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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 16-Mar-2023 | Report No: PIDA34781

**BASIC INFORMATION****A. Basic Project Data**

Country Burkina Faso	Project ID P178598	Project Name Burkina Faso Livestock Resilience and Competitiveness Project	Parent Project ID (if any)
Region WESTERN AND CENTRAL AFRICA	Estimated Appraisal Date 31-Mar-2023	Estimated Board Date 08-May-2023	Practice Area (Lead) Agriculture and Food
Financing Instrument Investment Project Financing	Borrower(s) Burkina Faso, Ministry of Economy, Finance and Forecasting	Implementing Agency Ministry of Agriculture, Livestock and Fisheries	

Proposed Development Objective(s)

To improve the productivity, commercialization, and resilience of key sedentary livestock production systems for targeted producers in project areas

Components

ENABLING ENVIRONMENT AND SUPPORT SERVICES FOR LIVESTOCK PROMOTION
CLIMATE SMART LIVESTOCK INFRASTRUCTURE AND VALUE CHAINS DEVELOPMENT
PROJECT MANAGEMENT AND COORDINATION

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	150.00
Total Financing	150.00
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Development Association (IDA)	150.00
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IDA Credit	150.00
Environmental and Social Risk Classification	
Substantial	
Decision	
The review did authorize the team to appraise and negotiate	

B. Introduction and Context

Country Context

- Burkina Faso is one of the world's poorest countries, with an extreme poverty headcount of 40 percent (8.5 million people), a total Gross Domestic Product (GDP) of about US\$17.9 billion, and an annual GDP per capita of just US\$745 (2021).** Its population is growing at 3 percent per annum, one of the highest in the world. Its turbulent political history, difficult biophysical environment, and isolation from major trade corridors generate daunting development challenges. Less than 20 percent of the population has access to electricity (less than 1 percent in rural areas), and less than one-third of adults are literate. The country ranks 144th out of 157 countries in the World Bank's Human Capital Index.
- Burkina Faso is confronted with acute insecurity threats that compound its considerable development challenges.** The security situation has deteriorated dramatically since 2015, with the expansion of a Sahel-wide political crisis from Mali to Burkina Faso. Since 2016, terrorism has caused numerous fatalities in three high-profile attacks in the capital city, Ouagadougou, together with smaller scale, but repeated, militant attacks in the northern, eastern, and western regions. Recent increases in violent attacks have not only caused massive population displacements (1.9 million people – most of whom are women and children - were internally displaced as of September 2022) and an unprecedented humanitarian crisis in the country, they also negatively impact the economy by disrupting the labor supply, impeding mining, threatening vital gold exports, and undermining agricultural production.
- The political and governance architecture in the country continues to be fragile and unpredictable, worsening the macroeconomic conditions.** In 2022 alone, Burkina Faso experienced two military coups (one in January and the other in September) and the incumbent government now operates under a transitional arrangement. The heightened uncertainty following the coups has raised the country's risk premium, delayed potential private investment, including foreign direct investment thereby negatively affecting growth and fiscal accounts. The pressure on fiscal accounts is further exacerbated by the war in Ukraine which is driving up prices of the main subsidized goods (food, fertilizer, and fuel), and impeding public investment and consumption.¹
- Additionally, climate-change induced hazards are becoming more frequent and costly, threatening livelihoods, and exacerbating existing vulnerabilities.** Burkina Faso is expected to experience

¹ Assessment of the Macroeconomic Policy Framework Adequacy of Burkina Faso. Washington DC: World Bank.



a 2.3° C temperature increase over the next two decades - 1.5 times greater than the world average.² Over the past 10 years, the country has faced two major droughts affecting over 5 million people and it is estimated that 34 percent of the country's land area is already degraded due to climate change. Climate change trends of increasing temperatures, evaporation rates, and heavy rainfall events may exacerbate climate shocks in coming years. Climate change may also exacerbate competition over natural resources and undermine existing institutional capacities, adding to pressures that breed social division and conflict. It is estimated that in the absence of adaptive interventions, climate change will reduce annual GDP by 6.8 percent - compared to a medium-growth baseline – by 2050.

5. **Despite these challenges and the COVID-19 pandemic, Burkina-Faso's economy shows signs of resilience.** The economy rebounded strongly in 2021, with GDP growth reaching an estimated 6.9 percent – mainly attributed to recovery in services (+10.6 percent) and an increase in gold exports. This was substantially disrupted in 2022 by political uncertainty (marked by two coups) and deteriorating security conditions (including around mining areas) where Real GDP growth was estimated to have substantially moderated to 2.5 percent in 2022. The return to pre-COVID growth levels is expected to continue; the economy was forecast to grow at a rate of 4.3 percent in 2023.

Sectoral and Institutional Context

6. **Agriculture is a vital component of Burkina Faso's economy.** The sector accounts for 18.4 percent of GDP and about 60 percent of employment. It is dominated by subsistence production systems characterized by small farms, low crop and livestock productivity, limited diversification, and limited participation of formal private businesses in agricultural and agropastoral value chains. Rain-fed cereals (maize, millet, and sorghum) represent two-thirds of cultivated area and constitute the main food staples. Cotton is the main cash crop.

7. **Although it contributes proportionately less to agricultural GDP – slightly over one-third - the livestock sector is key to overall socio-economic development of the country.** The sector contributes to the livelihoods of 86 percent of the population – including through: (i) nutrition and food security; (ii) income and wealth accumulation; and (iii) improving farm productivity by providing draught power and nutrients from manure. Livestock marketing is central to millions of livelihoods. In 2020, the number of cattle sold was 1.9 million, while sales of goats and sheep were 4.3 million and 2.3 million, respectively. The export value of live animals, hides, and skins more than compensates for imports of dairy and poultry imports, resulting in an overall positive trade balance for livestock products.

8. **The livestock sector is diverse in terms of both species composition and production systems.** The national herd in 2019 consisted of 9.2 million cattle, 10.7 million sheep, 10.6 million goats, 1.3 million pigs, 1.4 million donkeys, 141,000 horses, 27,000 camels and 34.6 million poultry.³ There are three main livestock production systems in the country: (i) pastoral systems characterized by livestock mobility -

² G5 Sahel Climate and Development Report (CCDR). Washington DC: World Bank.

<https://www.worldbank.org/en/news/infographic/2022/09/19/g5-sahel-region-country-climate-and-development-report>

³ National Livestock Survey 2019: Analysis report. Burkina Faso Ministry of Agriculture, Animal and Fisheries Resources (MARAH).



mainly large and small ruminants; (ii) sedentary traditional production systems (under village conditions); and (iii) sedentary improved systems (under modern conditions, mainly peri-urban semi-intensive and intensive poultry, pig, dairy production, and cattle fattening). Ninety-five percent of producers are smallholders, while the rest of the players are either small livestock enterprises or producer organizations operating in specific value chains in specific territories.

9. **The sector is characterized by significant gender gaps.** Although Burkina Faso's national gender policy and myriad policy documents for agriculture and livestock commit to gender equality, in practical terms, there are wide gender gaps in the sector. Differences in the types of livestock owned by women and men, and in the resources that women and men can access, create barriers to women's participation in the sector. Men's livestock holdings are much larger than women's, with much greater differences in large livestock.⁴ Women are more engaged in production of small livestock (poultry, sheep, goats, etc.) while men dominate the cattle sub-sector.

10. **The potential of the livestock sector to contribute more to future growth and national economic development goals is immense.** Current consumption of livestock products stands at 67,300 tons of red meat, 424 million liters of raw milk and 26 million eggs⁵. Population growth, increasing urbanization and affluence is expected to increase these consumption levels and correspondingly, the demand for livestock products. By 2050, Burkina Faso's population is expected to increase to 45 million people, 50 percent of whom will be living in cities and towns. As a result, the domestic demand for meat is expected to increase by 284 percent – from 272,000 tonnes recorded in 2015 to 1.04 million tonnes in 2050 (Figure 1) while that for milk is expected to increase by 176 percent from 472,000 tonnes in 2015 to 1.30 million tonnes. The same trend of increased demand for livestock products is projected within the region, where Burkina Faso's livestock surplus is currently exported.

11. **Government policy recognizes the importance of the livestock sector and the need to resolve challenges constraining its competitiveness.** The Second National Plan for Economic and Social Development (PNDES II, 2021-2024) envisions a more productive, sustainable, and market-oriented livestock sector as an engine for economic growth. The National Policy for Sustainable Livestock Development (PNDEL, 2010-2025), which provides an overall framework for sector investments places an emphasis on improved competitiveness and resilience of the sector - inter alia, as a pathway to enhancing its contribution to national economic growth objectives, including improvements in the balance of trade. Indeed, the World Bank, has provided support to the government strategy in the sector through the recently concluded Burkina Faso Livestock Sector Development Support Project (PADEL-BF, P159476) where the focus was on enhancing the productivity and commercialization of selected value chains in sedentary production systems.

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To improve the productivity, commercialization, and resilience of key sedentary livestock production systems for targeted producers in project areas

⁴ World Bank Burkina Faso Rural Income Diagnostic. October 14, 2019.

⁵ Annual Statistics Report, 2020. Ministry of Agriculture and Animal Resources and Fisheries (MARAH)



Key Results

12. The project will promote specific investments in the major production basins targeting selected species including cattle, small ruminants (sheep and goats), pigs and poultry.
13. Key PDO indicators are:
 - Increase in productivity of livestock species in targeted production systems (carcass weight in kilograms of cattle, sheep, goats; litres of milk produced per cow per year (percentages)).
 - Increase in volume of market sales of livestock targeted commodities (litres of milk, metric tonnes of meat and eggs; percentages).
 - Farmers adopting climate-smart agricultural practices (Number).
 - Vulnerable farmers affected by insecurity supported for stock asset replenishment (Number) (of whom internally displaced people (IDP) (Number)).
 - Direct project beneficiaries (CRI, sex-disaggregated, Number).

D. Project Description

14. The Project is designed with two interrelated technical components: (i) Sector enabling environment and support services; and (ii) Climate smart livestock Infrastructure and value chains development. A third project component focuses on crisis prevention, project coordination and monitoring and evaluation (M&E). The Contingent Emergency Response Component (CERC) is the fourth component and would be triggered to respond to emergencies and severe crises. Activities under all components will be rolled-out with due consideration to addressing gender inequality and mainstreaming climate change adaptation and mitigation objectives across all relevant policies and strategies.

COMPONENT 1: ENABLING ENVIRONMENT AND SUPPORT FOR LIVESTOCK PRODUCTION SYSTEMS (US\$ 61.2 MILLION)

15. The objective of Component 1 is to strengthen the policy and regulatory environment and institutional foundations for improving the performance and governance of the sedentary livestock production systems in Burkina Faso. Project support will focus on: (i) strengthening the livestock policy and regulatory framework, planning, and monitoring; and (ii) improving the capacity and capability of key institutions to deliver public goods and services essential for improving livestock productivity (animal health and husbandry management), increasing the climate resilience of livelihoods anchored in the subsector (including traditional production systems under village conditions), reducing competition for natural resources, and reducing the sector's negative externalities (e.g., GHG emissions reductions). In implementing these interventions, due regard will be given to addressing gender inequalities and mainstreaming climate change in capacity strengthening investments and promoted policies.

COMPONENT 2: CLIMATE SMART LIVESTOCK INFRASTRUCTURE AND VALUE CHAIN DEVELOPMENT (US\$ 74.9 MILLION)



16. Component 2 builds on improvements in productivity arising from investments under Component 1 (improved policies, breeds, animal health, and GAHPs) to expand overall production of targeted value-chains and livestock products (i.e., milk, eggs, meat) and reduce imports of those commodities. Building on PADEL-B (and PRAPS II)'s results, the project aims to modernize targeted livestock value chains by fostering a stronger commercial/market orientation among small and medium producers, encouraging increased private investment, and the highest level of appropriate value addition. These aims will be achieved while mainstreaming climate change adaptation and mitigation measures.

COMPONENT 3: PROJECT MANAGEMENT AND COORDINATION (US\$ 13.9 MILLION)

17. **Component 3 will support project implementation and coordination capacities, providing institutional support and project management.** This component focuses on all aspects related to project management and coordination activities. It also supports the steering committee meetings. It will fund *inter alia* all PIU activities required for management of IDA funds and procurement of IDA-funded goods and services as well as project M&E including regular impact evaluation studies and audits; management and oversight of safeguards issues in accordance with agreed upon procedures.

COMPONENT 4: Contingent Emergency Response Component (IDA US\$0.0 Million)

18. Component 4 is a mechanism for financing eligible expenditures in the event of natural or man-made crises or disaster, severe economic shocks, or other emergencies in Burkina Faso.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

The scope of works associated with the project activities could generate adverse environmental and social risks and impacts such as the risk of exclusion of certain vulnerable groups including women, youth, and rural communities, in consultation processes and their risks of lack of access to project benefits, resource efficiency and pollution prevention and management (sourcing of raw materials for civil works, water and energy use, dust, noise, potential contamination of water sources due to construction waste management mainly and Occupational and community health and safety as well as human security. Under component 2, the project will also establish grants that will finance investment projects for livestock value chains through a Financial Intermediary. The Capacity of the FI will be assessed as per the requirements of ESS9. A screening process will be put in place to ensure that the E&S risks and impacts associated with these activities will be assessed and mitigated appropriately.



E. Implementation

Institutional and Implementation Arrangements

19. Project implementation will be responsibility of MARAH. There will be a PIU established within MARAH's General Directorate of Animal Production to lead day-to-day implementation of project activities. The PIU will be led by a competitively recruited National Coordinator and will include competitively selected fiduciary, Monitoring and Evaluation (M&E), safeguards, security, and communication specialists. The PIU will also be backed by an Animal Husbandry Specialist, with oversight responsibility for subcomponent 1.2; an Animal Health Specialist, with oversight responsibility for subcomponent 1.3; and an Infrastructure Specialist and an Agribusiness/Value Chain Specialist, with joint oversight for component 2. Except for component 2 activities - which will be led by the PIU, technical responsibility for implementing the various project components will remain with the relevant technical directorates of MARAH, which will appoint Focal Points for effective coordination with the PIU. At the regional level, the project will be implemented through MARAH's Regional Directorates for Agriculture and Animal Resources which are already staffed with relevant technical expertise. The project will hire one Regional Project Facilitator for each of the participating regions to serve as a direct link between the PIU and the regional implementation team. Besides, this role, the Regional Facilitator will also be responsible for local planning, data collection, monitoring, and reporting on project activities.

20. A Project Steering Committee (PSC) chaired by the Director General of Animal Production, and with representation from the Ministry of Economics, Finance and Forecasting, the Ministry in charge of the Environment, the Ministry in charge of Territorial Administration, Decentralization and Internal Security, regional authorities, producer organizations and the private sector will be responsible for providing the implementation team with technical guidance and approving annual work plans and budgets. The PSC will convene at least twice a year. The project will also have a Technical Committee (TC) to monitor project implementation. It will comprise representatives of MARAH's directorates participating in the project (e.g., General Directorate of Veterinary Services- DGVS, General Directorate of Studies and Statistics - DGESS etc.), service providers and implementing entities. The TC will be chaired by the National Coordinator and will meet once every quarter.

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APPROVAL

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