



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
FIP - DECENTRALIZED FOREST AND WOODLAND MANAGEMENT PROJECT
APPROVED ON JANUARY 23, 2014
TO
GOVERNMENT OF BURKINA FASO

ENVIRONMENT, NATURAL RESOURCES & THE BLUE ECONOMY

AFRICA WEST

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ABBREVIATIONS AND ACRONYMS

DFWMP	Decentralized Forest and Woodland Management Project
EU	European Union
Ex-Act	Ex-Ante Carbon measuring tool
FAO	Food and Agriculture Organization
FCPF	Forest Carbon Partnership Facility
FIE	National Environment Fund (Le Fonds d'Intervention pour l'Environnement)
GHG	Green House Gas
MRV	Measuring, Reporting and Verification
PCD	Communal Development Plan (<i>Plan Communal de Développement</i>)
PDIC/REDD	Communal Integrated Development Plans for REDD+ (<i>Projet de Développement Intégré Communal pour REDD+</i>)
PDO	Project Development Objective
PIU	Project Implementation Unit
REDD+	Reducing Emissions from Deforestation and Forest Degradation
SCF	Strategic Climate Fund
TF	Trust Fund



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

BASIC DATA

Product Information

Project ID P143993	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 23-Jan-2014	Current Closing Date 31-Dec-2020

Organizations

Borrower Government of Burkina Faso	Responsible Agency Ministere de l'Environnement et Developpement Durable
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Project Development Objective (PDO)

Original PDO

The project objective is to promote national development policies as well as to support the definition and implementation of community-based natural resource management processes in 32, mostly rural, communes in a way that strengthen sustainable local development practices and contributes to reducing GHG emissions from deforestation and woodland degradation.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net		
					Commitment	Disbursed	Undisbursed
TF-16915	02-Sep-2014	02-Sep-2014	16-Sep-2014	31-Aug-2018	7.27	7.24	0
TF-15339	17-Feb-2014	17-Feb-2014	16-Sep-2014	31-Dec-2020	16.50	10.82	5.68



Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No

1. This Restructuring Paper seeks approval for an amendment to the Grant Agreement TF015339 related to the *Decentralized Forest and Woodland Management Project* in Burkina Faso (P143993) in order to extend the project for six months, until June 30, 2021. This restructuring would also be the opportunity to correct small issues related to the phrasing of the indicators in the result framework and to adapt the target and the target dates to the extension.

2. With those changes, the team consider that the PDO objective would be reachable by the new closing date and that at least 95% of the funds would be disbursed by the new project disbursement closing date.

I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Introduction

3. The Decentralized Forest and Woodland Management Project (DFWMP) was approved on January 23, 2014 and became effective September 16, 2014 after one extension of the effectiveness deadline. The DFWMP is designed to implement an integrated, inclusive community-based landscape management approach in order to improve livelihoods while simultaneously enhancing carbon sequestration potential. The project is also instrumental at the national level in helping Burkina Faso integrate REDD+ concepts and principles into its development strategies and in shaping national policies on natural resource management.

4. Owing to its participative nature, the project was executed in two phases: a planning phase supporting Commune-level and village-level consultations and land tenure diagnosis, followed by investments led by local governments (Communes) after signing Sub-grants with the project. The participative phase was innovative, and required to partner with a research institute to adapt and implement an inclusive methodology to ensure a high quality stakeholder engagement.

5. A delay of 18 months was observed since the beginning of the project mostly due to external factors (political unrest in 2015, renewal of the mayors in 2016) and its innovative and participative nature. However, since 2016 and the election of the Communal Councils, the project was implemented with a sturdy progress rate.

B. Project Status

6. As of November 19, 2020, project disbursement has reached US\$ 18.1 million out of US\$23.8 million (or 76 percent of the total financing). Out of the remaining amount, US\$4.5 million is committed for the sub-grants to the Communes in order to support communities, reflecting a good progress of project implementation and the assurance to reach 95 percent of disbursement if the Communal plants are fully executed.

7. The last Implementation Status and Results report recorded in November 2020 showed improvement in the ratings. The Project Development Objective (PDO) rating was upgraded to satisfactory because the innovative instrument (Integrated Communal Development Plans for sustainable land management ("Projets de Développement Communaux



Intégrés pour REDD+'' – PDIC/REDD+)) had been successfully deployed in all 32 communes through a methodology that is both replicable and scalable (target was 75 percent). Partnerships with the Cadaster and a strong investment in social engineering were able to have an impact on the underlying drivers of land degradation, such as the land tenure and land governance. In addition, the PDO indicators related to the net reducing GHG emissions from deforestation and woodland degradation and the ability to influence the country development framework were both reached.

	Dec-17	Jun-18	Dec-18	Jun-19	Apr-20	Dec-20
Progress towards achievement of PDO	MS	MS	S	MS	MS	S
Overall Implementation Progress (IP)	MS	MS	S	MS	MS	MS
Overall Safeguards Rating	MS	S	S	S	S	S
Overall Risk	S	S	S	S	S	M

8. **Results.** As of November 2020, the project has achieved substantial results as all 32 communes have identified and secured conservation areas based on the contributions from the population and after an inclusive and participative land management diagnosis. 20 Communes had completed a first round of investment and received a second sub-grant. Even before the full evaluation of the project is completed, it appears that the project will be able to reach its targets (especially in terms of carbon emission reduction) but also establish a successful model for (i) inclusive stakeholder engagement and intercommunal dialog to help communities design their own solution to landscape degradation and land-use conflicts, (ii) designing multisectoral investment packages tackling both direct and underlying drivers of forest degradation, including land tenure (iii) implementing in fragile areas, building on community engagement and trust in the local authority, and (iv) building innovative tools for automated monitoring of carbon emission reduction. Therefore a scale up operation P170482 is in preparation with an expected delivery date early Q1 FY22. This operation would consolidate results in the 32 communes, expand activities to 60 new communes and is expected to be a strong contributor to the conflict Prevention and Resilience Strategy of the government.

9. **Fiduciary issues.** The project experienced fiduciary problems that led to the identification of ineligible expenditures in 2019. An action plan was established with the project implementation unit and was almost entirely implemented (including a change of key staff, the hiring of Human Resource assistant and internal auditor, completion of an organizational audit and an Human Resource audit, the revision of the implementation manual, etc). The ineligible expenditures were reimbursed in November 2020 and the final actions (setting up an archiving system and training the project fiduciary team) should be completed by the end of December 2020. The project Interim Financial Reporting have been satisfactory and on time for the past 2 years and the last 2 external audits reviews did not identify significant issues. The Financial Assessment is currently on-going to confirm the change in the internal control display and its conclusions are expected early January.

C. Rationale for Restructuring

10. This level 2 restructuring paper seeks to: (i) extend project closure by six months; (ii) revise the disbursement schedule and (iii) adjust the results framework to better reflect the change of dates and better describe the methodology used for monitoring.



11. **Project extension:** despite the project strong progress, the implementation cannot be completed by the current closing date (December 31, 2020). Given the impact of the COVID-19 outbreak since March 2020, project implementation slowed down, with some key activities on hold between April and June 2020. The restriction of movement resulted in failing to launch key activities for livelihood such as the investments in reforestation and agroforestry. This led to missing the planting season (June-August) and some planned investments for the remaining communes could therefore not take place before December 2020. For that reason, the government requested the extension of the project closing date for 12 months.

12. Considering the remaining funds that would not be able to cover the full year of the PIU cost, as well as the remaining activities for each Commune, the team would recommend an extension limited to six months. This should provide enough time for the Communes to complete the on-going activities, and for the project to finalize all the reports related to the lessons learned. It would also allow to complete most of the land tenure security activities that were executed jointly with the Ministry of Finance. As the scale-up operation is expected in FY22 (current tentative board date in September 2021), all activities related to evaluation and lessons-learning would be completed by April 2021 anyway.

13. **Change in Results Framework.** The result framework was established in 2014 before the actual methodology for stakeholder engagement and the participative tools for landscape management were defined. It was also designed assuming the work on Carbon emission measuring system (“MRV system”), supported by the African Development Bank project, would be able to provide actual carbon data decomposed by village. As implementation started, it was quickly found out that the project would concentrate at the Commune level, not at the village level, and that the MRV system would be unable to provide the data. Therefore, the indicators that referred to the villages or to the MRV system either in their formulation or in their methodology had to be adjusted.

14. Meanwhile, the project team started developing new methodologies that would be practical and would monitor the actual progress of the project and keep the original intent of the result framework. The monitoring system took a long time to be completely finalized, given the innovative nature of many activities and the technology used. The final technical arrangements were finally settled in 2020, with for example the use of “Kobo toolbox” coupled with data from Ex-Act (the FAO tool for measuring carbon emissions) as a simplified mean to automatize the calculation of carbon emission reduction for each investment. This restructuring is the opportunity to revise the Result Framework – and especially the methodology section more than the indicators themselves – to better match the evolution in the project implementation.

15. In addition, the dates in the result framework had to be adjusted for the indicators that did not yet reach their target.

II. DESCRIPTION OF PROPOSED CHANGES

16. **Modification of loan closing date.** The restructuring seeks to extend the recipient executed grant TF-15339, with US\$ 4.8 million remaining to June 30, 2021. Even if the government requested a 12-month extension, the team assessed that an extension of 6 months would be sufficient to reach the PDO and disbursement targets, i.e. complete all the on-going activities and prepare the 2021 planting season (purchase of plants and seeds, material, preparing the ground, etc...).

17. **Change in Results Framework.** The Results Framework would be adjusted to reflect the additional implementation period (change in the target dates). The main changes are the following:

- One PDO level indicator was rephrased to replace the term “Village” by “site” to better reflect the project.



<i>Effectiveness of sustainable natural resource management plans in targeted villages</i>	to be replaced by <i>Effectiveness of sustainable natural resource management plans in targeted sites</i>
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- One intermediate indicators is proposed to be rephrased to remove the mention of the Communal Development Plan (PDC), which was not the correct tool to use in this case. This restore the initial intend of the indicator.

<i>Village agreeing on a revised PDC (Communal Development Plan) according to project methodology</i>	to be replaced by <i>“Planned Conservation areas that are actually established with the villagers' consent”</i>
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18. The methodology descriptions were also adjusted for six indicators to better reflect the methodology actually used to measure them. In particular, any mention of “villages” would be removed or clarified, as the project work at Commune level, not at village level.

19. For two indicators, the targets would be adjusted up as the project already reached its objective.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Loan Closing Date(s)	✓	
Implementation Schedule	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Components and Cost		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓



EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
TF-15339	Effective	31-Dec-2019	31-Dec-2020	30-Jun-2021	30-Oct-2021
TF-16915	Closed	30-Jun-2018	31-Aug-2018, 10-Jan-2019		



Results framework

COUNTRY: Burkina Faso

FIP - DECENTRALIZED FOREST AND WOODLAND MANAGEMENT PROJECT

Project Development Objectives(s)

The project objective is to promote national development policies as well as to support the definition and implementation of community-based natural resource management processes in 32, mostly rural, communes in a way that strengthen sustainable local development practices and contributes to reducing GHG emissions from deforestation and woodland degradation.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	End Target
Definition and implementation of sound community-based natural resource management			
People in forest&adjacent community with monetary/non-monetary benefit from forest (Number)		0.00	250,000.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: The target date was extended to reflect the project extension</i>		
People in forest and adjacent community with benefits from forest-female (Number)		0.00	85,000.00
<i>Action: This indicator has been Revised</i>	<i>Rationale: The target date was revised to reflect the project extension</i>		
Reduced emissions from deforestation and forest degradation relative to the 2012 reference emissions level based on the comprehensive IFN forest carbon inventory. (Number)		0.00	3.52
<i>Action: This indicator has been Revised</i>	<i>Rationale: The target date was revised to reflect the project extension.</i>		



Indicator Name	PBC	Baseline	End Target
		<i>In addition, the Methodology was revised to reflect the actual monitoring method taking into account the non-operationalization of the MRV system. As initially planned, proxys were used to evaluate the emission reductions generated by the project based on the impact of project's physical activities over a 3year/5year period (depending on the activity). For some investments (improved stoves, bio-digesters) emission factors were used from literature. For the land-use change activities, Ex-ACT, the tool designed by FAO, was configured in order to measure the estimated emission reduction generated by the project investments over a 3year/5year period.</i>	
Effectiveness of sustainable natural resource management plans in targeted sites (Percentage)		0.00	75.00
<i>Action: This indicator has been Revised</i>		<i>Rationale: The target date was extended to reflect the project revised closing date. The indicator was rephrased to remove the notion of villages and replace it with "sites" to better reflect the reality.</i>	
The next national development strategies (post 2015 SCADD and PNSR equivalent) include sound objectives for REDD+ and the use of climate resilient agricultural practices. (Number)		0.00	3.00

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	End Target
Component 1: Mainstreaming Climate Change and REDD+ into Sectoral Frameworks and Strategies			
The REDD+ strategy is defined and institutions arrangements are defined for its implementation (Yes/No)		No	Yes
<i>Action: This indicator has been Revised</i>		<i>Rationale:</i>	



Indicator Name	PBC	Baseline	End Target
	<i>The target date was revised to reflect the project extension. In addition, the term "defined" is clarified in the methodology.</i>		
A monitoring system of SLM and SFM co-benefits is established and operational (Yes/No)		No	Yes
Action: This indicator has been Revised	Rationale: Change in the closing date to reflect the project extension.		
Users of the ONEDD database per month (Number)		2,500.00	5,000.00
A database with relevant information on climate resilient agricultural practices is operational, accessible easily within the country and broadly known (adapted manual and trainings) (Yes/No)		No	Yes
Component 2: Participatory Planning and Management of Forests and Woodlands			
Hectares impacted by a SFM/SLM investment defined in the PDC (Hectare(Ha))		0.00	400,000.00
Action: This indicator has been Revised	Rationale: The target date was extended to reflect the project change. The description of the methodology was clarified.		
Planned Conservation areas that are actually established with the villagers' consent (Percentage)		0.00	80.00
Action: This indicator has been Revised	Rationale: The date was revised to reflect the project extension. The phrasing of the indicator was revised to better reflect what the project was doing - as the previous phrasing ("Village agreeing on a revised PDC according to project methodology") was using improperly the term PCD - which is a tool used at Communal level, not at village level. The purpose of this indicator was to measure the adoption rate of the new landscape management rules (especially the restriction of access to the		



Indicator Name	PBC	Baseline	End Target
		<i>conservation areas) by the neighboring communities. The new phrasing better capture this intent and is actually more demanding.</i> <i>The description of the methodology was improved.</i>	
Small and Medium local Enterprises supported by the project (Number)		0.00	575.00
<i>Action: This indicator has been Revised</i>		<i>Rationale:</i> <i>The date was extended. The target was increased as the project was over performing on this indicator.</i>	
Participation of local stakeholders in the planning, management and monitoring of forest related activities (Percentage)		0.00	90.00
<i>Action: This indicator has been Revised</i>		<i>Rationale:</i> <i>The date was adjusted to reflect the new project closing date. The methodology was reformulated to better reflect the project monitoring as the project was not operating at village level but at Commune level.</i>	
Component 3: Coordination and Information and Knowledge Sharing			
Capacity of national and local authorities to manage program activities strategically (including by performance payments) (Yes/No)		No	Yes
International Event about the FIP in Burkina Faso (Number)		0.00	9.00
<i>Action: This indicator has been Revised</i>		<i>Rationale:</i> <i>The target was increased as the project had over-performed. the date was extended.</i>	



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