Cote d’Ivoire (46.8%), Mali (49.3%), and Senegal (69.6%).

9. The microfinance sector serves approximately 1.9 million people proving the sector’s contribution to overall financial inclusion. As of January 2017, the microfinance sector represents six percent of Burkina Faso total financial sector credit portfolio and seven percent of total savings. The value of the microfinance sector’s total assets stood at only 4.6 percent of GDP (2016). Overall, only about 20 percent of MFIs are compliant with all norms and financial performance indicators.

10. The microfinance industry lacks adequate supervisory capacity as well. The Department in charge of MFI supervision is significantly understaffed with only 23 employees to supervise about 109 MFIs. In 2017, the Department was only able to carry out half of the planned onsite inspections with a limited number of follow up missions. Further to this, the supervisor’s MFI reporting system is paper-based and vulnerable to manipulation and human error. The lack of human and budgetary resources limits the frequency and quality of on-site control, further weakening sector supervision.

**Access to Credit**

11. The microfinance industry lacks adequate supervisory capacity as well. The Department in charge of MFI supervision is significantly understaffed with only 23 employees to supervise about 109 MFIs. In 2017, the Department was only able to carry out half of the planned onsite inspections with a limited number of follow up missions. Further to this, the supervisor’s MFI reporting system is paper-based and vulnerable to manipulation and human error. The lack of human and budgetary resources limits the frequency and quality of on-site control, further weakening sector supervision.
12. Credit to the private sector is low and concentrated to few large firms. Currently, while the size of the banking sector is amongst the leaders in the region, credit to the private sector remains limited, with private credit to GDP is 27.5 percent. The top 50 firms receive 40 percent of total loans. And loans are concentrated in few sectors of the economy, including: trade (26.9%), construction / public works (17.7%) and manufacturing (17.2%). Additionally, only six percent of SMEs had a bank or MFI loan in 2016. When bank financing is available for SMEs, it is usually small, covering only about 16 percent of the total investment.

13. Lack of collateral, asymmetry of information and other crucial factors limit credit access. Bank collateral requirements are high and can reach 120 percent of the loan value, consisting mainly of fixed collateral, while most individuals and small firms possess only moveable collateral. Producers and agricultural enterprises, also struggle to meet the stringent collateral requirements, as only eight percent of agricultural households have a legal land title. Furthermore, the high incidence of informality amongst SMEs constrains credit access for this segment. The private sector in Burkina Faso is largely informal and dominated by SMEs and micro enterprises.

Financial Inclusion

14. Many individuals, particularly women, the poor and rural population remain largely excluded from the formal financial sector in Burkina Faso despite tremendous growth in financial access over the last three years. According to latest Findex, 43 percent of the adult population had a transaction account in 2017 compared to just 13.4 percent of adults in 2014. However, Burkina has one of the largest gender gaps in account ownership in the WAEMU region at 17 percentage points. Progress in financial inclusion is not reaching the poor as only 27 percent of poorest 40 percent of the population have an account.

15. The recent growth of mobile money adoption indicates the potential for broader financial inclusion, for individuals and SMEs. Access to financial services is largely attributed to the rapid growth of mobile money accounts. Since 2014 the percentage of the adult population having a mobile money account, rose by nearly 30 percentage points to 33 percent. This represents a huge opportunity to enhance financial inclusion, particularly given the high mobile adoption rate of 79 percent (FinScope, 2017). However, the government, banks and MFIs have been slow in deploying mobile money and other newest technologies to extend services to the unbanked and underbanked.

16. At Government level the use of cash collections and payments is still dominant. In 2017, the Treasury processed nearly 171 billion F CFA (US$3 mil) in cash transactions originating from institutions such as: social security office, customs and tax authorities, universities, nationally owned companies, etc. Indeed, according to data gathered during project identification, it is estimated that approximately 90 percent of person to government (P2G) payments are still made in cash, generating inefficiency and high transaction costs. Cash management is a real constraint for Treasury operations, which is why the government is looking for more efficient ways to process payments. Evidence has shown that adoption of digital payments by government has a positive impact on the use of transaction accounts and financial inclusion overall.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)
The Project Development Objective is to increase access to digital financial services and facilitate access to credit for targeted beneficiaries.

Targeted beneficiaries refer to individual, farmers, women, youth and SMEs that are unserved and underserved.
Key Results

17. **To assess progress toward achieving the PDO, the project will focus on six main indicators to** (a) evaluate the use of digital financial services and (b) assess progress on increasing access to credit for SMEs.

18. **The first three indicators seek to evaluate digital financial services usage as follows:** (a) the percentage of beneficiaries that receive social benefits payments into a transaction account, (b) the percentage of small-value payments (less than CFAF 1 million) made electronically, and (c) the percentage of MFI clients transacting through an e-money account.

19. **The last three indicators will assess progress on increasing access to credit for SMEs as follows:** (a) the cumulative number of borrowers (farmers and SMEs) that banks and MFIs have registered under the Partial Portfolio Credit Guarantee (PPCG) fund over the course of project implementation, (b) the number of women-led SME borrowers covered under the portfolio guarantee, and (c) the volume of PFI lending to farmers and SMEs based on guarantees issued by the PPCG.

D. Project Description

20. **The project proposes to enhance access to digital financial services and credit for individuals and SMEs in Burkina Faso over a six-year period for US$100 million.** Under Component 1, the objective is to bring more people into the financial sector by promoting the use of simple transaction accounts to receive and send payments from/to the Government and to transact with MFIs. Under Component 2, the project supports activities to strengthen institutional capacity and clean up the microfinance sector to broaden the reach of financial services. To enhance credit supply to individuals and SMEs, Component 3 supports the establishment of a PPCG and the strengthening of business development services (BDS) and fintech solutions. Under Component 4, the project supports project management through the establishment of the Project Implementation Unit (PIU). Component 5 is a Contingent Emergency Response Component.

**Component 1: Increase usage of transaction accounts (US$ 28.3 million)**

21. **Under Component 1, the project aims to increase the usage of transaction accounts.** This component supports the digitization of government payments and the digital transformation of microfinance services. The use of mobile payments, particularly in the context of Burkina Faso, can help address the security concerns of moving cash physically. Approximately 22,292 mobile money agents are deployed across the country, although largely concentrated in urban areas. Agents deployed in rural areas, particularly in the north, will be key in safely channeling social support and financial services to the conflict-affected areas without exposing beneficiaries.

**Component 2: Strengthen institutional capacity for enhanced financial inclusion (US$ 8.7 million)**

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1 Digital financial services in the scope of this project cover financial products and services, including payments, transfers, savings, credit, insurance, securities, financial planning, and account statements. They are delivered through digital/electronic technology such as e-money (initiated either online or on a mobile phone), payment cards, and regular bank accounts. Source: Global Partnership on Financial Inclusion. 2016. “G20 High-level Principles on Digital Financial Inclusion.”
22. Under Component 2, the project proposes to strengthen the institutional capacity of both the national supervisory authority and institutions in the microfinance sector, as well as strengthen FAARF’s capacity to facilitate the graduation of their beneficiaries to the formal financial sector and enhance consumer protection in the financial sector.

Component 3: Increase farmers’ and SMEs’ access to credit (US$ 54.5 million)

23. Under Component 3, the project aims to increase farmers’ and SMEs’ access to credit. Component 3 will support the following activities: (a) strengthening the credit supply for farmers and SMEs and (b) raising the demand for credit. To strengthen the credit supply, the project will support the establishment of a PPCG fund for farmers, SMEs and women-led enterprises. This project does not provide a line of credit to financial institutions as a direct way to increase access to credit. Rather the approach is to provide a credit guarantee backed with technical assistance to encourage financial institutions to serve the lower end SME market. To raise the demand for credit, the project will improve SME BDS, organize a business plan competition, and foster local fintech capacity. In the scope of this project, BDS are defined as those non-financial services and products offered to entrepreneurs at various stages of their business needs. These services are primarily aimed at skills transfer or business advice. The BDS offerings will include modules specifically tailored for women entrepreneurs and youth.

Component 4: Project Management (US$ 8.5 million)

24. Under Component 4, the project will finance the costs related to project management and monitoring and evaluation (M&E). The project will support the management of project implementation, including the costs involved in establishing a PIU, for example, procedure manual development, hiring of staff, and equipping of an office. The PIU will be responsible for setting up an M&E system to evaluate project progress on a regular basis. For this, the PIU will hire a dedicated M&E specialist who will manage the M&E system and reporting activities. The M&E system will be based on the agreed Results Framework and monitoring arrangements. The Results Framework, as designed and presented in section VII, is meant to measure project activities based on a set of agreed indicators that will be used by both the PIU and the World Bank. Baseline data for all the agreed indicators will be collected and verified by the PIU and the main implementing agencies within the first six months of the project. The project management team will contract external support (firm or an individual consultant) as needed to build the capacity of M&E specialists within the project team and conduct independent spot evaluations to ensure high-quality implementation.  

25. An unallocated amount, equivalent to 5 percent of the project budget, has been planned to provide flexibility in project implementation. The unallocated amount will be used to cover any unexpected funding requirements of the project as agreed upon between the World Bank and the MOF. The unallocated amount will be used particularly for possible unfavorable budget variances in the acquisition of IT systems and implementation of the digitization of G2P and P2G payment flows, the shared MIS platform for MFIs depending on the results of the design studies financed under Sub-components 1.1 and 1.2.

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2 In the event that the World Bank project team is successful in securing grant funding before effectiveness, a rigorous impact analysis on innovative approaches in BDS will be conducted, such as mobile-based advisory services and Personal Initiative training for entrepreneurship. Personal Initiative training is a psychological entrepreneurship training program. The World Bank has piloted this training program in Togo, among other countries, with great success and results.

E. Implementation

Institutional and Implementation Arrangements

26. The authorities recently adopted a new regulation on projects and programs which also applies to donor-financed projects. The regulation intends to strengthen the capacity of line ministries to which projects and programs are mapped. To this end, it integrates Project Implementation Units (PIUs) into the adopted program-budget framework as a response to the important number and high operating costs of PIUs. Thus, all projects and programs belong to a budget-program to be managed by a program coordinator. This new regulation comes within the context of results-based management. Both the program-budget guidelines and the new national regulation of projects have an impact on the implementation arrangements of the present project.

27. Under the Program Based Budgeting model that recently began in Burkina Faso, the proposed project is classified as a Category 1 project linked to the Program-budget titled “Management of Public Accounts” and will be coordinated by the MINEFID, through the General Directorate of the Treasury (Direction Générale du Trésor et de la Comptabilité Public - DGTCP), the management unit of this Program-budget. The management unit of the Program-budget “Management of Public Accounts,” will be directly responsible for full fiduciary oversight and supervision of project implementation. A Project Coordinator will be assigned or contracted to oversee, and support project implementation based on agreed terms of references between the MINEFID and the World Bank. The project coordinator and a project implementation team consisting of an FM specialist, a procurement specialist, an M&E specialist and an environmental safeguards specialist will be responsible for day-to-day project implementation, including the procurement of goods and services and consultancies, financial management (FM) and reporting, M&E, safeguards and coordinating implementing organizations’ activities. Additional PIU staff, including technical specialists, will be assigned or contracted based on agreed terms of reference between the MINEFID and the World Bank. The PIU shall no later than two (2) months after the Effective Date (i) install and thereafter maintain an accounting software for the Project, in a manner acceptable to the Association; and (ii) assign or recruit and thereafter maintain an internal auditor with qualifications and under terms of reference satisfactory to the World Bank. In addition, the PIU shall no later than six (6) months after the Effective Date recruit and thereafter maintain an external auditor, with qualifications and under terms of reference satisfactory to the World Bank.

28. A Project Review Committee (PRC) will be established and maintained to provide policy guidance and project oversight all throughout implementation. A PRC will be established and meet twice per year (ordinary sessions) to carry out the functions described in the Decree n°2018 – 0092/PRES/PM/MINEFID dated February 15, 2018, namely with the purpose of: (a) reviewing and adopting the project’s implementation plan; (b) reviewing and adopting project evaluations; and (c) reviewing and adopting the financial reports; the annual activity, budget, and procurement plans; among other functions. The PRC shall include high level authorities from inter alia, MINEFID, the ministry of commerce, the ministry of women, the ministry of the digital economy, the central bank, and the telecoms regulator.

29. Technical Focal Points, consisting of director-level staff of the main implementing organizations, will be assigned or contracted to facilitate implementation. To ensure that project planning, implementation, and monitoring are well coordinated across implementing stakeholders, technical focal points will be appointed or contracted based on agreed terms of reference between the MINEFID and the World Bank. The PIU and the technical focal points will meet monthly to discuss implementation and coordination across a common project action plan. Technical focal points will

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3 The full name of the Program-budget is “Management of Public Accounts and Protecting the Financial Interests and Assets of the State.”
consist of director-level (or suitable alternate) staff or contractors of the main implementing organizations (Customs Office, CNSS, CARFO, Treasury/MoF Supervision Unit, Permanent Secretary for Microfinance, FAARF, and SOFIGIB). Working groups can be established to coordinate progress on project subcomponents (for example, government payments digitization, microfinance-shared MIS platform, consumer protection, and financial education).

30. **A separate Orientation Committee (OC) will be established to guide the implementation of the PPCG.** The recipient shall, no later than three months after the effective date, establish and maintain at all times during project implementation an OC to guide the implementation of the PPCG. and ensure that SOFIGIB implements the TOR as defined in the agreement that will be signed between the recipient and SOFIGIB. The PPCG OC will be a subcommittee within the PRC and shall be responsible for: (i) providing policy guidance on the operations of the fund; (ii) ensuring SOFIGIB implements its ToR as defined in the Agreement that will be signed between the recipient and SOFIGIB; and, (iii) proposing changes to SOFIGIB’s ToR as needed. The OC shall consist of representatives from the MoF, the BCEAO, professional associations of banks, the professional association of MFIs, and two expert professionals chosen for their knowledge about the financial sector and agri-finance and/or agri-insurance.

31. **To advance on project preparation ahead of project effectiveness, a project preparation advance (PPA) will be used.** The Government has requested a PPA to ensure a prompt transition toward implementation. The PPA is approved and will support the operationalization of the Project Coordination Unit (recruitment of key staff, acquisition of IT/support equipment, and elaboration of procedure manual); consultancies to support the detailed preparation of project activities (government payments digitization, IT systems for credit guarantee and microfinance supervision, safeguards evaluation, and project M&E); and the acquisition of IT equipment for the Treasury’s connection to the STAR-UEMOA and SICA-UEMOA payments system.

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**F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

Nationwide

**G. Environmental and Social Safeguards Specialists on the Team**

Abdoul Wahabi Seini, Social Specialist
Fatoumata Diallo, Social Specialist
Leandre Yameogo, Environmental Specialist

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4 The specific ToR of the PPCG OC will be included in the Project Implementation Manual (PIM).
### SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
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<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The activity involves support in general, of initially unspecified subprojects that may result in adverse environmental or social risks and/or impacts, particularly related to Component 3 (Increasing access to finance for agriculture and MSMEs) for producers, agro-processing firms and SMEs). Cumulative impacts are expected due pests use, noise or agriculture/industrial wastes increase. The project is classified as category B for Environmental Assessment (EA) purposes since potential environmental and social risks and impacts will be site-specific, moderate, and can be easily mitigated using appropriate measures and tools. An ESMF will be developed for the entire project area of SOFIGIB, will be consulted, reviewed, and disclosed prior appraisal, including a pest management plan (PMP). The Bank has undertaken a detailed review of the Private Entity’s environmental and social management system (“ESMS”), environmental and social impact assessment, any related documentation and will prepares the appraisal stage ISDS accordingly. This screening will also identify any additional information required to complete the Bank’s environmental and social review and determine whether to support the activity.</td>
</tr>
<tr>
<td>Performance Standards for Private Sector Activities OP/BP 4.03</td>
<td>No</td>
<td>The project will not involve Performance Standards for Private Sector Activities; the main beneficiary is a PPP institution.</td>
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<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>The Project will not involve Natural Habitats.</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The Project will not finance subprojects with activities dealing with deforestation or afforestation during implementation; This policy is not triggered as no forests will be affected by project activities.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>Yes</td>
<td>The activity involves support of initially unspecified subprojects that may result in adverse environmental or social risks and/or impacts, particularly related to Component 3 (Increasing access to finance for agriculture and MSMEs) for producers, agro-processing firms and SMEs). Cumulative impacts are expected due pests use, noise or agriculture/industrial wastes increase.</td>
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</tbody>
</table>
environmental or social risks and/or impacts related to Component 3 (Increasing access to finance for agriculture and MSMEs) for producers, and negative or Cumulative impacts are expected due pests use.

Physical Cultural Resources OP/BP 4.11  No  The Project will not have risk or impacts on Physical Cultural Resources as there’s no civil work.

Indigenous Peoples OP/BP 4.10  No  There are no indigenous people in the country.

Involuntary Resettlement OP/BP 4.12  No  The project will not fund physical investment or activities that might result in involuntary resettlement.

Safety of Dams OP/BP 4.37  No  The Project will not involve Dams or impact Safety of Dams.

Projects on International Waterways OP/BP 7.50  No  The implementation of the project will not involve International Waterways: OP/BP7.50 is not triggered.

Projects in Disputed Areas OP/BP 7.60  No  The project and its subprojects will not be located in disputed areas.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

   The proposed project consists of four components; its Objective is to increase access to digital financial services and facilitate access to credit for households and SMEs in Burkina Faso. Viewed from an environmental side, the Component 3 (Increase agriculture enterprises and SMEs access to credit) will trigger two safeguard policies (OP/BP 4.01 - Environmental Assessment and OP/BP 4.09 - Pest Management). Other policies are not triggered by the project. In addition, a Pesticide and Pesticide Management Plan developed (included in the ESMF) is being evaluated to take into account the requirements of OP/BP 4.09 It is foreseen that the project will have very limited social negative impacts. None of the project activities lead to land acquisition or resettlement that would lead to economic or physical displacement of people. Therefore, the OP 4.12 related to the Involuntary Resettlement is not triggered. However, appropriate mitigation measures will be taken as soon as a risk likely to lead to resettlement operations is apprehended.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

   Potential indirect and/or long term impacts due to anticipated future activities in the project areas will come pesticide use by agri-business men.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

   To help avoid or minimize potential risks and adverse impacts coming from pests use, a Pest Management Plan is included in the ESMF, in which appropriated mitigation measures and provisions will be taken at the project’s implementation stage.
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

Regarding the partial portfolio credit guarantee fund to be establish by the project, the team will ensure that the project’s manual of procedures clearly incorporates the criteria to assess and select eligible investment loans. Also, appropriated mitigation measures and provisions will be taken in the project’s Environmental and Social Management System to address any eventual identified social impacts. World Bank implementing support missions will include a social safeguards specialist to ensure that the social, including safeguards issues are addressed properly, and in a timely manner.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

B. Disclosure Requirements

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
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<tbody>
<tr>
<td></td>
<td>25-Feb-2019</td>
<td>05-Mar-2019</td>
<td></td>
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"In country" Disclosure
Burkina Faso
06-Mar-2019

Comments
The ESMF was published in two newspapers, Le Pays et L’Observateur on March 6, 2019. The ESMF was also published on the Ministry of Finance website on March 5, 2019 - see: https://bit.ly/2C1geTd

Pest Management Plan

<table>
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<th>Was the document disclosed prior to appraisal?</th>
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If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
Yes

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?
Yes

Is a separate PMP required?
No

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?
Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?
Yes
All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
Yes

Have costs related to safeguard policy measures been included in the project cost?
Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
NA

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
Yes

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