### BASIC INFORMATION

#### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Burkina Faso</td>
<td>P167949</td>
<td>Sustainable Mineral Development Support Project</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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<tr>
<td>AFRICA</td>
<td>12-Feb-2020</td>
<td>30-Jul-2020</td>
<td>Energy &amp; Extractives</td>
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<table>
<thead>
<tr>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
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</thead>
<tbody>
<tr>
<td>Investment Project Financing</td>
<td>Republic of Burkina Faso</td>
<td>Ministry of Mines and Quarries</td>
</tr>
</tbody>
</table>

#### Proposed Development Objective(s)

The project’s development objective is to enhance economic integration and transparency in the management of the mineral sector.

#### Components

- Policy, Institutions, and Transparency Strengthening
- Economic Inclusion of the Mining Sector
- Support to Implementation
- Contingent Emergency Response

### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

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

#### DETAILS

**World Bank Group Financing**

| International Development Association (IDA) | 100.00 |
B. Introduction and Context

Country Context

1. Burkina Faso is an arid, land-locked and poor country located in the unstable Sahel region. The logistical challenges linked with this geographical location are compounded by climate change, which has increased the risk of natural hazards exposing key economic and social development sectors to greater vulnerability, especially agriculture. Gross national income (GNI) per capita was US$640 in 2016, and eight out of ten citizens live on less than US$3 per day. In 2017 the country was ranked 183rd out of 189 countries in the United Nations Development Program (UNDP) Human Development Index.

2. Burkina Faso has nevertheless recorded a good macroeconomic performance over the past 15 years, though this has been partially off-set by high population growth. The country recorded one of the best levels of macroeconomic performance in Africa between 2000 and 2013, with annual GDP growth averaging about 6 percent.

3. The most important structural change in the economy has been the growth of the mining sector. Growth during the past ten years has largely been driven by mining, whose contribution to GDP increased from 0.8 percent in 2008 to 11.4 percent in 2018. Its share of exports increased from an insignificant number in 2008 to about 80 percent in 2018. The sector provided over US$450 million in fiscal and parafiscal revenues in 2018, some 9,200 direct jobs from 13 industrial mines, and an estimated 500,000 to 1,000,000 jobs in artisanal and small-scale mining (ASM).

4. Burkina Faso has made significant progress in poverty reduction in the last 15 years. The poverty rate fell from 53 percent of the population in 2003 to 40.3 percent in 2014, and growth has been pro-poor. The quality of policies and institutions has been consistently rated among the highest in Sub-Saharan
Africa, with a Country Policy and Institutional Assessment (CPIA) of 3.6\(^1\). In 2015 the country made the transition from military dictatorship to a democratically-elected civilian president.

5. Growing security threats from Islamic extremists are having a dampening effect on investments and confidence in the State. Security initiatives taken by the Government, including the creation of the National Office for Security in Mining sites (ONASSIM), and mining companies’ own security initiatives, have mitigated some of the threats, but didn’t prevent kidnappings, the murder of an exploration geologist, and the ambush of mine workers convoys, including the latest in November 2019 resulting in 37 people killed and more than 60 wounded. Greenfield exploration is likely to be impacted by the insecurity in the near term. Mining output however thus far has continued to increase.

Sectoral and Institutional Context

7. In a short ten years mining has become one of the most important economic sectors in Burkina Faso with respect to GDP, export and fiscal revenues. Burkina produces gold and zinc and is endowed with significant manganese resources. Recent geoscientific mapping conducted through the Mineral Development Support Project (MDSP-P124648), this project’s predecessor, identified anomalies of base metals, rare earths, lithium, and lead. Gold production increased from 5.6 tons in 2008 to 52.6 tons in 2018. The Government seeks to sustain and increase the economic impact of the sector both at the national and local levels. To this end, the Mining Code adopted in 2015 and its implementing regulations, supported by the MDSP, constitute the legislative and regulatory framework for increasing the sector’s contribution. Two gold projects are under construction, at least two advanced projects are in the pipeline and a large limestone quarry is expected to come into production over the next several years. When realized, these developments, all of which will take place under the new legislative framework, will provide significant opportunities to strengthen the overall economic contribution of mines and quarries.

8. However, in spite of the good performance of the sector in terms of sustained increase of operations and production, it is constrained in terms of diversification of commodities mined, economic inclusion, informality of artisanal mining, and capacity to monitor and manage the sector to realize its developmental potential in a sustainable manner. The challenges stretch along the extractive industry (EI) value chain and relate to (i) improving access to resources, (ii) monitoring operations in a challenging environmental and social context, (iii) collection of taxes and royalties, (iv) revenue allocation, and (v) increasing the contribution of the sector to overall sustainable development, both directly through tax revenues and indirectly through fostering other economic opportunities. This project will focus on the first, second, third and fifth elements, consolidating and building upon the achievements and lessons learned from the MDSP, and implementing new activities to help overcome the remaining barriers limiting the sector’s contribution to socio-economic development in Burkina Faso.

9. Extensive stakeholder dialogue, analytical work, and experience with the MDSP indicate that the main barriers limiting the sector’s contribution to sustainable development are:

(i) Access to resources - contracts, cadaster and mineral base diversification. Expanding the reserve base to sustain the continued contribution of mining to domestic revenues requires further reduction in the risks to accessing mineral resources on several fronts.

(ii) Sector control and monitoring. While there have been great strides in increasing the capacity of ministries in charge of mines, finance, and environment to monitor mining operations and make the sector more transparent, significant institutional strengthening is still required to match the demands of a growing mining sector to make it compliant with good standards.

(iii) Collection of taxes and royalties. The Ministry in charge of finance is still to make operational its mining revenues information and intelligence database (INFOCENTRE) to support a more efficient mining tax collection administration.

(iv) Transparency. While Burkina has made strides with EITI implementation nationally, the process is still to be effectively present in the mining districts, and to become locally and nationally a platform for a more meaningful engagement and dialogue between stakeholders.

(v) Sustainable investments. The National Program for Economic and Social Development (PNDES) sets specific targets for the mining sector with respect to GDP, local content, and investments in local communities, but its targets are at times modest and could be significantly enhanced to reflect economic opportunities offered by the growth of the sector. A number of developments are required to drive economic sustainability including: (a) the adoption of national policies for local content, and the strengthening of the capacities of small and medium size enterprises (SMEs) to supply miners with goods and services of the standards required; (b) the establishment of governance mechanisms and capacities for an efficient use of funds earmarked for communities by the Mining Code (Mining Fund for Local Development, MFLD), or to enable harmonized corporate social responsibility investments toward local and national development priorities; and (c) an opportunistic approach to leveraging mining ancillary infrastructure.

(vi) Gender. Gender issues are relevant to several aspects of the mining sector. While they mirror overall gender dynamics in the country, the conditions in ASM make them even more prominent. Gender issues identified and needing to be addressed range from: (a) the lack of sector-specific gender policy; lower paying jobs in ASM (crushing, washing, cooking, and so on) and gender based violence (GVB) in ASM (according to a UNIDO study\(^2\)); (b) the overall significant decline in high school of girls pursuing technical studies resulting in fewer women with graduate level technical positions in the public and industrial mining sectors; (c) insufficient financial resources to carry out economic initiatives around mining activities; and (d) insufficient participation in the development and deployment of community development plans in general in the country and mining CSR activities in particular with a resulting lower focus on gender-sensitive activities.

C. Proposed Development Objective(s)

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Note to Task Teams: The PDO has been pre-populated from the datasheet for the first time for your convenience. Please keep it up to date whenever it is changed in the datasheet. Please delete this note when finalizing the document.

Development Objective(s) (From PAD)

10. The Project Development Objective is to enhance economic integration and transparency in the management of the mineral sector.

Key Results

PDO

✓ Increase in the percentage of local purchases from mining
✓ At least two successful cases of development of non mining income generating activities in communities located near industrial mining operations.
✓ A policy for making mining assets and anomalies discovered during geoscientific investigations accessible to prospective investors is developed.

Intermediary

<table>
<thead>
<tr>
<th>Component A - Policy, Institutional and Transparency Strengthening</th>
<th>Component B - Economic Inclusion of the Mining Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Provision of new geo-data on nine degree square areas at a scale not bigger than 100,000.</td>
<td>✓ Three legal, financial or technical advisory services provided.</td>
</tr>
<tr>
<td>✓ Interconnection of the cadaster with the geological information system at BUMIGEB and INFOCENTRE.</td>
<td>✓ Implementation manual for the Mining Local Development Fund developed.</td>
</tr>
<tr>
<td>✓ Four EITI Reports produced.</td>
<td>✓ An on-line platform for demands from the mining industry is established.</td>
</tr>
<tr>
<td>✓ Advocacy and training to enable participation of women and youth in community development activities.</td>
<td>✓ 1000 local suppliers benefiting from technical, financial and management capacities strengthening.</td>
</tr>
<tr>
<td>✓ Citizen feedback collected.</td>
<td>✓ Four local economic development plans developed and implemented in mining districts.</td>
</tr>
<tr>
<td>✓ Environmental Inspection Guideline Produced.</td>
<td>✓ 500 agro-pastoral service providers received advisory support and training to address mining clientele demands.</td>
</tr>
<tr>
<td>✓ Three non-mercury gold processing pilots established.</td>
<td>✓ The amounts of mining revenues transferred to local communities and corporate social investments of mining companies are published.</td>
</tr>
<tr>
<td>✓ 15,000 ASM miners sensitized on technical and environmental good practices.</td>
<td>✓ INFOCENTRE is operational and providing information required by tax office on mining companies.</td>
</tr>
<tr>
<td>✓ A web-based monitoring system for GBV in ASM is established.</td>
<td>✓ 1000 local suppliers benefiting from technical, financial and management capacities strengthening.</td>
</tr>
<tr>
<td>✓ 1000 women receiving microcredits for income generating activities around mining areas.</td>
<td>✓ Four local economic development plans developed and implemented in mining districts.</td>
</tr>
<tr>
<td>✓ 100 women with bursaries for specialisation in earth sciences studies.</td>
<td>✓ 500 agro-pastoral service providers received advisory support and training to address mining clientele demands.</td>
</tr>
<tr>
<td>✓ 500 civil servants and government officials trained by the project.</td>
<td>✓ The amounts of mining revenues transferred to local communities and corporate social investments of mining companies are published.</td>
</tr>
<tr>
<td>✓ Mine closure and rehabilitation guidelines established in Burkina;</td>
<td>✓ INFOCENTRE is operational and providing information required by tax office on mining companies.</td>
</tr>
<tr>
<td>✓ INFOCENTRE is operational and providing information required by tax office on mining companies.</td>
<td>✓ 1000 local suppliers benefiting from technical, financial and management capacities strengthening.</td>
</tr>
</tbody>
</table>

D. Project Description
11. The proposed project is designed around the following components:

12. **Policy, Institutions, and Transparency Strengthening.** The realization of the mining sector’s development potential in Burkina requires that it has the proper structure, both within and across institutions, sufficiently skilled individuals, equipment required to undertake responsibilities, and a robust regulatory framework within which these institutions function. A strong policy framework, institutions and transparency are important for attracting new investors, regulating those investors, and sharing benefits. Moreover, in the medium to long term, the human resource capacity of these institutions will depend on a flow of qualified people from the educational and other training systems. The project will support activities to strengthen the policy, institutional and transparency frameworks through: (a) drafting of sector-related policies, laws, regulations and guides; (b) capacity strengthening of, and equipment for the main public sector institutions (Ministries in charge of mines, environment, and finance) regulating the mining sector, and for key mining stakeholders; (c) online access to a transparently functioning cadaster which is kept up to date; (d) online access to an increasing quality and quantity of geological information; (e) improved control, monitoring, extension services and sensitization of ASM miners including with respect to gender; (f) skills development; and (g) EITI reporting.

13. **Economic Inclusion of the Mining Sector.** The project will support programs and initiatives which will increase the impact of the Burkina Faso mining sector on the rest of the economy. This implies better linkages with the rest of the economy, and a wide dispersion of benefits to diverse groups including mining communities and women. The project will support: (a) legal, technical and financial advisory services to promote diversification of mined minerals, and greater economic inclusion of the mining sector; (b) the strategy, and an online platform for local content; (c) strengthened capacities of SMEs to supply mines; (d) the drafting of an operational manual for the MFLD; (e) the development of capacities and leadership for the community development plans, and their implementation while taking into consideration gender, youth and vulnerable groups; (f) improved capacities for non-mining income generating activities including for women and youth; and (g) peer to peer learning events.

14. **Support to Implementation.** Development partners sponsored projects in Burkina are now managed through the provisions of the decree 2018-0092 PRES/PM/MINEFID of February 2018. Based on this decree, and lessons learnt from the MDSP, the management of the project will take place in a Mining Budget Program (MBP) under the Ministry of Mines and Quarries (MMC). It will be led by a Project Coordinator appointed by the Government who will be supported by a Project Implementation Team (PIT) made up of several specialists including an environmental specialist and a social specialist – all hired to support the implementation of planned activities.

15. The project’s community development, ASM, and gender related activities will be developed in cooperation with, and/or outsourced as appropriate with capable organizations after an evaluation of their experiences on projects undertaken in Burkina, as well as a cost benefit analysis. A security framework will be developed and deployed for field related activities supported under the project. When relevant, based on security assessments, alternative supervision of project implemented activities by qualified international organizations or NGOs will be pursued. A grievance redress mechanism (GRM) will be designed and implemented.

**Contingent Emergency Response.** Following an adverse natural event that causes a major disaster, or security emergency, the Government of Burkina Faso may request the World Bank to re-allocate project funds to support mitigation, response, recovery, and reconstruction. This component would draw
resources from the unallocated expenditure category and/or allow to reallocate financing from other components to partially cover emergency response and recovery costs.

E. Implementation

Institutional and Implementation Arrangements

16. The project will run under a MBP program of the MMC, which will be responsible for its overall oversight and leadership. It will be led by a Project Coordinator appointed by the Government, who will coordinate its activities, and ensure the liaison with the national processes and systems. A high-level Review Committee (RC) will steer the project to facilitate sustainability and ensure proper mainstreaming of its activities into the relevant ministries, departments, and agencies. The RC will be responsible for overall strategic planning, program development, and coordination to ensure coherence in interrelated activities, and proper monitoring of progress. The RC will include the Deputy Minister of MMC (Chair), the Deputy Minister in charge of finance, the Deputy Minister in charge of environment, (who will both be Vice Chairs), and other relevant key members (ENSI Fada, Chambers of Mines and Commerce, and so on) as needed based on Burkina Faso’s legislation. The RC will report to the Minister of Mines and Quarries. In addition, each beneficiary will designate a focal point who will be the main intermediary between beneficiaries and the PIT under the MBP of the MMC. The PIT will support the Coordinator, and be made up of a Project Leader and several specialists to be hired (financial management, procurement, environmental and social specialists, monitoring and evaluation, and so on) to enable proper procurement, disbursement, financial management, safeguards adherence, and monitoring and evaluation.

Note to Task Teams: The following sections are system generated and can only be edited online in the Portal. Please delete this note when finalizing the document.

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

The project will be nationwide, while mainly focused on more secure mining areas initially. Targeted capacities building will be concentrated in up to four communities interested in partnering on mining induced local economic development. These will be done initially in targeted safer areas of the country (from central, to western, and southern parts); but may be expanded as security improves in Burkina Faso. The Project Implementation Team will support the Coordinator under a project leader, and will be responsible for procurement, disbursement, financial management, and monitoring and evaluation. The staff in the PIT will be hired and embedded in the MMC. It will include a financial management expert, an accountant, an assistant accountant, a procurement specialist, a monitoring and evaluation expert, environmental and social specialists, and a team assistant. Alternative supervision mechanisms will be used as dictated by the fluid security situation in the country and in the riskier areas; in which case they may include (a) third party monitoring by relevant qualified organizations, (b) the use of technologies for feedback for monitoring of GBV violence, or (c) the Geo-Enabling for Monitoring and Supervision platform developed by the World Bank.
## G. Environmental and Social Safeguards Specialists on the Team

Fatoumata Diallo, Social Specialist  
Leandre Yameogo, Environmental Specialist

## SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>A SESA completed in 2014 will be updated by June 30, 2021, through a participatory and inclusive process, to identify how to avoid or mitigate the outstanding potential risks and negative environmental and social impacts associated with the project activities, including those related to initiatives to enable shared infrastructure, increased local content, and sustainability in the development of local communities. It will also serve to identify and promote potentially positive impacts, and benefit sharing opportunities in connection with the strategy of communities’ empowerment. The SESA will include sections related to social inclusion, gender, vulnerable groups (including people with disabilities), gender based violence (GBV), sexual exploitation and abuse (SEA), contingent emergency response, climate change, and a grievance redress mechanism (GRM). It will also identify potential road safety concerns, and address them by taking them into account a capacity building program. Selected priorities from the existing SESA's recommended medium to long term activities, as defined by the MEEVCC, will be implemented before the SESA update.</td>
</tr>
<tr>
<td>Performance Standards for Private Sector Activities OP/BP 4.03</td>
<td>No</td>
<td>While performance standards have not been triggered, private sector actors will potentially be targeted and will be expected to comply with the national safeguards framework adopted by the Government, which are consistent with World Bank standards.</td>
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### Key Safeguard Policy Issues and Their Management

**A. Summary of Key Safeguard Issues**

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

   The project is a technical assistance to support institutional strengthening, improved investment climate, and economic inclusion of the mining sector. It does not involve actual investment in mining operations. It will involve, among others, advisory services, training, guides, and support to enable shared usage of infrastructures, increased local content, and sustainable development of local communities, within a context of improving investment climate, governance, and sustainability in the management of the mining sector in Burkina.

   A Strategic Environmental and Social Assessment (SESA) completed in 2014, under the predecessor of this project, will be updated by June 30, 2021 through a participatory and inclusive process, to identify how to avoid or mitigate the outstanding potential risks, negative environmental and social impacts associated with the project activities, including those related to initiatives to enable shared infrastructures, increased local content and sustainability of investments in local communities. Recommended measures for potential adverse risks and impacts from the updated SESA will be implemented. The updated SESA will serve to identify and promote potentially positive impacts, and benefit sharing.
opportunities in connection with the strategy of communities’ empowerment.

Selected priorities from the existing SESA’s recommended medium to long term activities, as defined by the Ministry of Environment, Green Economy and Climate Change (Ministère de l’Environnement, de l’Economie Verte et du Changement Climatique, MEEVCC), will continue to be implement before the SESA is updated.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
As described above, no direct involvement on field works is anticipated. Should a need arise during project implementation, an appropriate Environmental and Social Management Plan (ESMP) will be put in place in accordance with World Bank Environmental and Social Standards.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
A SESA prepared in 2014 assessed risks for environmental and social management of the mining sector, and made short, medium, and long term recommendations to address the sector's impacts. Selected recommendations were implemented, and more will be implemented through support from this project. Selected recommendations from the updated SESA will also be implemented.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
In Burkina Faso, the MEEVCC is responsible for setting policy guidelines on environmental issues, and ensuring compliance with national environmental standards. It has several departments, among which the National Agency for Environmental Assessments (Bureau National des Evaluations Environnementales, BUNEE), which is in charge of safeguards compliance for all projects in the country. The unit is qualified to review, approve environmental impact assessments, and to ensure the monitoring of required environmental mitigation measures. However, it faces some challenges in terms of the number of qualified staff, insufficient technical equipment and vehicles for field visits, and of funds to finance the oversight of the implementation of the ESMPs. The recipient has several years of experience in implementing World Bank funded projects. It is familiar with World Bank’s environmental and social safeguard policies requirements. An undertaking is underway to establish a national mechanism for coordinating the management of social risks from development projects. The outcome of this process is expected to strengthen the country’s social risks management system through a single and coordinated planning mechanism involving key stakeholders.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
The safeguards of this project were discussed with representatives of the MEEVCC, and agreement reached on the value addition of implementing existing recommendations from the SESA which they led. They will also lead its updating by June 30, 2021.

B. Disclosure Requirements

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>Date of receipt by the Bank</th>
<th>Date of submission for disclosure</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
</tr>
</thead>
</table>
"In country" Disclosure

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

OP/BP/GP 4.01 - Environment Assessment

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

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

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

The World Bank Policy on Disclosure of Information

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

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

All Safeguard Policies

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

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

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

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

**World Bank**

Boubacar Bocoum  
Lead Mining Specialist

**Borrower/Client/Recipient**

Republic of Burkina Faso

## Implementing Agencies

Ministry of Mines and Quarries  
Sétou Compaoire  
General Secretary at the Ministry of Mines  
csetou@yahoo.fr

## FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  

## APPROVAL

<table>
<thead>
<tr>
<th>Task Team Leader(s):</th>
<th>Boubacar Bocoum</th>
</tr>
</thead>
</table>

**Approved By**

<table>
<thead>
<tr>
<th>Safeguards Advisor:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Practice Manager/Manager:</td>
<td>Christopher Gilbert Sheldon 05-Dec-2019</td>
</tr>
<tr>
<td>Country Director:</td>
<td>Cheick Fantamady Kante 09-Dec-2019</td>
</tr>
</tbody>
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