# ICR Review

Operations Evaluation Department

Report Number : ICRR10964

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| **1. Project Data:** | | **Date Posted :** 06/21/2001 | | |
| **PROJ ID :** | P000301 | | **Appraisal** | **Actual** |
| **Project Name :** | Public Institutional | **Project Costs (US$M)** | 16.96 | 15.9 |
| **Country :** | Burkina Faso | **Loan/Credit (US$M)** | 15 | 14.3 |
| **Sector(s):** | Board: PS - Central government administration (81%), Law and justice (19%) | **Cofinancing (US$M)** | | |
| **L/C Number :** | C2378 | | | |
| | | **Board Approval (FY)** | | 92 |
| **Partners involved :** | | **Closing Date** | 03/22/1997 | 12/31/2000 |

| **Prepared by :** | **Reviewed by :** | **Group Manager :** | **Group:** | |
|---|---|---|---|---|
| Asita R. De Silva | Alice C. Galenson | Ruben Lamdany | OEDCR | |

## 2. Project Objectives and Components

### a. Objectives

The project aimed to help develop Burkina Faso's major public institutions for economic and sector management and thereby support implementation of the on-going Structural Adjustment Credit. During implementation, the project's emphasis was informally revised downward to focus on budget and data management rather than broad institutional reform.

### b. Components

To achieve this objective, the project aimed to help (i) improve information and data management (particularly poverty oriented) in key central agencies (ii) improve budget management (iii) strengthen public procurement (iv) improve management of the civil service (v) improve the legal and judicial system and (vi) enhance public awareness of economic policy.

### c. Comments on Project Cost, Financing and Dates

The amount disbursed by the credit was US$ 14.3 million (92.5% of the original amount). with the balance being cancelled. The project closing date was extended three times and it was closed on Dec 31 2000, 45 months later than planned.

## 3. Achievement of Relevant Objectives:

The project helped Burkina Faso implement its adjustment program, particularly through the improvements in public financial management that it helped achieve. By component: (i) Information and data on the trends and determinants of poverty in Burkina Faso were significantly improved. However some of the capacity generated through training was undermined by high turnover of trained staff. (ii) Budget management was significantly improved following introduction of management information systems, administrative changes, and extensive training for local staff. Burkina Faso is now one of the few African countries with up-to-date budget and treasury management systems in place. (iii) A new set of regulations was introduced in 1996 to improve public procurement. However, lack of staff training and government commitment undermined implementation of the new regulations. To date, procedures have not been decentralized and the decision-making process remains cumbersome and lacking in transparency. (iv) Good preparatory work was conducted and an innovative and far-reaching civil service reform program was developed and approved by Parliament in 1998. However, implementation of the program has not yet taken place following strong opposition from trade unions. (v) Improvements were made in the legal and judiciary systems through training programs for practitioners, revision of the mining and land tenure laws, and improved record-keeping. However, the ICR does not indicate whether the initiative to create separate commercial courts was implemented. Moreover, inadequacies in the overall judicial system continue to impede private sector activity. (vi) The project financed training for journalists in economics and adjustment, although the ICR does not indicate the impact of this on public awareness.

## 4. Significant Outcomes/Impacts:

The project helped make significant improvements in the budgeting process as well as in building a database on poverty issues that have helped reveal the nature and determinants of poverty in Burkina Faso.

## 5. Significant Shortcomings (including non-compliance with safeguard policies):

(i) The narrowing of the project's goals and emphasis was not well documented; (ii) No performance monitoring indicators were included in the project (iii) Bank supervision of the project over its first three years of effectiveness was deficient.

| 6. Ratings: | ICR | OED Review | Reason for Disagreement /Comments |
|---|---|---|---|
| Outcome: | Satisfactory | Moderately Satisfactory | Given that the narrowing of the project's goals and emphasis was done only informally, from an accountability perspective, the project's achievements must still be measured against the original objectives. In this respect, while the project made good contributions toward each of its objectives, there were clearly some shortfalls, as acknowledged in the ICR text. |
| Institutional Dev .: | Substantial | Substantial | |
| Sustainability : | Likely | Likely | |
| Bank Performance : | Unsatisfactory | Unsatisfactory | |
| Borrower Perf .: | Satisfactory | Satisfactory | |
| Quality of ICR : | | Satisfactory | |

**NOTE**: ICR rating values flagged with ' * ' don't comply with OP/BP 13.55, but are listed for completeness.

## 7. Lessons of Broad Applicability:

(i) *Institutional development cannot be done in a hurry :* The project's ID achievements required consistency, patience, flexibility and a sustained engagement on the part of the government and the Bank over an extended period of time. (ii) *Adequate incentives in the civil service are critical to building capacity* : Gains made through advanced specialized training were undermined following a brain drain of trained staff . (iii) *Design of major civil service reforms should include the participation of key interest groups :* A well prepared and far-reaching civil service reform program was derailed following opposition from trade unions .

## 8. Assessment Recommended? ○ Yes ● No

## 9. Comments on Quality of ICR:

The ICR is candid and well written. However, the following statements as to outcomes of the project are not supported: "The tax system has been rationalized and modernized ." " The quality of public expenditure has improved." and "The reduction in the share of the wage bill in total expenditure allowed the government to increase expenditures for priority sectors, such as education, health, and infrastructure maintenance ." While supporting data may be available elsewhere, it should have been included in the report (or referenced) in order to support these statements. The full text of the Borrower's comments should have been attached to the report .