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Report No: PAD2062

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A

PROPOSED

RESTRUCTURING

OF THE

BURKINA FASO

SOCIAL SAFETY NET PROJECT

December 7, 2016

Social Protection and Labor Global Practice  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective as of October 31, 2016)

Currency Unit = CFA Francs BCEAO (CFAF)  
CFAF 598.80 = US\$1

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
ASP MDTF	Adaptive Social Protection Multi-donor Trust Fund
CT	Cash Transfer
DA	Designated Account
ECD	Early Childhood Development
ECHO	Directorate-General for European Civil Protection and Humanitarian Aid Operations
EU	European Union
HEA	Household Economic Analysis
IDA	International Development Agency
ISR	Implementation Status and Results Report
M&E	Monitoring and Evaluation
MIS	Management Information System
NGO	Nongovernmental Organization
NLTA	Non-Lending Technical Assistance
PEJDC	Youth Employment and Skills Development project ( <i>Projet pour l'Emploi des Jeunes et le Développement des Compétences</i> )
PDO	Project Development Objective
PMT	Proxy Means Testing
PNDES	Presidential Development Plan for Burkina Faso ( <i>Plan National de Développement Economique et Social</i> )
SAP	Early Warning System ( <i>Système d'Alerte Précoce</i> )
SCD	Systematic Country Diagnostic
SDR	Special Drawing Rights
WBG	World Bank Group
WFP	World Food Program

Regional Vice President:	Makhtar Diop
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**BURKINA FASO**  
**ADDITIONAL FINANCING FOR SOCIAL SAFETY NET PROJECT**

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## ADDITIONAL FINANCING DATA SHEET

*Burkina Faso*

*Additional Financing for Social Safety Net Project ( P160371 )*

AFRICA

GSP07

Basic Information – Parent									
Parent Project ID:	P124015	Original EA Category:	Not required (C)						
Current Closing Date:	31-Aug-2019								
Basic Information – Additional Financing (AF)									
Project ID:	P160371	Additional Financing Type (from AUS):	Scale Up						
Regional Vice President:	Makhtar Diop	Proposed EA Category:	Not required (C)						
Country Director:	Pierre Frank Laporte	Expected Effectiveness Date:	01-Feb-2017						
Senior Global Practice Director:	Michal J. Rutkowski	Expected Closing Date:	30-Jun-2018						
Practice Manager/Manager:	Stefano Paternostro	Report No:	PAD2062						
Team Leader(s):	Rebekka E. Grun,Louise Victoria Monchuk								
Borrower									
Organization Name	Contact	Title	Telephone	Email					
Ministry of Economics and Finances	Ambroise Kafando	DG Cooperation	226 78 07 30 24	dg.coop@finances.gov.bf					
Project Financing Data - Parent ( Social Safety Net Project-P124015 ) (in USD Million)									
Key Dates									
Project	Ln/Cr/TF	Status	Approval Date	Signing Date	Effectiveness Date	Original Closing Date	Revised Closing Date		
P124015	IDA-54290	Effective	23-Apr-2014	17-Jun-2014	26-Sep-2014	31-Aug-2019	31-Aug-2019		
Disbursements									
Project	Ln/Cr/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P124015	IDA-54290	Effective	XDR	32.40	32.40	0.00	6.38	26.02	19.70

<b>Project Financing Data - Additional Financing for Social Safety Net Project ( P160371 )(in USD Million)</b>					
<input type="checkbox"/>	Loan	<input checked="" type="checkbox"/>	Grant	<input type="checkbox"/>	IDA Grant
<input type="checkbox"/>	Credit	<input type="checkbox"/>	Guarantee	<input type="checkbox"/>	Other
Total Project Cost:		6.00		Total Bank Financing: 0.00	
Financing Gap:		0.00			
<b>Financing Source – Additional Financing (AF)</b>				<b>Amount</b>	
Free-standing TFs AFR Human Development				6.00	
Financing Gap				0.00	
Total				6.00	
<b>Policy Waivers</b>					
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
Explanation					
<b>Team Composition</b>					
<b>Bank Staff</b>					
Name	Role	Title	Specialization	Unit	
Rebekka E. Grun	Team Leader (ADM Responsible)	Senior Economist		GSP07	
Louise Victoria Monchuk	Team Leader	Senior Economist		GSP01	
Mohamed El Hafedh Hendah	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist		GGO07	
Ngor Sene	Financial Management Specialist	Financial Management Specialist		GGO26	
Ayaba Gilberte Kedote	Team Member	Social Protection Specialist		GSP07	
Bintou Sogodogo	Team Member	Program Assistant		AFMBF	
Issa Thiam	Team Member	Finance Officer		WFALA	

Josiane M. S. Luchmun	Team Member	Temporary		GSP07
Leandre Yameogo	Safeguards Specialist	Senior Environmental Specialist		GEN07
Lydie Anne Billey	Team Member	Program Assistant		GSP07
Maria Ines Rodriguez Caillava	Team Member	Operations Analyst		GSPGL
Roland Berenger Berehoudougou	Team Member	Coordinator		GSP07
Saba Nabeel M Gheshan	Team Member	Legal Analyst		LEGAM

**Extended Team**

Name	Title	Location

**Locations**

Country	First Administrative Division	Location	Planned	Actual	Comments
Burkina Faso	Centre-Est	Centre-Est	X		
Burkina Faso	Centre-Ouest	Centre-Ouest	X		
Burkina Faso	Est	Est	X		
Burkina Faso	Nord	Nord	X		

**Institutional Data**

**Parent ( Social Safety Net Project-P124015 )**

**Practice Area (Lead)**

Social Protection & Labor

**Contributing Practice Areas**

**Additional Financing Additional Financing for Social Safety Net Project ( P160371 )**

**Practice Area (Lead)**

Social Protection & Labor

**Contributing Practice Areas**

**Consultants (Will be disclosed in the Monthly Operational Summary)**

Consultants will be required

## I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to approve a Level 1 restructuring of the Burkina Faso Social Safety Net Project (P124015, IDA-54290-BF). The project will be restructured to (a) revise the project development objective (PDO) and associated Results Framework (revise targets and add new indicators), (b) scale up existing activities, (c) add new activities under existing components, and (d) extend the closing date of the original operation. An additional grant from the Adaptive Social Protection Multi-Donor Trust Fund (MDTF) in an amount of US\$6.0 million to Burkina Faso has been approved at the RVP level (P160371).

2. The proposed additional grant will help finance the costs associated with the expansion of the ongoing Burkina Faso Social Safety Net Project, which is currently being financed by an IDA credit in the amount of US\$50.0 million. This additional financing (AF) will be financed by the Sahel Adaptive Social Protection Multi-donor Trust Fund (ASP MDTF) Program, whose objective is to increase access to effective adaptive social protection systems for poor and vulnerable populations in the Sahel region.

3. The proposed AF aims to test different types of program scale-up to address both longer-term and shorter-term poverty and vulnerability challenges in Burkina Faso. The higher level objective, over time, is to develop safety nets that are scalable and flexible and can respond to shocks and build resilience. Building on the original IDA operation, the AF seeks to improve the ability of Burkina Faso's safety net system, especially the *Burkin-Naong-Sa ya* cash transfer (CT) program, to respond to shocks. Some changes include incorporating adaptive elements into the social protection system to make poor and vulnerable households more resilient to shocks and are informed by the World Bank-executed non-lending technical assistance (NLTA) also supported by the ASP MDTF.

4. Moreover, the institutional and implementation arrangements will change for both the parent project and the AF as the Government of Burkina Faso commits to recruiting and placing a new coordinator and financial management specialist in the Project Implementation Unit (PIU). All PIU staff will receive performance evaluations prior to the expiration of their contracts. The extension of their contracts would depend on the results of the evaluation, which have to be acceptable to the World Bank. This change is being made as a result of the Moderately Unsatisfactory financial and project management performance of the Social Safety Net project over the last ISRs.

5. Several agencies, including the United Nations Children's Fund, the European Union, the European Commission Humanitarian Aid & Civil Protection, and the World Food Programme, are engaged with the Government of Burkina Faso as well as with nongovernmental agencies (NGOs) to support safety nets and social protection activities and policy. To date, the support of development partners to the Government is mainly technical and no other partner is cofinancing a Government-operated safety net program or the programs supported by this project. Overall, there is good coordination between all stakeholders to complement one another and avoid conflicting discourse, under the premise of the development partners' coordination group on social protection.

## II. Background and Rationale for Additional Financing

### *Consistency with the Country Partnership Framework*

6. The proposed project is fully aligned with the Burkina Faso Systematic Country Diagnostic (SCD) currently being prepared. The SCD argues that one pathway to poverty reduction and shared prosperity is through reducing vulnerability and improving sustainability. This pathway aims to assist the extreme poor in coping with difficult living conditions and severe shocks and building their resilience. While a new Country Partnership Framework is not yet available, the proposed project is aligned with the Government's new *Plan National de Développement Economique et Social* (PNDES) 2016–2020 (draft version from July 4, 2016). This plan aims to reduce poverty from 40.1 percent in 2014 to less than 35 percent in 2020 with less than 38 percent in rural areas. The plan presents the extension of the social base, reduction of regional and social inequalities, and the engagement of the population in productive activities as one of the catalysts that will drive the reduction in poverty and increased resilience. The second axis of the plan focuses on human development and improving access of the population to nutrition, health, education, and social protection programs for the vulnerable. Finally, the proposed project is aligned with the *Politique Nationale de la Protection Sociale* from 2013 and the *Plan de Soutien aux Populations Vulnérables à l'Insécurité Alimentaire et Nutritionnelle* from 2015.

### *Poverty and Social Protection in Burkina Faso*

7. In recent years, poverty has been reduced in Burkina Faso, from 46.7 percent in 2009 to 40.1 percent (headcount) in 2014. Despite the progress achieved toward poverty headcount reduction, the overall context remains that of high vulnerability to food insecurity and shocks. Given the strong population growth, over 7 million people remain under the poverty line. The poverty gap is actually growing and the share of the poorest quintile in national consumption is decreasing. The narrow resource base of the Sahel environment leaves households' livelihoods vulnerable to food insecurity and shocks. Fifty-eight percent of the population cannot meet basic caloric needs. Vulnerability is an intrinsic part of life for the vast majority of households in Burkina Faso, as almost two-thirds have reported to be hurt by a shock in 2014.

8. The main challenges affecting the Government's ability to build resilience among vulnerable populations are: (a) limited knowledge on the scope of vulnerability and poverty; (b) scattered approaches to identifying poor and vulnerable households; (c) absence of coordination between numerous actors and multiple interventions in social protection, disaster risk management, and resilience; and (d) lack of tools to effectively anticipate and promptly respond to shocks.

### *Parent Project Status of Implementation*

9. The parent project, the Burkina Faso Social Safety Net Project, is financed by an IDA credit of US\$50.0 million equivalent (SDR 32.4 million). The project was approved by the Board on April 23, 2014 and became effective on September 26, 2014. It has a closing date of August 31, 2019. The project development objective (PDO) is to “provide income support to poor households and to lay the foundations for a basic safety net system in Burkina Faso.” The project has three



components: (a) Cash Transfers and Awareness Program for Poor Households; (b) Laying the Foundations for a Basic National Safety Net System; and (c) Project Management.

10. Project implementation has been under way for 24 months and, after initial delays in 2015 due to the political instability and transition in Burkina Faso, it has been progressing well. As indicated in the last Implementation Status and Results Report (ISR) dated August 18, 2016, the project is currently rated Moderately Satisfactory in progress toward achievement of the PDO and in implementation progress. During the initial phase, disbursements were somewhat limited. However, as systems were developed and complex procurement processes carried out (including the recruitment of a survey firm, a payment agency, focal points, and field workers for the implementation of the program in three regions), disbursements started to increase significantly as cash transfers (CTs) were launched in September 2015 and the accompanying nutrition and early childhood development (ECD) activities in July 2016, both financed under Component 1 (representing a total of US\$38.8 million). More generally, progress has been significant in the last year as of September 30, 2016, the disbursement rate was 19 percent.

11. **Component 1: Cash Transfers and Awareness Program for Poor Households.** In September 2015, the first 15,000 (of a total of 40,000) CT payments started in the Nord region. Three more payments were made in December 2015, March 2016, and June 2016. Given that the project only became effective in September 2014, the challenges during the political instability and subsequent transition year, as well as the low capacity of the ministry in charge of implementation, it is commendable that the Government was able to get the program up and running so quickly. Now that the CT program has started making payments to beneficiaries, disbursements should be progressing at a constant rate and the disbursement rate will go up significantly over the next year. The second wave of payments to around 27,000 CT beneficiary households is planned to start in the Est and Centre-Est regions in March 2017. Compared to the original plan, this wave was delayed by around 10 months due to a holdup in the procurement of the survey firm, which has now been resolved. The targeting exercise to identify beneficiary households in selected provinces, communes, and villages started in November 2016. The accompanying activities linked to nutrition and ECD have been thoroughly prepared over the last few months, and the Government started implementing the activities in the Nord region in July 2016 according to schedule.

12. **Component 2: Laying the Foundations for a Basic National Safety Net System.** Component 2 is also progressing well. The development of a management information system (MIS) is well under way and was successfully used for the first wave of CTs. Four modules have already been developed and are used by the CT program (registry, targeting, enrollment, and payment). Three more modules are currently being finalized including case management, monitoring and evaluation (M&E), and accompanying measures and were ready for the CT program and accompanying measures to use in September 2016. With these modules finalized and used by the CT program, the MIS needed for the project will be complete. At the same time, the MIS registry database has been developed so that it can also incorporate households that are being targeted by other programs, and the team is reviewing options for hosting the database so as to facilitate its use and contribution by other programs. In addition, the targeting methodology and data collection methods that are being implemented by the program are also incorporating information relevant for other Government and partner safety net programs to select households that have a variety of poverty and vulnerability characteristics. This can lay the basis for a more

consolidated targeting methodology and unified registry of poor, near-poor, and vulnerable households and individuals in Burkina Faso. By end 2017, the project team is planning on boosting the intersectoral collaboration and dialogue for building and sharing systems with other agencies.

13. **Component 3: Project Management.** The Social Safety Net Project is fully operational in the Nord region and will become operational in the Est and Centre-Est regions in the coming months. The initial project covenants and conditions related to project management were satisfactorily completed. These included setting up an implementation unit in Ouagadougou, recruiting seven provincial focal points and around 60 field operators, preparing and adopting project operational manual, recruiting and paying consultants to provide technical and operational input in the project, and putting in place the required financial management and audit functions. However, the Fiduciary Procedures Manual was deemed unsatisfactory in form and function and the World Bank requested the Government to revise it.

14. Moreover, the project has recently encountered some administrative and fiduciary challenges related to ineligible expenditures (see details in the next section), procurement delays, and personnel contracts management, and the World Bank is supporting the Government to improve these weaknesses, including working closely with World Bank financial management specialists to finalize the fiduciary manual; reviewing project staffing and personnel contracts with the ministry in charge; and discussing overall project management and coordination with the Ministry of Economy, Finance, and Development. The specific actions agreed between the Government and the World Bank to improve the identified administrative and management shortcomings, and noted in the June and September 2016 mission Aide Memoires, are detailed below.

#### *Financial Management, Procurement, and Safeguards*

15. The institutional arrangements for the AF will be based on the existing arrangements under the ongoing project but introducing some modifications. The Ministry of Women, National Solidarity, and Family will remain in charge of implementation. However, the quality of the staffing in the PIU will be reinforced.

16. The financial management system of the project includes: (a) a team consisting of a financial management specialist (*Responsable Administratif et Financier*), an accountant, a financial management assistant, and an internal controller appointed by the Ministry of Economy, Finance, and Development. It also contains: (b) an accounting software; and (c) a Fiduciary Procedures Manual, which is being finalized by 15<sup>th</sup> January, 2017. The performance of the project in financial management was rated as Moderately Unsatisfactory in the most recent ISR. This downgrading was necessitated due to the issues identified by the original project implementation support missions, especially regarding ineligible expenditure, one of them being that the project implementing unit did not comply with the requirements stipulated in the project Financing Agreement and policies and rules applicable to World Bank-funded projects in Burkina-Faso (known as the five decrees).<sup>1</sup>

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<sup>1</sup> In 2007 new regulations were adopted in Burkina Faso with regard to the management of programs and projects. The regulation is composed of five decrees covering (a) the general regulation of development programs implemented

17. In August 2016 the World Bank sent an official letter to the Ministry of Finance asking for a reimbursement of the identified ineligible expenditures. Moreover, to address the repetitive issue of ineligible expenditures, the Aide Memoire from the mission of June 2016 requested the Government to ensure that, leading up to the midterm review, all activities, even those that do not require procurement prior review, be approved through the World Bank's non-objection before starting. These activities include, among others, all project staff missions, training activities, workshops, and consultant recruitments. This provision was reviewed during the midterm review and AF appraisal mission in September 2016, and it was decided that the provision should be maintained until further notice.

18. Moreover, during the June 2016 mission, the overall condition of project contracts of all staff was assessed and a disparity in the level of wages was found. The experience of the implementation of the project over the last year has also helped better define the terms of reference of different staff of the project. In August 2016, the Minister of Women, National Solidarity, and Family requested that Government and the World Bank work together to determine a course of action to realign project staffing while conforming to the salary matrix stipulated in the five decrees for Class B projects. The World Bank requested that this exercise be undertaken before any contract is renewed. This was done during the September 2016 mission and also included proposals for harmonized performance assessment criteria and procedures for contract extensions and remuneration changes. The task of reassessing the contracts is supported by a local consultant with experience in human resource management and the labor laws of Burkina Faso. Existing documents and technical proposals will be analyzed from the perspective of the national legal environment.

19. On the procurement side, the main risks are related to the delays in finalizing the procurement selection process for payment agency(ies) for CTs in the Est and Centre-Est regions. The low capacity of local payment agencies is also a source of difficulty. Therefore, the project risk on procurement is rated Substantial. A new draft Procurement Plan for the first 18 months of the implementation of the AF was prepared by the client and submitted to the World Bank for review during negotiations and the Fiduciary Procedures Manual of the parent project will be updated to take that into account.

20. The safeguards category of the project is 'C' since no works are being undertaken. Positive potential impacts from the Cash Transfers and Awareness Program for Poor Households

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in Burkina Faso; (b) the organization and operation of development projects of Class A; (c) the organization and operation of development projects of Class C; and (d) support for agents of interventions other than those projects or development programs. The development programs/projects are classified into three categories according to their type of management: Class A—programs/development projects implemented under the direct control of Public Administration; Class B—development programs/projects that require, for their implementation, the creation of an independent implementation structure under the supervision of Public Administration; and Class C—programs/development projects implemented by an executing agency. During project preparation, the Government decided that the safety net project would be Class B and be managed by a recruited project implementation unit. Alongside this national regulation, there are procedures described in the Manual of Program Policy, Procedures, and Operations. Any program/project development is created by a joint order of the minister in charge of the technical supervision and the minister in charge of financial supervision, which specifies the category of the project, the composition of the Steering Committee, and management.

(Component 1) can be expected from this AF as the activities are aimed at strengthening the resilience and economic activities of poor households.

*Justification to Process the Additional Financing*

21. In June 2016, the Government requested an AF for the Social Safety Net Project to expand the CT program and to make it more adaptive to responses to shocks. The CT program is expected to reach all 13 regions of the country and Government is currently discussing plans to prioritize a scale-up, including questions of availability of budget and funding, regional priorities, poverty reduction objectives, and time line. The AF will contribute to starting part of this process and paving the way for a larger national scale-up by testing options for expansion.

22. There is a strong justification for further supporting the Social Safety Net Project with an AF, including: (a) the steady implementation of the project to date; (b) the desire of the Government to increase the coverage of safety nets to poor and vulnerable households, harmonize safety nets and build a unified registry; and (c) the opportunity provided by the ASP MDTF to integrate adaptive elements in the existing social protection systems and help households become more resilient to shocks.

23. The US\$6.0 million from the ASP MDTF provides a unique opportunity to build on the existing operation and introduce adaptive elements to make poor households more resilient to shocks. It can also build on the broader, regional effort to better link social protection with disaster risk management, thereby benefiting from a regional learning agenda on this question and the lessons learned from neighboring countries. This AF will also complement World Bank-executed activities funded by the ASP MDTF that provide a comprehensive package of knowledge activities, technical assistance, and capacity building to help achieve the proposed PDO. Finally, the funding available from the ASP MDTF is significant enough to both expand the existing interventions and influence the design of these interventions, giving them an additional focus on resilience. The increased scale and the improved technical design are therefore expected to increase the development effectiveness of the project. – The closing date of the ASP MDTF is 30 June 2018 per the Donor’s arrangements. IDA funding from the parent project is requested to be available until 31 August 2020. Therefore, disbursements from the ASP MDTF will be frontloaded.

**III. Proposed Changes**

<b>Summary of Proposed Changes</b>	
<p>The main change from the parent project is to add a modality of cash transfers that responds to shocks in the short term. This allows the project to focus on building the foundations of an <i>adaptive</i> safety net system in Burkina Faso, one that is adaptive to shocks of food insecurity. The new PDO reflects this and component 1 on Cash Transfers has been expanded by the new modality. In general, the main changes introduced through the proposed additional financing are: (i) revision to the PDO and Results Framework, (ii) extending the closing date of the parent project to August 31, 2020, (iii) amplification of component 1, adding a short-term, shock responsive modality of cash transfers, and (iv) a change in institutional arrangements, as the PIU will be led by a new coordinator and new financial management specialist.</p>	
Change in Implementing Agency	Yes [ ] No [X ]

Change in Project's Development Objectives	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Change in Results Framework	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Change in Safeguard Policies Triggered	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Change of EA Category	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Other Changes to Safeguards	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Change in Legal Covenants	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Change in Loan Closing Date(s)	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Cancellations Proposed	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Change in Disbursement Arrangements	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Reallocation between Disbursement Categories	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Change in Disbursement Estimates	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Change to Components and Cost	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Change in Institutional Arrangements	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Change in Financial Management	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Change in Procurement	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Change in Implementation Schedule	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
Other Change(s)	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

<b>Development Objective/Results</b>	
<b>Project's Development Objectives</b>	
Original PDO	
The PDO is to provide income support to poor households and to lay the foundations for a basic safety net system in Burkina Faso.	
<b>Change in Project's Development Objectives</b>	
Explanation:	
<p>The words “provide income support to poor households” were changed to “increase access of poor and vulnerable households to safety nets,” reflecting a broadening of the benefit type provided to households from the original project’s basic program, which was focused on providing CTs to a more holistic program that also provides other types of nonmonetary support. In addition, because the AF will target households affected by food insecurity and shocks, the PDO was also expanded to include vulnerable households as their target group. Vulnerability for the purpose of this project is defined as ‘vulnerability to food insecurity due to exposure to risks and shocks’ and aims to capture the transient dimension of poverty. The proposed modification does not change the substance of the PDO, in the sense that the proposed combination of the terminologies ‘poor’ and ‘vulnerable’ in the revised PDO is expected to more accurately reflect the explicit program intention of targeting both the chronic (poor) and the transient (vulnerable) in response to shocks.</p> <p>The word ‘adaptive’ was included in the revised PDO to reflect the expected impact of the AF on resilience. For the purpose of this project, adaptive safety net systems are defined as systems that are capable of protecting poor and vulnerable households from climate-related and other shocks before they occur or</p>	

helping them cope with the impact of these shocks by building resilience. Given that safety net systems are still nascent in Burkina Faso, it is expected that systems will remain basic.

**Proposed New PDO - Additional Financing (AF)**

The PDO is to increase access of poor and vulnerable households to safety nets and to lay the foundations for an adaptive safety net system in Burkina Faso.

**Change in Results Framework**

Explanation:

The Results Framework has been modified to reflect progress to date of the parent project and the addition of new activities, as well as capture the strengthened focus of the project on resilience. More specifically, the following changes will apply to the outcome indicators:

- The target for the direct total project beneficiaries (individuals) will be revised from 316,000 to around 255,000, reflecting (a) an update in the average household size, which is smaller (according to the MIS) than originally assumed;(b) the new program rule to provide a transfer to all mothers in beneficiary households instead of just one woman; and (c) the additional new beneficiaries to be supported by the AF.
- Two separate indicators have been added to specify the number of direct beneficiaries for the core long-term program and the adaptive short-term program.
- Indicators relating to the adaptive social benefit have been added, including the establishment of a shock-response benefit program with well-defined parameters based on data in shocks such as food insecurity.
- A more refined indicator has been added to track the result of the accompanying measures on child nutrition, given that the monitoring system allows this.

**Compliance**

**Conditions - Additional Financing for Social Safety Net Project - P160371**

Source of Fund	Name	Type
Free-standing TFs AFR Human Development	Update and adopt the Project Operations Manual	Effectiveness

**Description of Condition**

The Recipient has updated and adopted the Project Implementation Manual, including a chapter on the specific procedures of the Cash Transfer Program; in form and substance satisfactory to the World Bank

Source of Fund	Name	Type
Free-standing TFs AFR Human Development	Hire or assign technical staff to the PIU	Effectiveness

**Description of Condition**

The Recipient has hired or assigned to the PIU a new Project coordinator; and a new financial management specialist; both with qualifications, Performance Record and under terms of reference satisfactory to the World Bank

**Risk**

Risk Category	Rating (H, S, M, L)
1. Political and Governance	Substantial

2. Macroeconomic	Moderate									
3. Sector Strategies and Policies	Moderate									
4. Technical Design of Project or Program	Moderate									
5. Institutional Capacity for Implementation and Sustainability	Substantial									
6. Fiduciary	Substantial									
7. Environment and Social	Low									
8. Stakeholders	Moderate									
9. Other										
OVERALL	Moderate									
<b>Finance</b>										
<b>Loan Closing Date - Additional Financing (Additional Financing for Social Safety Net Project - P160371)</b>										
<b>Source of Funds</b>	<b>Proposed Additional Financing Loan Closing Date</b>									
Free-standing TFs AFR Human Development	30 June 2018									
<b>Loan Closing Date(s) - Parent (Social Safety Net Project - P124015)</b>										
Explanation: To accommodate the delay in the second round of CTs of the original project and to accommodate a new round of CTs financed by the AF, the closing date of the IDA operation will be extended to August 31, 2020.										
<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-54290	Effective	31-Aug-2019	31-Aug-2019	31-Aug-2020						
<b>Change in Disbursement Arrangements</b>										
Explanation: Two new designated accounts (DAs) in FCFA will be opened for the AF. The new DAs will follow the structure of the existing DAs, with one account dedicated only to CT payments.										
<b>Change in Disbursement Estimates (including all sources of Financing)</b>										
Explanation: The expected disbursements have been updated to reflect the AF and the current cash payment schedule.										
<b>Expected Disbursements (in USD Million)(including all Sources of Financing)</b>										
Fiscal Year	2017	2018	2019	2020						
Annual	2.00	4.00	0.00	0.00						
Cumulative	2.00	6.00	6.00	6.00						

<b>Allocations - Additional Financing (Additional Financing for Social Safety Net Project - P160371)</b>				
<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>
Free-standing TFs AFR Human Development	US\$		6,000,000.00	100.00
		<b>Total:</b>	6,000,000.00	
<b>Components</b>				
<b>Change to Components and Cost</b>				
<p>Explanation:</p> <p>The proposed AF will improve the efficiency of the safety net system that was established with support from the parent project to ensure that this system can be rapidly scaled up to respond to crises and can foster the resilience of the poorest households. It will be organized following the three components of the parent project.</p> <p><b>1. Component 1: Cash Transfers and Awareness Program for Poor and Vulnerable Households (original project US\$38.8 million; AF US\$5.2 million; total US\$44.0 million)</b></p> <p>The proposed AF will continue to support the Cash Transfer program (CTs) based on the parameters defined in the parent project. With the contribution of the AF, the program will be scaled up to reach around 11,000 additional beneficiary households to test and build knowledge for how to expand the coverage of the program to a national scale in the long term. In addition, program targeting and management mechanisms to address vulnerability, responses to shocks, and building household resilience will be reinforced through Component 2. These new technical features will be applied by the programs supported under Component 1 by expanding the CT program to identify new beneficiary households and provide them with CTs and complementary activities.</p> <p>The activities proposed by the AF are as follows:</p> <p>(a) <b>Expand the CT program to around 6,000 more structurally poor households.</b> The scale-up will add more households, including in five communes in the targeted regions. Specifically, in two new provinces—Lorum and Passoré—in the Nord region of Burkina Faso that have a high incidence of chronic poverty and malnutrition. The provinces were selected based on the new household survey data (<i>Enquête Multisectorielle Continue</i>, 2014) as well as the National Nutrition Survey (<i>Enquête Nutritionnelle Nationale</i>, 2015). To strengthen the involvement of the Ministry of Women, National Solidarity and Family in the implementation of the project in the communes and villages and start moving the program toward using the Government’s structures in providing safety nets, the communes in which the program will be implemented will be those where social services are already available. Currently, five communes in Lorum and Passoré have existing social action offices with at least one social worker on-site. Because there is no reliable data available to determine which villages are the poorest, the project will continue to use the existing methodology of drawing the villages at random. The main target group for this scale-up will be chronically poor households in order to break the long-term cycle and the intergenerational transmission of poverty. The additional households will benefit from the program for 24 months. The amount of the transfer and the frequency of the payments will be the same as in the original project. Adding 6,000 new households</p>				



(about 1/7 of the current program) and providing them the same amount of transfers is expected to cost around US\$3.2 million including administrative costs for targeting, registration, payments, and so on.

- (b) **Pilot using the CT program as a response mechanism to address vulnerability and shocks.** In the long term, the objective is to establish a scalability mechanism with clearly defined triggers and decision rules for responding to shocks. For this purpose, in the short term, this component will test different options and methodologies for scaling up the program in case of a shock. This testing exercise will be done with the long-term view of defining a mechanism that could be systemically implemented as a response to potential future shocks. In particular, this component will design and implement a small CT pilot program of about 5,000 households in one province—Boulkiemdé—in the Centre-Ouest region (part of the targeted regions) where food insecurity and chronic poverty are high. The province was selected based on a data mapping exercise overlaying trends in food insecurity indicators from the Cadre Harmonisé in 2014–2016 with the poverty headcounts per region in 2014 and accounts for population size. Similar to the long-term program, communes will be selected based on the presence of social action services. The specific selection of provinces and communes may be revisited during the technical preparation of the program if new data become available. In the future, the project will consider how information from the SAP annual data on ‘communes at risk’ can be used to identify specific communes to target. The methodology may, however, need to be strengthened first. The exact process to determine which villages and households to include in the pilot will draw on some of the analytical products prepared by the World Bank-executed adaptive social protection non-lending technical assistance (ASP NLTA). For instance, to select households, the project may use a combination of alternative proxy means testing (PMT) and household economic analysis (HEA) community-based targeting methods for faster identification, which is more conducive to responding quickly to shocks. The additional households will benefit from the CTs for a period of 4–5 months as necessary to sufficiently support households during seasonal or emergency needs. Each household will be eligible for the program for two years in a row. Providing 6 CT payments (3 per year) to 5,000 households is estimated to cost about US\$1.2 million.
- (c) **Pilot a package of productive activities** (as part of the accompanying measures activities Subcomponent 1.2 of the project). These activities aim to strengthen the resilience and economic activities of poor households. The technical details of the package will be based on analytical work that is currently being undertaken in Burkina Faso through the World Bank-executed ASP NLTA as well as on experiences from the ongoing implementation of the nutrition and ECD activities of the project. The productive activities package will be implemented as a pilot that will cover about 5,000 beneficiary households. Around US\$800,000 will be allocated to the productive activities. The specific zones where the productive package will be tested and rolled out will be determined at a later stage. Component 2 as well as the adaptive social protection World Bank-executed funds will finance the design of the package of activities.

## **2. Component 2: Laying the Foundations for an Adaptive National Safety Net System (original project US\$6.6 million; AF US\$0.8 million; total US\$7.4 million)**

This component will continue to support the Government in building systems and platforms to manage safety nets. To support the objectives of the AF and the scale-up of the safety net program, the component will mainly focus on two core activities. First, it will update and expand the existing targeting system used by the *Burkin-Naong-Sa ya* program by establishing links to the SAP and geographic information system data as a way to identify geographic areas affected by or vulnerable to shocks. This will involve developing scalability mechanisms with clearly defined triggers and decision rules for how safety net programs in Burkina Faso (including *Burkin-Naong-Sa ya*) can respond to shocks. These new features should then be applied by the expanded CT program financed under Component 1.

It will also update the household targeting methods to allow the CT program to more quickly identify households affected by or vulnerable to shocks and food insecurity. These updates to the existing program targeting system will be informed by the technical work conducted under the ASP NLTA, including tests and studies on targeting mechanisms and an assessment of the institutional framework for social protection in Burkina Faso.

Second, the component will contribute to the ongoing setup of a national social registry including a harmonized targeting approach and making it usable for various social services and safety net programs such as subsidized health care and schooling, programs for youth employment, and programs to address food insecurity and malnutrition. This activity involves close coordination with other Government actors. Specifically the component will do this by continuing to develop an IT infrastructure platform, which can be expanded to facilitate collaboration with other agencies. In collaboration with the other actors, the Government will have to explore whether the *Burkin-Naong-Sa ya*'s existing MIS and existing cash transfer beneficiary registry could be used as a base and expanded upon. The work will include developing information-sharing protocols and providing support to other databases to integrate and coordinate existing data and potentially undertake new data collection. The component may also help develop new operational modules that can be usable for other safety net programs and link these to the database of households.

The component will also support the design of a package for productive activities and resilience based on the feasibility study undertaken by the World Bank-executed ASP NLTA in FY2016.

**3. Component 3: Project Management (original project US\$4.6 million; AF US\$0.0 million; total US\$4.6 million)**

The basic parameters of the interventions for this subcomponent will remain the same as in the original project. The AF will help reach the parent project's target and will support the Government to scale up and sustain the CT program to achieve an additional target of around 11,000 new beneficiary households. This component will also continue to support activities related to M&E and transparency of the program such as information and communications campaigns, process evaluation, system assessments, spot checks, and audits. This component will continue to be financed by the original project solely, and no AF funds will be directed to it specifically as program expansion in the provinces will largely be guided by existing social workers in the selected communes. Implementing the package of productive activities will require additional resources for managing these activities both at the central and at the local level but will be financed through Component 1.

<b>Current Component Name</b>	<b>Proposed Component Name</b>	<b>Current Cost (US\$M)</b>	<b>Proposed Cost (US\$M)</b>	<b>Action</b>
Cash Transfers and Awareness Programs for Poor Households	Cash Transfers and Awareness Programs for Poor and Vulnerable Households	38.80	44.0	Revised
Laying the Foundations for a Basic National Safety Net System	Laying the Foundations for an Adaptive National Safety Net System	6.60	7.40	Revised
Project Management	Project Management	4.60	4.60	No change
	<b>Total:</b>	50.00	56.00	

<b>Other Change(s)</b>
<b>Change in Institutional Arrangements</b>
<p>Explanation: Institutional and implementation arrangements will change for both the parent project and the AF. The counterpart commits to recruiting and placing a new coordinator and a new financial management specialist in the PIU. All PIU staff will receive performance evaluations before their contracts expire. The extension of their contracts will depend on the results of the evaluation, which has to be acceptable to the World Bank in form and content. This change is as a result of mitigation measures put in place following the Moderately Unsatisfactory financial and project management performance of the Social Safety Net project over the last ISRs.</p> <p>In addition, to strengthen the capacity of the unit with regard to food insecurity and resilience, the Government is considering hiring or appointing a specialist to oversee and provide technical oversight for the design and implementation of the accompanying measures on resilience and the shock response mechanism. The exact process for how to strengthen the food insecurity and resilience competency of the unit will be discussed together with the Ministry of Agriculture and Food Security which has significant capacity on these aspects.</p> <p>Further, during implementation, the staff in charge of human resources may be mainstreamed into the MFNSF. This will be determined at a later stage in collaboration with the Ministry.</p>
<b>Change in Procurement</b>
<p>Explanation: The Project will continue to rely on the Ministry of Women, National Solidarity and Family's procurement department (<i>Direction des Marchés Publics</i>) for conducting procurement process in line with the national thresholds of competency. The procurement performance for the original project has been rated Moderately Satisfactory during implementation in the last five ISRs. The Fiduciary and Administrative Procedures Manuals of the initial project shall be updated to take into account the proposed AF, and new implementing arrangements. The Government has prepared a new procurement plan for the first 18 months of the AF, which was approved during the negotiations.</p>
<b>Change in Implementation Schedule</b>
<p>Explanation:</p> <p>The closing date of the original IDA operation will be extended to August 31, 2020, the same as the AF, to accommodate completion of all activities.</p>

**IV. Appraisal Summary**

<b>Economic and Financial Analysis</b>
<p>Explanation:</p> <p>The economic and financial analysis of the CT program is the same as the one that was undertaken at the time of the preparation of the parent project. International experience shows that conditional CTs can play an important role in reducing poverty and improving social indicators such as nutrition, education, and health outcomes. Evidence is also growing on positive effects on local economies and investments toward productive activities.</p> <p>The pilot short-term CT program will pay additional CTs to poor households in areas with a predicted food shortage risk. While a separate economic analysis of the pilot program has not been undertaken, it is expected that it is strongly positive. An adaptive safety net system will enable the Government to reduce the negative impact of climate shocks on the country's economy. Moreover, there is a rationale for Government intervention and donor support. Food shortages in Burkina typically result from droughts and to a minor</p>

extent, flooding. Negative climatic changes are a public 'bad' and people in affected geographic areas are affected universally. The Government, especially through the Ministry of Agriculture and Food Security, plays a key role in coordinating and facilitating the insurance of affected regions and between different regions. The World Bank is called to support the development of an adaptive safety nets system in Burkina Faso because of its ongoing technical collaboration with the Government, the concomitant and coordinated support provided in five other countries of the Sahel on similar elements through the ASP MDTF, and its international expertise in the area of adaptive social safety nets.

In addition, benefits are expected to exceed costs. As other adaptive safety net operations (Senegal P156560 and Niger P155846) have noted, it is less costly to help victims of climate events preventively than reactively. Droughts are largely predictable climate events, and the adaptive safety net component will help beneficiaries in areas with predicted food shortage risk. This will allow them to prepare for the shortage and mitigate potential effects rather than repair them reactively (which may not be possible). In addition, any disruptions to productive activities are less likely, or milder, with shock prevention compared to compensating unmitigated shocks ex post. Further, building on the existing infrastructure of a safety net system to mitigate shocks saves on fixed costs and benefits from economies of scope. As noted by other adaptive safety net programs in the Sahel, impact evaluations conducted on multifaceted programs in six countries show that these programs contribute to lasting progress for the very poor. The impact evaluations established that the multifaceted approach to increasing income and well-being for the very poor is sustainable and cost-effective.

Moreover, there is a high opportunity cost for Burkina Faso of not setting up an adaptive social safety net system as presented in the proposed AF. Despite the progress achieved toward increasing the income of poor households, the overall context remains that of high vulnerability to food insecurity and shocks. The main challenges affecting the Government's ability to build resilience among vulnerable populations are (a) limited knowledge on the scope of vulnerability and poverty; (b) scattered approaches to identifying poor and vulnerable households; (c) absence of coordination between numerous actors and multiple interventions in social protection, disaster risk management, and resilience; and (d) lack of effective tools to effectively anticipate and promptly respond to shocks.

With regard to best practices to promote resilience and reduce vulnerability in food insecure contexts, the use of a safety net is now admittedly a critical contribution to disaster risk management and climate risk resilience. Both ex ante to prevent and mitigate the impact of disasters for current beneficiaries and ex post to be scaled up to help poor and vulnerable populations cope with the impacts. The additional funds provided to Burkina Faso from the ASP MDTF are therefore timely, in that they are geared toward exploring synergies between climate resilience, disaster risk management, and social protection to make the existing social protection system more adaptive and responsive to shocks while building households' resilience.

Finally, the component's effectiveness can be sharpened over time as better food insecurity data become available. The available data on food insecurity come from a twice-yearly survey (part of the Cadre Harmonisé) conducted by the Ministry of Agriculture and Food Insecurity at the province level on key nutrition-related agricultural indicators. No external benchmark is available to triangulate these data and currently nor reliable data below the province level are available. In cooperation with the planned hydromet project, this project will explore, using satellite earth observation, data to triangulate the Cadre Harmonisé to inform about regions of food shortage.

M&E has been appropriately adjusted to fit this new component. The Results Framework for the project has been adjusted to monitor progress of this component; see annex 1.

<p><b>Technical Analysis</b></p>
<p>Explanation:</p> <p>The lessons learned during the supervision of the parent operation to improve the technical delivery of the project have been incorporated in the proposed AF to strengthen its design and improve implementation efficiency.</p> <ul style="list-style-type: none"> <li>• <b>Strengthening the establishment of a social safety net system.</b> The harmonization of targeting tools and the setup of a national social registry that could be of use to other social assistance programs are key building blocks that would help the Government respond to poverty, vulnerability, and crisis in the long term. Through the AF, the existing registry will be strengthened and expanded to facilitate collaboration with other agencies. This will include developing information sharing protocols and providing support to other databases to integrate and coordinate existing data and potentially undertake new data collection.</li> <li>• <b>Linking, targeting, and SAP.</b> The AF will update and expand the targeting system used by the <i>Burkin-Naong-Sa ya</i> program by establishing links to the SAP and geographic information systems data as a way to identify geographic areas affected by or vulnerable to shocks. It will also update the households' targeting methods to allow the CT program to quickly identify households that are affected by or vulnerable to shocks and food insecurity.</li> </ul> <p>Strengthening the program's accompanying measures by introducing a package of productive activities will complement the existing activities related to nutrition and ECD.</p>
<p><b>Social Analysis</b></p>
<p>Explanation:</p> <p>The proposed AF does not trigger any social safeguards. On the contrary, the proposed AF will continue to focus on activities that are expected to have positive impact by improving household income and resilience to shocks, as well as behavior related to nutrition and preventative health practices in targeted communities.</p> <p>As in the parent project, the AF will target the poorest and most vulnerable communities, specifically by providing CTs, community awareness related to nutrition, support to strengthen the resilience and economic activities of poor households, as well as other aspects of human capital for longer-term social benefits to adults and children in the area. As the CTs are paid to women, positive impacts on the empowerment of women are also expected while both women and men will participate in the community events related to nutrition and family practices.</p>
<p><b>Environmental Analysis</b></p>
<p>Explanation:</p> <p>The safeguards category of the project is 'C' because no works are being undertaken. Positive potential impacts from the Cash Transfers and Awareness Program for Poor Households (Component 1) can be expected from this AF as the activities are aimed at strengthening the resilience and economic activities of poor households.</p>
<p><b>Risk</b></p>
<p>Explanation:</p> <p>The Operational Risk Assessment Framework of the parent project has been updated using the new Systematic Operations Risk-Rating Tool. The overall risk rating is Moderate. In line with the risks identified in the Operational Risk Assessment Framework of the parent project, the main risks include the following:</p>

- **Political and governance risk.** The potential political capture of project benefits by the elites remains a risk. To maintain the strong transparency focus, the project will continue to rely on communications campaigns with the public, local authorities, beneficiaries, and policy makers.
- **Cross-sectoral coordination.** This risk has recently diminished and a stronger will to collaborate and share information between agencies is being observed.
- **Institutional and implementation capacity and sustainability.** The implementation capacity of the MFNSF and the PIU need to improve. The risk will be mitigated by strengthening the ministerial oversight and a reorganization of the PIU team.
- **Fiduciary.** The World Bank's fiduciary team is keeping a close eye on the financial management and procurement activities of the project to help the project anticipate bottlenecks and ensure that proper procedures are followed. Following Moderately Unsatisfactory fiduciary management performance, a new financial management specialist will be hired into the PIU.

## V. World Bank Grievance Redress

24. 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 in order 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

### Burkina Faso: Social Safety Net Project

Project Name:	Additional Financing for Social Safety Net Project (P160371)			Project Stage:	Additional Financing	Status:	FINAL
Team Leader(s):	Rebekka Grun, Victoria Monchuk	Requesting Unit:	AFCF2	Created by:	Victoria Monchuk on 09-Aug-2016		
Product Line:	IBRD/IDA	Responsible Unit:	GSP07	Modified by:	Victoria Monchuk on 03-Oct-2016		
Country:	Burkina Faso	Approval FY:	2017				
Region:	AFRICA	Lending Instrument:	Investment Project Financing				
Parent Project ID:	P124015	Parent Project Name:	Social Safety Net Project (P124015)				
<b>Project Development Objectives</b>							
Original Project Development Objective - Parent:							
The PDO is to provide income support to poor households and to lay the foundations for a basic safety net system in Burkina Faso.							
Proposed PDO - Additional Financing (AF):							
The PDO is to increase access of poor and vulnerable households to safety nets and to lay the foundations for an adaptive safety net system in Burkina Faso.							
<b>Results</b>							
Core sector indicators are considered: Yes				Results reporting level: Project Level			
<b>Project Development Objective Indicators</b>							
Status	Indicator Name	Core	Unit of Measure	Baseline	Actual (Current)	End Target	
No change	The share of households benefitting from the cash transfers	<input type="checkbox"/>	Percentage	0.00	0.00	60.00	
			Date	01-Sep-2014	11-Jul-2016	31-Aug-2019	

	who belong to the 2 poorest quintiles								
Revised	Direct project beneficiaries	<input checked="" type="checkbox"/>							
		Number	Value	Date	Comment				
			0.00	01-Sep-2014					
			79,557	11-Jul-2016					
			255,000	31-Aug-2020					
						<p>This figure is lower than the end target of the original Project Appraisal Document. The project is targeting the same number of households in total (40,000), but because transfers are provided to each mother in the household (instead of just one woman), the average beneficiary household size (around 5.0 members) is smaller than originally estimated (7.9). These data are confirmed by the MIS. Hence, the total number of direct</p>			



No change	Female beneficiaries	<input checked="" type="checkbox"/>	<table border="1"> <tr> <td data-bbox="191 955 1247 1060">Percentage</td> <td data-bbox="191 871 1247 955">Value</td> </tr> <tr> <td data-bbox="191 850 1247 955">Sub Type</td> <td data-bbox="191 787 1247 871"></td> </tr> <tr> <td data-bbox="191 766 1247 850">Supplemental</td> <td data-bbox="191 703 1247 787"></td> </tr> </table>	Percentage	Value	Sub Type		Supplemental		0.00	52.85	50.00	<p>beneficiaries in the 40,000 households targeted by the parent project is around 200,000. In addition, the AF is aiming to add 11,000 new households and with an average estimated household size of 5.0 that will add about 55,000 additional direct beneficiaries to the project. Assuming no overlap between the program modalities, 30,000 will receive the long-term core support and 25,000 will receive the adaptive short-term support.</p>
Percentage	Value												
Sub Type													
Supplemental													

No change	The definition and publication of a targeting mechanism used by the CT program and adoptable for other programs	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2019
				Comment			
Revised	The number of cash transfer beneficiary households with information stored in a registry with data sharing protocols available for other programs	<input type="checkbox"/>	Number	Value	0.00	8,682	51,000
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2020
				Comment			40,000 households (defined as each woman beneficiary and her children/dependents, average household size 5.0) from the parent project plus 6,000 new ones receiving the long-term core benefit and 5,000 receiving the short-term adaptive benefit, assuming no overlap between program modalities.
<b>Intermediate Results Indicators</b>							
Status	Indicator Name	Core	Unit of Measure		Baseline	Actual (Current)	End Target
New	Direct project beneficiaries of the core cash transfer benefit	<input type="checkbox"/>	Number	Value	0.00	79,557	230,000
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2020

			<p>Comment</p>		<p>This figure is lower than the end target of the original Project Appraisal Document. The project is targeting the same number of households in total (40,000), but because transfers are provided to each mother in the household (instead of just one woman), the average beneficiary household size (around 5.0 members) is smaller than originally estimated (7.9). These data are confirmed by the MIS. Hence, the total number of direct beneficiaries in the 40,000 households targeted by the parent project is</p>
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New	Direct beneficiaries of the adaptive cash transfer benefit	<input type="checkbox"/>	Number					around 200,000. In addition, the AF is aiming to add 6,000 new households, and with an average estimated household size of 5.0 that will add about 30,000 additional direct beneficiaries to the core long-term program.
			Value	0.00	0.00	0.00	25,000	
No change	The per capita consumption level of the households benefiting from the cash transfers (% increase)	<input type="checkbox"/>	Percentage					5,000 new households with an average estimated household size of 5 that will add about 25,000 additional direct beneficiaries receiving the short-term adaptive benefit.
			Value	0.00	0.00	0.00	15.00	
			Date	01-Sep-2014	14-Sep-2016	31-Aug-2020		
			Comment					
			Date	01-Sep-2014	11-Jul-2016	31-Aug-2019		
			Comment					

No change	Timely transfer of cash benefits	<input type="checkbox"/>	Percentage	Value	0.00	98.00	80.00
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2019
				Comment			
Revised	Beneficiary households participating in accompanying measures	<input type="checkbox"/>	Percentage	Value	0.00	0.00	75.00
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2020
				Comment			The indicator measures attendance in the monthly village-level social mobilization sessions.
New	Percentage of participating mothers whose children followed good nutritional age-appropriate practice	<input type="checkbox"/>	Percentage	Value	0.00	0.00	80.00
				Date	01-Sep-2014	14-Sep-2016	31-Aug-2020
				Comment			Good age-appropriate nutritional practice is measured by the monitoring system as follows: children < 6 months are exclusively breastfed, children 6–8 months had some solids the previous day, and children 9–23 months have

No change	Payment system operational	<input type="checkbox"/>	Yes/No	Value	No	No	eaten at least 4 out of 7 possible nutritional categories the previous day.
				Date	01-Sep-2014	11-Jul-2016	Yes
				Comment			31-Aug-2019
New	Establishment of a temporary shock-response benefit, with well-defined operational parameters based on shock data	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	01-Sep-2014	14-Sep-2016	31-Aug-2020
				Comment			
No change	Institutional coordinating mechanism functioning	<input type="checkbox"/>	Yes/No	Value	No	No	Yes
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2019
				Comment			
No change	Frequency of publication of monitoring reports	<input type="checkbox"/>	Months	Value	0.00	6.00	6.00
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2019
				Comment			
Revised	Cash transfer program management expenses as a share of total cash transfer program expenses	<input type="checkbox"/>	Percentage	Value	0.00	32.61	35.00
				Date	01-Sep-2014	11-Jul-2016	31-Aug-2020
				Comment			
No change	Government contribution to safety net programs	<input type="checkbox"/>	Percentage	Value	0.00	1.33	24.00
				Date	01-Sep-2014	29-Feb-2016	31-Aug-2019
				Comment			

## Annex 2: Description of the Activities Supported by the Additional Financing

### Burkina Faso: Social Safety Net Project

1. The proposed AF will improve the efficiency of the safety net system that was established with support from the parent project to ensure that this system can be rapidly scaled up to respond to crises and can foster the resilience of the poorest households. It will be organized in line with the three components of the parent project.

#### **Component 1: Cash Transfers and Awareness Program for Poor and Vulnerable Households (original project US\$38.8 million; AF US\$5.2 million; total US\$44.0 million)**

2. The proposed AF will continue implementation of the Cash Transfer program (CTs) partially based on the parameters defined in the parent project and with some modification. With the contribution of the AF, the program will be expanded to reach around 11,000 additional beneficiary households in the targeted regions. While the expansion is relatively small with regard to the number of households, the exercise is meant to test and build knowledge on how to expand the coverage of the program for a potential national scale in the future. The expansion of the Cash Transfer program is being done in two different ways.

3. First, it will target more households in chronically poor regions to benefit from transfers for an extended time to help them break the long-term cycle of poverty. Second, a ‘new’ program modality will be piloted to provide shorter-term support to households affected by food insecurity. The objective, over time, is to develop the *Burkin-Naong-Sa ya* program into a scalable and flexible program that can address both long-term poverty and response to shocks. This will involve developing scalability mechanisms with clearly defined triggers and decision rules on how safety net programs in Burkina Faso (including *Burkin-Naong-Sa ya*) can respond to shocks. In the short run over the life of the AF, the project will support the testing of a pilot short-term response modality, which can be implemented quickly and reach households affected by food insecurity. Program targeting and management mechanisms to address vulnerability, respond to shocks, and build household resilience will be reinforced through Component 2 and these new features will be applied by the expanded CT program to identify beneficiaries and provide them with CTs and complementary activities.

4. The activities proposed by the AF are described here.

#### *Subcomponent 1.1. Scale-up of Cash Transfers to Poor and Food Insecure Households (around US\$6.2 million)*

5. **Expansion of the CT program to more structurally poor households (around US\$3.2 million).** The scale-up will be implemented in the Nord region, which is the region with the highest poverty headcount in the country (*Enquête Intégrale sur les Conditions de Vie des Ménages*, 2009 and *Enquête Multisectorielle Continue*, 2014). It also has among the highest levels of malnutrition and food insecurity rates (Cadre Harmonisé and *Enquête Nutritionnelle Nationale*, 2015). While the parent project covers the provinces of Yatenga and Zoundma, the additional resources will allow around 6,000 more households in the two remaining provinces in the region, Lorum and Passoré to be added to the program. In the areas in which the parent project operates, villages were selected at random across all communes in the targeted provinces. Field operators were recruited

in charge of the day-to-day project activities in a set of villages under their control (generally between 5 to 10 villages per field worker). A focal point was recruited to coordinate the activities in each province. For the two new provinces the project will rely on the existing infrastructure of the Ministry of Women, National Solidarity, and Family (the ministry in charge of social action offices and social workers in the regions). Even though the capacity in the local social action offices is low and resources very limited, using the Government's own structures is aligned with preparing the Government for scaling up the program with its own resources. The project will work with the ministry and provide technical support to ensure that additional personnel and resources are made available in the local offices to manage the additional caseload that the program implementation adds for the agents. The five rural communes/departments with functioning social action offices are Arbollé, Banh, Bokin, Titao, and Yako. For the sake of equality among administrative zones, the project will continue to use the existing methodology of drawing villages at random from the list of all rural villages in the selected communes.

6. The main target group for this scale-up will be chronically poor households, in an effort to break intergenerational transmission of poverty. Therefore, households will be selected using the existing methodology combining a PMT with a community-based validation exercise to finalize beneficiary lists. Because of the time constraint imposed by the closing date of the project additional financing, the payment period will be altered compared to the parent project. The additional 6,000 households will benefit from the program for 24 months. The amount of the quarterly transfer and the frequency of the payments will be the same as in the original project. However, because the trust fund resources will not be available for the full length of the program, beneficiaries will initially only receive transfers for 24 months (12 months less than beneficiaries in the parent project). To support transfers during the last 12 months, the team will seek to mobilize additional resources, including pursuing whether the Government could contribute. Adding 6,000 new households (about 1/7 percent of current program) is expected to cost around US\$3.2 million including administrative costs for targeting, registration, and payments. The project will have to engage a firm to conduct a PMT targeting survey and recruit a payment agency in the two new provinces.

7. **Pilot the use of the CT program as a response mechanism to address vulnerability and shocks (around US\$1.2 million).** Over the course of the project, the objective is to establish a scalability mechanism with clearly defined triggers and decision rules for how safety net programs, including the *Burkin-Naong-Sa ya*, respond to shocks. The technical work to develop this mechanism will be supported under Component 2. However, in the short term, this component will test different options for scaling up CTs in case of a shock. This testing exercise will be done with the long-term view of defining flexible program implementation parameters that could be systemically implemented by the program in the future without requiring long-term planning and preparation to effectively respond to shocks. To gain operational experience and also provide support to areas which are projected to be affected by food insecurity in 2017, this component will design and implement a small CT pilot of about 5,000 households in one province—Boulkiemdé—in the Centre-Ouest region (part of the targeted regions). Boulkiemdé was selected based on a data mapping exercise overlaying trends in food insecurity indicators from the Cadre Harmonisé in 2014–2016 with the poverty headcounts per region in 2014. For the development of a scalability mechanism to guide the program in the long term, the project will work through Component 2 to develop protocols and triggers for how food insecurity indicators and other shock indicators, such as those from the Cadre Harmonisé (only down to province level) or other data sources, will be



used by the program to scale up and down. Other provinces such as Gnagna and Nayala in the Est region were considered given their similar level of combined high food insecurity and long-term poverty but were not selected as there are several other donor-financed safety net programs operating there specifically to address food insecurity. Similar to the long-term program, communes will be selected based on the presence of social action services. The specific selection of provinces and communes may be revisited during the technical preparation of the program if new data become available. In the future, the project will consider how information from the SAP annual data on ‘communes at risk’ can be used to identify specific communes to target. The methodology may however need to be strengthened first.

8. The exact process to determine which villages and households to include in the pilot will draw on some of the analytical products prepared by the World Bank-executed ASP NLTA. For instance, to select households the project may use a combination of an alternative PMT and HEA community-based targeting methods for faster identification more conducive to responding quickly to shocks. Household targeting could be done in collaboration with the Government’s early warning system (SAP) team and NGOs that are used to identify households affected by food insecurity for humanitarian responses while increasing the rigor of collecting and analyzing the data and building capacity of the SAP and also the National Council for Food Security (*Conseil National de la Sécurité Alimentaire*). The ASP NLTA program is currently providing technical assistance to the Government and NGOs in Burkina Faso with regard to how questionnaires and data collection can be harmonized. The additional households will benefit from the CTs for a period of 4–5 months as necessary to sufficiently support households during seasonal or emergency needs. Each household will be eligible for the program for two years in a row. Providing six CT payments (three per year) to 5,000 households is estimated to cost about US\$1.2 million.

*Subcomponent 1.2. Pilot a Package of Productive Resilience Activities (as part of the complementary activities subcomponent) (around US\$0.8 million)*

9. These activities will be added on to the accompanying measures package of the original project. The productive activities aim to strengthen the resilience and economic activities and diversify livelihoods of poor households. The technical details of the package will be based on analytical work that is currently being undertaken in Burkina Faso through the World Bank-executed ASP NLTA as well as on experiences from the ongoing implementation of the nutrition and ECD activities of the parent project. The package of productive activities may be implemented in collaboration with NGOs which have experience with these kinds of interventions in Burkina Faso. The package will be implemented as a pilot that would cover around 5,000 beneficiary households. The specific zones where the productive package will be tested and rolled out will be determined at a later stage. Component 2, with the support of the World Bank-executed ASP NLTA, will finance the design and development of the package of activities.

10. To identify the components of the package, a participatory process between the regional ASP team and Burkinabè stakeholders have identified the following constraints for poor households in participating in productive activities: (i) lack of financial resources to invest; (ii) lack of technical and managerial skills; (iii) low market access characterized by lack or ignorance of customers and markets for products; (iv) unavailability of agricultural inputs and livestock feed;

(v) behavioral constraints and aspirations/social norms; and (vi) weak knowledge and risk management.

11. To address these constraints and exploiting existing synergies around each program, an indicative package of accompanying measures has been identified based on the most promising interventions outlined in the international literature, as well as on local experiences and knowledge of the various actors involved. This basic package will therefore include (i) community awareness campaigns related to aspirations and social norms, (ii) facilitation of savings groups for beneficiaries, (iii) training in basic management, personal initiative and self-esteem, (iv) support for the development of business plan (for credit or grants), (v) the injection of cash subsidies, (vi) the regular provision of information on prices and market demand (inputs among others) and support services; and (vii) follow-up and coaching (coaching in particular). The scope and modalities of implementation will be defined in the manual.

12. **Together with the IDA funds the AF for Component 1 will finance** CTs to around 11,000 beneficiary households; the costs of delivering the CTs, including payment agency fees; and the costs of providing the package of productive resilience activities to be carried out. Both IDA funds and AF will be used to finance these activities.

**Component 2: Laying the Foundations for an Adaptive National Safety Net System (original project US\$6.6 million; AF US\$0.8 million; total US\$7.4 million)**

13. This component will continue to support the Government in building systems and platforms to manage safety nets. It will also help strengthen the aspects of the systems for improving how the transfer program and accompanying activities respond to shocks, address short-term and seasonal issues of food insecurity, and build households' resilience. To support the objectives of the AF and the scale-up of the safety net program, the component will mainly focus on four core activities.

*Continuing to strengthen operational systems of the Burkin-Naong-Sa ya*

14. The parent project helped set up functioning targeting, payment, registration, MIS, and grievance systems for the *Burkin-Naong-Sa ya* program. This component will continue to strengthen and expand these systems and to use them to manage the expanded cash transfer program in the new provinces as well as incorporate the monitoring of the productive activities package. Building on the experience of the program thus far and based on the analytical work done with the support of the ASP NLTA some improvements will be made to the systems to make them more efficient.

*Targeting and Early Warning System*

15. First, the AF will update and expand the cash transfer program's existing targeting system used by the *Burkin-Naong-Sa ya* program by establishing links to the SAP and other geographic information system data as a way to identify geographic areas affected by or vulnerable to food insecurity and other shocks. It will also update the existing household targeting methods to allow the CT program to more quickly identify households affected by or vulnerable to shocks and food insecurity. These updates to the cash transfer targeting system will be informed by the technical work conducted under the ASP NLTA, including tests and studies on targeting mechanisms and

an assessment of the institutional framework for social protection in Burkina Faso. The improved targeting methods should then be applied and tested by the two program expansion arms (core cash transfer program and adaptive/response mechanism) under Component 1.

### *National Social Registry*

16. Second, Component 2 will continue to contribute to the ongoing establishment of a national social registry, including harmonized targeting tools which could be used for various social services and safety net programs such as subsidized health care and schooling, programs for youth employment, and programs to address food insecurity and malnutrition. This activity involves close coordination between the project, the *Conseil National de la Protection Sociale* (National Council for Social Protection), the *Institut National de la Statistique et de la Démographie* (National Statistical Institute), and other ministries and agencies involved in safety net provision and disaster risk management such as the *Conseil National de la Sécurité Alimentaire*. Specifically, the component will achieve this by continuing to develop an IT infrastructure platform which can be expanded to facilitate collaboration with other agencies. In collaboration with the other actors, the Government will have to explore whether the *Burkin-Naong-Sa ya's* existing MIS system and existing beneficiary registry (database) used by the cash transfer program could be used as a base and expanded upon. The work will include developing information-sharing protocols and providing support to other databases to integrate and coordinate existing data and potentially undertake new data collection. The component may also help develop new operational modules that can be usable for other safety net programs and link these to the database of households.

### *Design of Resilience Activities*

17. This component will also support the design and development of a package of productive activities, as mentioned above. This includes developing package components and logistical arrangements, preparing supports and tools, purchasing materials, training implementers, and so on as deemed necessary depending on the specific implementation arrangements chosen for the subcomponent.

18. **Together with the IDA funds the AF for Component 2 will finance** the costs related to continuing to build and expand the core administrative systems of the CT program (expanding and improving the targeting mechanisms; the identification and registry of the beneficiaries including the PMT survey; the costs of registering the beneficiaries; the cost of the identification cards; the registry database expansion and maintenance; the MIS expansion and maintenance; expansion and maintenance of a secure and efficient payment mechanism; M&E activities; the grievance system; and the design of the productive resilience accompanying measures). It will also finance technical assistance, capacity building, studies, and dialogue for making safety nets respond better to shocks and for strengthening and linking the SAP to safety nets. In addition, it will finance advocacy, policy dialogue, data collection, studies, and seminars needed for the expansion and adoption of selected systems such as the targeting system and its associated registry, at the national level, including hardware and software modifications and technical assistance needed for the systems including testing and assessments. Finally, this component will also finance capacity building of institutions working on safety net programs in Burkina Faso and the development of project implementation manuals. Both IDA funds and AF will be used to finance these activities.

**Component 3: Project Management (original project US\$4.6 million; AF US\$0.0 million; total US\$4.6 million)**

19. The basic parameters of the interventions for this subcomponent will remain the same as in the original project. No AF will be provided to this component, specifically as program expansion in the provinces will largely be guided by existing social workers in the selected communes. The component will help reach the parent project’s target and will support the Government to scale up and sustain the CT program to achieve an additional target of around 11,000 beneficiary households. This component will also continue to support activities related to M&E and transparency of the program such as information and communications campaigns, system assessments, spot checks, and audits. The project will work with the Government to help them ensure sufficient staffing and supplementary resources required to carry out activities in the local level through prioritizing assigning additional social workers to project areas. Implementing the package of productive activities will require additional resources for managing these activities both at the central and local levels and will be financed through Component 1. The project implementation unit will discuss with the Ministry of Agriculture and Food Security to assign specialist skills to the project.

20. The Government shall deposit into an autonomous account, as contribution funds to the Project, an amount of US\$300,000. These Government funds will be used according to national procedures to strengthen management of the Project.

21. The overall structure of the project will be as follows:

<b>Project Components</b>	<b>Parent Project (US\$)</b>	<b>Counterpart for parent project (US\$)</b>	<b>AF (US\$)</b>	<b>Counterpart for AF (US\$)</b>	<b>Total (US\$)</b>
<b>Component 1: Cash Transfers and Awareness Program for Poor and Vulnerable Households</b>	<b>38.8</b>		<b>5.2</b>		<b>44.0</b>
<i>1.1: Scale-up of Cash Transfers to Poor and Food Insecure Households</i>	34.8		4.4		39.2
• Expansion of the CT program to more structurally poor households	0.0		3.2		3.2
• Pilot a CT program as a response mechanism to address vulnerability and shocks	0.0		1.2		1.2
<i>1.2: Pilot a Package of Productive Resilience Activities</i>	4.0		0.8		4.8
<b>Component 2: Laying the Foundations for an Adaptive National Safety Net System</b>	<b>6.6</b>		<b>0.8</b>		<b>7.4</b>
<b>Component 3: Project Management</b>	<b>4.6</b>	<b>5.0</b>	<b>0.0</b>	<b>0.3</b>	<b>9.9</b>
<b>Total</b>	<b>50.0</b>		<b>6.0</b>		<b>61.3</b>

Note: The counterpart contributions are fully outside of the project and do not enter into the financing agreement. The total project cost including the additional financing is US\$56.0 million.