

Burkina Faso Poverty Reduction Support Credit/Grant



Programmatic Budget Support for Poverty Reduction in Burkina Faso (2007-2010)

Overview

The Poverty Reduction Support Credit (PRSC) 7-10 was designed to support poverty reduction through a wide range of reforms. Development results are most noticeable in relation to strengthening budget management and oversight, and audit institutions, as indicated by the adoption of a functional budget classification with a marker for poverty spending, an increased procurement share as open tenders (77 percent in 2007; 89 percent in 2010) and an increased number of audited procurement contracts (30 in 2007; 87 in 2010). In relation to the cotton sector, qualitative results include the recapitalization of “La Société Burkinabè des Fibres Textiles”(SOFITEX), the production of certified accounts for SOFITEX activity in 2008 and the implementation of a new producer price mechanism in 2008. Institutional reforms of the investment climate are reflected in the reduction of the processing time for starting a business from 16 days in 2007 to 4 days in 2010 and the number of procedures from six in 2008 to four in 2010. The share of budget transferred to local governments increased from 2.7 percent in 2009 to 3.9 percent in 2010. The vaccination rates for DTC/HEP/HB3/measles exceeded 100 percent during 2007-2009, and the national gross enrollment rate in primary education increased (66.6 percent in 2007 compared to 85.8 percent in 2010).

Approach

The PRSC 7-10 was part of a programmatic series, designed to support the implementation of the PRSP-II (2006-2010). The series supported reforms in three key areas: (i) the investment climate and promotion of exports; (ii) access to quality services through deepened decentralization; and (iii) the use of public resources through enhanced public financial management. The four operations ensured predictability of the aid allocation and enough flexibility to respond to crises, while leveraging key reforms related to the strategic development areas identified in the PRSP-II. The areas where International Development Association (IDA) technical assistance complemented the PRSC operations (such as public financial management) achieved the most significant results. Sectoral budget support (in the education sector) and investment lending also complemented these operations.

Results

The PRSC 2007-2010 achieved the most significant results in relation to public financial management:

More Results



87

The number of procurement contracts audited by the internal control institution increased from 30 in 2007 to 87 in 2010

4 days

The processing time for starting a business fell from 16 days in 2007 to only 4 days in 2010

MORE INFORMATION



- The functional budget classification with a marker for poverty spending is in place;
- Procurement share as open tender increased from 77 percent in 2007 to 89 percent in 2010;
- The number of procurement contracts audited by the internal control institution increased from 30 in 2007 to 87 in 2010;
- Public reports of the Court of Auditors and the High Authority for State Oversight are available (2007, 2008, 2009); and
- In relation to the cotton sector, qualitative results include the recapitalization of SOFITEX, the production of certified accounts for SOFITEX activity in 2008 and the implementation of a new producer price mechanism in 2008.

Institutional reforms of the investment climate are reflected through:

- The reduction of the processing time for starting a business from 16 days in 2007 to 4 days in 2010 and of the number of procedures from six in 2008 to four in 2010.

Some results were achieved in relation to the decentralized access to services:

- The share of budget transferred to local governments increased from 2.7 percent in 2009 to 3.9 percent in 2010;
- Vaccination rates for DTC/HEP/HB3/measles exceeded 100 during 2007-2009 (102.4% in 2007; 103% in 2009);
- An increase in the national gross enrollment rate in primary education from 66.6 percent in 2007 to 85.8 percent in 2010.

The impact on service delivery of the PRSC series is as follows:

- Effective implementation of the activities to reach the Millennium Development Goal (MDG) targets for water and sanitation, including adequate funding for the program budget of the General Directorate of Water and Sanitation (DGEAP) and for the expansion of the hygiene and sanitation promotion program of the urban public water utility (ONEA) to four new towns.
- Under PRSC-8, the responsibility for preschool and primary school facilities was transferred to the 49 municipalities and budget funds for the schools were transferred to the 22 provinces and their urban municipalities.
- Ownership of the real estate assets of health facilities was transferred to the 49 municipalities and human resource planning, training and management functions have been strengthened in the Ministry of Health.
- Twenty-five piped water systems have been transferred to rural municipalities and at least two contracts have been signed between rural communes and professional operators for the management of the transferred piped water systems.
- The PRSG-9 further operationalized the decentralization in basic education as evidenced by: (i) the disbursement, on a quarterly basis, of the financial transfers to 49 urban municipalities inscribed in the 2009 budget law for recurring charges; and (ii) the transfer to territorial collectivities, and disbursement on a quarterly basis, of investment fund resources for classroom construction in the 13 urban municipalities that are

regional capitals.

- The PRSG-10 supported the government policy for the decentralization of school construction. The government transferred the fiscal resources recorded in the 2009 Budget Law to territorial collectivities to enable the 49 urban municipalities to carry out their mandate for school construction. The 2009 and 2010 budget allocation data of all 49 urban municipalities and the 2008 execution data from all 302 municipalities are published on the government website.

Bank Contributions

The PRSC 7-10 was a series of programmatic budget support operations with four annual IDA credits in the following amounts: PRSC-7: US\$70 million; PRSC-8: US\$100 million; PRSG-9: US\$100 million; PRSG-10: US\$90 million.

Partners

Nine donors, including the IDA, use the joint donor harmonization framework on the basis of a Memorandum of Understanding (MoU) signed in 2005. A joint Performance Assessment Framework (CGAB Matrix) exists and includes policy actions and performance indicators for monitoring progress with reforms. The other eight donors are: the European Union (EU), the African Development Bank (AfDB), the Netherlands, Sweden, Denmark, Germany, France, and Switzerland. Consultations with these donors were pursued for the preparation of the PRSC 7-10.

Toward the Future

The PRSC 7-10 is followed by a fifth operation, the PRSC-11, which covers the first and the third themes of the PRSC 7-10. This operation is the last one in this programmatic series. A new PRSC series is expected to focus on supporting key strategic areas within the new poverty reduction strategy (2011-2015), and could be designed as thematic PRSCs as follows:

- First two years – focus on growth and infrastructure development;
- The following two years – focus on decentralization and social services.

Sectoral budget support (such as in the education sector) and investment lending instruments will continue to complement the PRSC-type instruments.