



Investing in rural people

Executive Board

139th Session

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President's report

Proposed loan

Burkina Faso

Programme to Strengthen Smallholder Resilience

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Addendum

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Addendum

The Executive Board is hereby invited to consider the amendments to document EB 2023/139/R.5. The changes to the document are reflected as follows: deleted text with strikethrough, added text underlined.

On page iii, the financing summary should be replaced with the following:

Initiating institution:	IFAD
Borrower/recipient:	Burkina Faso
Executing agency:	Ministry of Agriculture, Livestock and Fisheries
Total programme cost:	EUR 107.11 million (equivalent to approximately US\$116.19 million)
Amount of IFAD loan 1:	EUR 46.24 million (equivalent to approximately US\$50.15 million)
Terms of IFAD loan 1:	Highly concessional – performance-based allocation system (PBAS)
Amount of IFAD loan 2:	EUR 9.22 million (equivalent to approximately US\$10.00 million)
Terms of IFAD loan 2:	Ordinary – Borrowed Resource Access Mechanism (BRAM)
Cofinanciers:	OPEC Fund for International Development (OPEC Fund), Global Environment Facility (GEF), enhanced Adaptation for Smallholder Agriculture Programme (ASAP+)
Amount of cofinancing:	OPEC Fund: EUR 23.05 million (equivalent to approximately US\$25 million) GEF: EUR 8.23 million (equivalent to approximately US\$10 million) ASAP+: EUR 6.45 million (equivalent to approximately US\$7 million)
Contribution of borrower/recipient:	EUR 12.40 million (equivalent to approximately US\$13.45 million)
Contribution of beneficiaries:	EUR 1.38 million (equivalent to approximately US\$1.5 million)
Amount of IFAD climate finance:	EUR 41.99 million including EUR 34.94 million in adaptation financing and EUR 7.05 million in mitigation financing (equivalent to approximately US\$45.62 million including US\$37.96 million in adaptation financing and US\$7.66 million in mitigation financing)

Page 3, paragraph 17:

**"Component 1. Strengthening of production system resilience
(~~US\$71.46 million – 61 per cent~~EUR 65.88 million – 61.5 per cent)"**

Page 3, paragraph 20:

**"Component 2. Facilitation of market access (~~US\$24.93 million –
22 per cent~~EUR 22.99 million – 21.5 per cent)"**

Page 4, paragraph 23:

**"Component 3. Coordination, management, M&E and knowledge
management (~~US\$19.79 million – 17 per cent~~EUR 18.25 million –
17 per cent)"**

Page 5, paragraph 31:

"31. **Programme costs.** The total cost of an eight-year programme cycle, including an allowance for physical and financial contingencies, is estimated at ~~US\$116.19 million~~EUR 107.11 million (CFAF 71.73 billion); the breakdown for this total is ~~US\$105.13 million~~EUR 96.92 million in investment and ~~US\$11.06 million~~EUR 10.19 million in recurrent costs (90.5 per cent and 9.5 per cent of the total, respectively). The breakdown by component is as follows: component 1: strengthening of production system resilience, ~~US\$71.46 million~~EUR 65.88 million (CFAF 44.12 billion) or 61.5 per cent of the total cost; component 2: facilitation of market access, ~~US\$24.93 million~~EUR 22.99 million (CFAF 15.39 billion) or 21.5 per cent of the total cost; component 3: coordination, management, M&E and knowledge management (~~US\$19.79 million~~EUR 18.25 million), of which ~~US\$12.39 million~~EUR 11.43 million (CFAF 7.65 billion) will be used to cover operating costs and staff salaries (9.38 per cent of the total cost of the programme)."

On pages 6, 7 and 8, tables 1, 2 and 3 should be replaced with the following:

Table 1
Programme costs by component and subcomponent and financier
(Thousands of United States dollars)

<i>Component/subcomponent</i>	<i>Financial institutions</i>		<i>Beneficiaries</i>		<i>GEF</i>		<i>IFAD12</i>		<i>ASAP+</i>		<i>OPEC Fund</i>		<i>IFAD-BRAM</i>		<i>Government</i>		<i>Total</i>		
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	
1. Strengthening of production system resilience																			
1.1. Resilience-building and innovation	-	-	-	-	-	-	28 882.3	54.9	274.9	0.5	15 206.5	28.9	1 337.4	2.5	6 953.6	13.2	52 654.7	49.2	
1.2. Intensification and diversification of production	-	-	-	-	6 307.1	68.9	59.4	0.6	2 355.8	25.7	-	-	-	-	435.3	4.8	9 157.6	8.5	
1.3. Stakeholder reinforcement and environmental education	-	-	-	-	-	-	-	-	3 822.3	94.1	-	-	-	-	241.2	5.9	4 063.5	3.8	
Subtotal	-	-	-	-	6 307.1	9.6	28 941.7	43.9	6 453.0	9.8	15 206.5	23.1	1 337.4	2.0	7 630.2	11.6	65 875.8	61.5	
2. Facilitation of market access																			
2.1. Support infrastructure and equipment for processing and marketing operations	-	-	-	-	-	-	72.2	0.7	-	-	5 366.4	50.4	3 773.1	35.4	1 445.8	13.6	10 657.5	10.0	
2.2. Marketing, entrepreneurship and credit access	134.4	1.2	1 383.1	12.0	1 927.3	16.7	3 344.4	29.1	-	-	-	-	4 108.1	35.7	614.5	5.3	11 511.8	10.7	
2.3. Governance support for targeted sectors	-	-	-	-	-	-	702.7	85.9	-	-	-	-	-	-	114.9	14.1	817.7	0.8	
Subtotal	134.4	0.6	1 383.1	6.0	1 927.3	8.4	4 119.3	17.9	-	-	5 366.4	23.3	7 881.2	34.3	2 175.3	9.5	22 987.0	21.5	
3. Coordination, management, M&E and knowledge management	-	-	-	-	-	-	13 174.8	72.2	-	-	2 473.5	13.6	-	-	2 598.3	14.2	18 246.6	17.0	
Total	134.4	0.1	1 383.1	1.3	8 234.4	7.7	46 235.8	43.2	6 453.0	6.0	23 046.4	21.5	9 218.6	8.6	12 403.7	11.6	107 109.4	100.0	

Table 2
Programme costs by expenditure category and financier
 (Thousands of United States dollars)

Expenditure category	Financial institutions		Beneficiaries		GEF		IFAD12		ASAP+		OPEC Fund		IFAD-BRAM		Government		Total		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
I. Investment costs																			
A. Rural/civil engineering	-	-	-	-	179.1	0.4	18 742.1	41.0	66.6	0.1	16 630.2	36.4	3 101.4	6.8	6 969.5	15.3	45 688.9	42.7	
B. Subsidies and grants	134.4	0.7	1 383.1	7.5	3 348.5	18.3	7 544.0	41.2	1 884.4	10.3	1 024.8	5.6	3 007.7	16.4	0.0	-	18 326.9	17.1	
C. Vehicles	-	-	-	-	11.2	2.7	256.1	62.7	-	-	40.8	10.0	24.1	5.9	76.4	18.7	408.6	0.4	
D. Equipment and materials	-	-	-	-	256.8	12.5	129.9	6.3	979.0	47.6	81.2	3.9	225.1	10.9	384.6	18.7	2 056.6	1.9	
E. Consultation	-	-	-	-	1 681.2	8.8	8 994.3	47.2	408.0	2.1	2 863.1	15.0	2 211.2	11.6	2 908.4	15.3	19 066.2	17.8	
F. Training and workshops	-	-	-	-	2 270.4	28.3	1 727.1	21.5	2 851.9	35.5	611.3	7.6	565.1	7.0	0.0	-	8 025.9	7.5	
G. Operating costs	-	-	-	-	487.2	14.7	1 560.1	47.0	263.1	7.9	419.9	12.6	83.8	2.5	506.5	15.3	3 320.7	3.1	
H. Staff costs	-	-	-	-	-	-	14.0	62.9	-	-	4.9	21.9	-	-	3.4	15.3	22.3	-	
Total investment costs	134.4	0.1	1 383.1	1.4	8 234.4	8.5	38 967.5	40.2	6 453.0	6.7	21 676.2	22.4	9 218.6	9.5	10 848.8	11.2	96 916.0	90.5	
II. Recurrent costs																			
A. Operating costs	-	-	-	-	-	-	1 236.3	71.3	-	-	233.0	13.4	-	-	264.5	15.3	1 733.8	1.6	
B. Salaries	-	-	-	-	-	-	6 032.1	71.3	-	-	1 137.1	13.4	-	-	1 290.4	15.3	8 459.6	7.9	
Total recurrent costs	-	-	-	-	-	-	7 268.3	71.3	-	-	1 370.1	13.4	-	-	1 554.9	15.3	10 193.4	9.5	
Total	134.4	0.1	1 383.1	1.3	8 234.4	7.7	46 235.8	43.2	6 453.0	6.0	23 046.4	21.5	9 218.6		12 403.7	11.6	107 109.4	100.0	

Table 3
Programme costs by component and subcomponent and programme year
 (Thousands of United States dollars)

<i>Component/subcomponent (including allowance for contingencies)</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>	<i>2028</i>	<i>2029</i>	<i>2030</i>	<i>2031</i>	<i>Total</i>
1. Strengthening of production system resilience									
1.1. Resilience-building and innovation	1 974.3	11 987.9	14 570.1	11 863.0	7 126.4	4 131.3	978.5	23.1	52 654.7
1.2. Intensification and diversification of production	512.9	1 060.7	2 382.1	2 175.6	1 659.1	850.7	365.2	151.3	9 157.6
1.3. Stakeholder reinforcement and environmental education	235.8	789.9	818.9	724.4	598.0	508.1	217.6	170.7	4 063.5
Subtotal	2 723.0	13 838.6	17 771.2	14 763.1	9 383.5	5 490.1	1 561.3	345.1	65 875.8
2. Facilitation of market access									
2.1. Support infrastructure and equipment for processing and marketing operations	465.1	1 840.7	2 976.0	2 656.4	1 284.1	501.6	513.6	420.0	10 657.5
2.2. Marketing, entrepreneurship and credit access	1 322.3	1 664.9	1 948.1	2 157.8	2 234.1	1 901.4	194.6	88.6	11 511.8
2.3. Governance support for targeted sectors	16.5	241.2	245.2	211.8	74.7	28.2	-	-	817.7
Subtotal	1 804.0	3 746.8	5 169.3	5 026.1	3 592.9	2 431.2	708.2	508.6	22 987.0
3. Coordination, management, M&E and knowledge management	3 125.2	1 996.4	1 901.1	2 632.4	2 000.3	2 202.4	1 976.3	2 412.6	18 246.6
Total	7 652.2	19 581.8	24 841.5	22 421.5	14 976.7	10 123.7	4 245.8	3 266.2	107 109.4

Page 9, paragraph 32:

"32. **Financing.** The eight sources of funding for this programme are as follows: (i) IFAD: ~~US\$50.155 million~~ EUR 46.24 million, or CFAF 30.96 billion (43.2 per cent); (ii) OPEC Fund: ~~US\$25.0 million~~ EUR 23.05 million, or CFAF 15.43 billion (21.5 per cent); (iii) IFAD-BRAM: ~~US\$10.0 million~~ EUR 9.22 million, or CFAF 6.17 billion (8.6 per cent); (iv) GEF: ~~US\$8.93 million~~ EUR 8.23 million, or CFAF 5.51 billion (7.7 per cent); (v) ASAP+: ~~US\$7.0 million~~ EUR 6.45 million, or CFAF 4.3 billion (6.0 per cent); (vi) the Government ~~US\$13.45 million~~ EUR 12.40 million, or CFAF 8.3 billion (11.6 per cent), non disburseable; (vii) financial institutions: ~~US\$0.15 million~~ EUR 0.13 million, or CFAF 92.6 million (0.1 per cent); and (viii) beneficiaries: ~~US\$1.5 million~~ EUR 1.38 million, or CFAF 0.93 billion (1.3 per cent)."

Page 9, paragraph 34:

"34. **Summary benefit and economic analysis.** The cost-benefit analysis indicates that, at a total cost of ~~US\$116.19 million~~ EUR 107.11 million, the RESI-2P programme will generate a net financial added value of ~~US\$49.72 million~~ EUR 45.83 million (CFAF 30.7 billion) and that it will have an internal rate of return (IRR) of 11.5 per cent, a benefit-cost ratio (BCR) of 1.54 and a capital recovery period of seven years. A programme is judged to be financially viable if its net present value (NPV) is positive, its IRR exceeds the capital opportunity cost (6.3 per cent) and the BCR is greater than 1. From a macroeconomic standpoint, this programme has an NPV of ~~US\$164.86 million~~ EUR 151.72 million (CFAF 304.79 billion) and an economic rate of return (ERR) of 22.2 per cent, and it will recover its investment after the first four years. These metrics do not provide any assessment of externalities such as carbon sequestration or greenhouse gas emissions, however. Application of the Ex-Ante Carbon-balance Tool (EX-ACT) indicates that the programme will have a positive environmental effect, with a carbon sequestration potential of 4,092,220 tCO₂e, which raises its NPV to ~~US\$304.79 million~~ EUR 280.50 million and its ERR to 56.9 per cent."

Page 13, paragraph 59:

"59. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on highly concessional terms to Burkina Faso in an amount of ~~fifty million one hundred fifty thousand United States dollars (US\$50,150,000)~~ forty-six million one hundred fifty thousand euros (EUR 46,150,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

RESOLVED FURTHER: that the Fund shall provide a loan on ordinary terms to Burkina Faso in an amount of ~~ten million United States dollars (US\$10,000,000)~~ nine million two hundred thousand euros (EUR 9,200,000) and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein."

In appendix IV, the start-up activity plan is replaced by the table below. (The column heading CFAF has been changed to EUR).

Plan d'activités de démarrage

Rubriques	Montant en USD	Montant en EUR
Manuels et documents de stratégie	76 940	70 808
Procédures administratives, comptables et financière	24 297	22 361
Procédures de passation de marchés	6 479	5 963
Manuel d'exécution technique (finalisation)	5 669	5 217
Stratégie de ciblage	24 297	22 361
Stratégie genre	8 099	7 454
Stratégie de communication	8 099	7 454
Etude de base clés	307 757	283 229
Situation de référence	64 791	59 627
Caractérisation des bassins	80 989	74 534
Etudes APS-APD aménagements et pistes	161 977	149 068
Acquisition du logiciel de suivi et évaluation		
Unité de coordination	267 252	245 953
Location siège et mobilier	186 263	171 418
Recrutement du personnel clé	8 099	7 454
Parc informatique et bureautique	64 791	59 627
Acquisition et paramétrage d'un logiciel de gestion et formation du personnel		
Location de voitures	8 099	7 454
Total	651 949	599 990