INTEGRATED SAFEGUARDS DATA SHEET  
CONCEPT STAGE

Report No.: ISDSC13399

Date ISDS Prepared/Updated: 08-Jun-2015
Date ISDS Approved/Disclosed: 10-Jun-2015

I. BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country:</th>
<th>Burkina Faso</th>
<th>Project ID:</th>
<th>P155121</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
<td>Economic Governance and Citizen Engagement Project (P155121)</td>
<td></td>
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<tr>
<td>Task Team Leader(s):</td>
<td>Maimouna Mbow Fam</td>
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<tr>
<td>Estimated Appraisal Date:</td>
<td>08-Sep-2015</td>
<td></td>
<td></td>
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<tr>
<td>Estimated Board Date:</td>
<td>12-Nov-2015</td>
<td></td>
<td></td>
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<tr>
<td>Managing Unit:</td>
<td>GGODR</td>
<td></td>
<td></td>
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<tr>
<td>Lending Instrument:</td>
<td>Investment Project Financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sector(s):</td>
<td>Central government administration (60%), Public administration- Other social services (40%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theme(s):</td>
<td>Managing for development results (30%), Public expenditure, financial management and procurement (50%), Other accountability/anti-corruption (20%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Financing (In USD Million)

| Total Project Cost: | 30.00 |
| Total Bank Financing: | 30.00 |
| Financing Gap: | 0.00 |

<table>
<thead>
<tr>
<th>Financing Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>BORROWER/RECIPIENT</td>
<td>0.00</td>
</tr>
<tr>
<td>International Development Association (IDA)</td>
<td>30.00</td>
</tr>
<tr>
<td>Total</td>
<td>30.00</td>
</tr>
</tbody>
</table>

Environmental Category: | C - Not Required

Is this a Repeater project? | No

B. Project Objectives

23. The proposed project development objective of the project is to enhance transparency and accountability mechanisms in the management and use of public resources, enhance domestic revenues mobilization and improve the efficiency of expenditure.

C. Project Description
The proposed project, which will have four inter-related components over a five-year period, at an estimated total cost of about US$30 million. It will provide an integrated package of interventions aimed at supporting the demand and supply sides of governance. These areas of intervention should be mutually strengthened: transparency and participation require the effective provision of goods and services and the production in good time of relevant information on public expenditure and performance; in return, transparency and participation can contribute to improving the performance of public services. It will therefore focus on strengthening core areas of economic governance and citizen engagement including (i) developing mechanisms for social accountability, transparency and access to information on the management of public funds, including strengthening capacities of audit institutions, the judiciary and the civil society to fight fraud and corruption; (ii) assisting the Government in increasing fiscal space through the modernization of tax and customs systems and the improvement of collection capacities; and (iii) assisting the Government in strengthening the budget preparation and execution processes, including the strengthening of the procurement system and the implementation of the WAEMU PFM regulations, focusing on performance and service delivery. The rationale for strengthening institutions and systems is that they are a necessary condition for effectively implementing the government’s macro-fiscal and socioeconomic policies.

Complementing interventions of donor partners in the economic governance improvement is a key theme of the proposed operation. The team will coordinate with all the Donors involved in the PFM reform group to ensure greater impact on development objectives, and avoid overlaps and duplications in their respective responses to the needed reforms.

Component 1: Strengthening Public Sector Accountability and Monitoring (US$8.0 million)

Objective: The objective of this component is to improve public sector transparency and accountability and strengthen civil society’s capacities to monitor public sector performance and service delivery. To achieve these objectives, the component will support a series of complementary areas that are critical to strengthening the enabling environment for improved public transparency, accountability and citizen engagement. These areas include: (i) improving analysis and disclosure of budget information to enhance government accountability on public resource management; (ii) enhancing citizens access to public information to foster demand for accountability on public policies and services; (iii) strengthening citizens’ monitoring of the delivery of public services and (iv) implementing the measures set out in the fraud and anti-corruption law, such as the preparation of codes of conduct for public officials, the institution of the declaration of interest and assets and the application of charges and penalties to promote integrity, accountability and transparency in the management of public and private sectors.

More specifically, this component will be implemented through the following key sub-components:

Sub-component 1.1: Developing transparency and accountability mechanisms:
The objective of this sub-component is to support the development of mechanisms to facilitate and foster transparency and accountability in government.

Activities to be financed: the project sub-component will finance capacity building efforts in budget analysis and reporting. Such efforts will include: (a) operationalizing the provisions of the transparency code and developing relevant government institutions’ skills and capacities for financial information analysis and reporting; (b) developing and institutionalizing guidelines for systematic budget analysis, reporting & dissemination; (c) supporting the Ministry of Finance to improve the
citizen’s budget by implementing a strategic plan to sustain its production and dissemination; (d) closing the feedback loop by integrating citizens’ feedback into the budget process through specific mechanisms and (e) strengthening the Ombudsmans’s outreach and reporting functions and increased collaboration with citizens and civil society organizations. This is expected to make the institutions more visible, accessible and enhance its ability to redress citizens’ complaints against injustice from maladministration by government and public institutions. The sub-component will also provide the requisite technical assistance for improved constructive engagement and collaboration between public sector and civil society and media through, inter alia, (a) supporting the Ministry of Finance to engage with the multi-stakeholder Platform of Civil Society Organizations for joint problem-solving that can lead to tangible results; (b) promoting citizens’ access to public information through government data platform, and (c) reviewing current methods of informing the media about Government proceedings to enhance media relations.

Sub-component 1.2: Strengthening the capacity of the civil society in monitoring public sector service delivery

The objective of this sub-component is to strengthen the engagement and monitoring capacity of the civil society in enhancing public sector service delivery outcomes.

Activities to be financed: These include, inter alia, (a) support to Multi-Stakeholder Platform of civil society organizations to improve coordination of citizens’ monitoring of government policies and budget implementation, and (b) supporting citizen’s involvement in monitoring a select number of public services which have a direct interface with the population (filing tax returns, standards in education and health care delivery services etc.); (b) provision of ‘small grants’ to civil society organizations, through competitive basis, to finance civic engagement in public oversight; and (c) provide some flexible funding to civil society groups for innovative engagement towards re-establishing government credibility and (d) pilot citizen feedback mechanisms utilizing text messaging technology to capture feedback on service delivery.

Sub-component 1.3: Consolidating mechanisms and capacity to fight against fraud and corruption

The objective of this sub-component is to consolidate mechanisms and enhance the capacity for fighting fraud and corruption in the public sector.

Activities to be financed: The sub-component will support the strengthening of the anti-corruption institutions; improve civil society monitoring of implementation of the anti-corruption legislation as well as tracking public perception of corruption; and operationalization of the anti-corruption criminal branches of the Superior First Instance Courts of Bobo et Ouaga. These will be achieved through: (i) improving the capacity of ASCE to comply with its anti-corruption mandates, including monitoring and reporting and policy recommendations for continuous improvement of the legal and institutional framework to fight fraud and corruption; (ii) strengthening ASCE’s capacities for greater专业化 and expertise in the conduct of investigations and the effective implementation of recommendations emanating from investigation missions. (iii) designing and implementation of public awareness campaigns in coordination with civil society organizations to improve the general understanding of the Anti-Corruption legislation, including the provisions, processes, and the roles of ASCE and other relevant government agencies; (iv) developing mechanisms for tracking and reporting how key institutions comply with the anticorruption legislation; (v) operationalization of two anti-corruption criminal branches that the Government will establish within the First Instance Courts of Bobo and Ouaga; and (vi) promoting a stronger linkage between ACSE, the Prosecutor and the two tribunals handling corruption cases.
Component 2: Increasing fiscal space and domestic revenues collection (US$10.0 million)

Objective: The objective of this component is to broaden, and enhance the reliability of the tax base to include the informal sector and instituting mechanisms to monitor and control tax gaps. It will support the modernization of tax and customs administration including treasury through the effective use of IT applications and tools designed to enhance the effective and transparent institutional management, simplification of procedures and the revision of fiscal exemptions. Beyond the technical improvements to be made, the purpose of this component would be i) to identify the concrete problems which affect users of tax and customs services in order to strive for their progressive resolution; and ii) to improve transparency relating to the concrete operation of tax and customs services in order to stimulate voluntary tax compliance.

More specifically, this component will be implemented through the following three sub-components:

Sub-component 2.1: Broadening and enhancing reliability of the tax base

The objective of this sub-component is to increase the tax to GDP ratio which currently stands at 15%.

Activities to be financed: The sub-component will support (i) the review of various sources of fiscal information (Customs, Chamber of Commerce and Tax data bases) to reinforce the reliability of the tax base, (ii) to study possibilities to broaden the tax base with the inclusion of the informal sector and the reduction of tax evasion and (iii) the revision of tax exemptions and reforms of tax policy and administration in line with the fiscal objectives.

Sub-component 2.2: Modernization of the tax and customs system

The modernization of the procedures of resource mobilization is key to improving the efficiency and integrity of revenue administrations. The objective of this sub-component is to complement the activities undertaken by the GoBF in modernizing the Revenue administration IT Systems (ASYCUDA++ and SINTAX) and supporting their rollout to cover the remaining locations.

Activities to be financed: the sub-component will finance the following key activities: (i) expansion of the telecommunications network (Wide and Local Area Networks) coverage for systems rollout to additional locations as well as enhancement of systems security; (ii) supporting the interfacing of the systems with other systems; (iii) acquisition of hardware and additional software licenses for systems rollout; (iv) implementation services as updated web site; (v) acquisition and implementation of a statistical and performance management tools; and (vi) technical assistance and advisory services for the implementation of the Electronic Fund Transfer (EFT) system and implementation of RTGS, widening ways for electronic payments.

Sub-component 2.3: Simplification of Customs clearance procedures and institution of mechanisms to monitor and investigate tax noncompliance.

The objective of the sub-component is to strengthen revenue collections through reforms in the areas of revenue policy formulation, and revenue administration procedures and processes.

Activities to be financed: These will include: (i) simplification of tax procedures, especially in
the area of VAT, so as to improve VAT refunds control and delivery; (ii) rationalization of customs clearance procedures and an intensive tracking of risky taxpayers and (iii) coordinated control and audit strategy between tax and customs administration and –iv) implementation of some of the recently adopted reforms such as the customs interconnection agreement with Cote d’Ivoire.

Component 3: Strengthening budget management systems and processes (US10.0 million)

Objective: The objective of this component is to improve budget preparation and execution processes, including streamlined financial management and procurement procedures and the performance of the internal control system and external oversight. It will support the implementation of the new WAEMU regulations as well as the removal of the bottlenecks in the PFM system. In particular, this component will support the on-going efforts of the Government of Burkina Faso to modernize the budget execution processes by rendering them more efficient and transparent. The component will be implemented through the following four sub-components.

Sub-component 3.1: Strengthening budget preparation and execution processes

The objective of this sub-component is to support the implementation of performance based budgeting system, and, integrate procurement planning and execution as part of the budget preparation and execution system.

Activities to be financed: The sub-component will finance, inter alia, the following key activities: (i) assessment of the impact of the WAEMU directives, enhancement of the institutional configurations and coherency of planning and budgeting processes and development of tools; (ii) updating and disseminating multi-year budgeting documents and establishing program results indicators, in the sector ministries, that are easily measurable each year and can serve as the basis for budget arbitration and negotiations; (iii) conducting economic management studies to inform budget preparation processes and sectoral analysis; (iv) capacity building for the staff of the contracting authorities to make appropriate procurement planning, ensuring linkages with the budget; (v) developing and disseminating tools for the use of new procurement documents in particular contracts under framework agreements and multi-year contracts, and training of the actors to be familiarized with these tools; and (vi) developing an electronic systems, enabling (a) electronic transactions between the contracting authorities and the procurement control body and regulatory body, (b) a tracking system to monitor delays in the procurement processing, and (c) the establishment of a database for statistical and archiving purpose.

Sub-component 3.2: Enhancing budget management information systems

The objective of this subcomponent is to enhance the existing IT systems developed by the MoF to support the implementation of the overall PFM systems in Burkina Faso. This component will build on the work already done by the MoF and will support the upgrade and adaptation of the existing IT systems and their underlying infrastructure to integrate the new WAEMU Directives, consistent with the new budget preparation and execution framework, and enhance the fiscal reporting capabilities and system capacity and performance. This will not entail any civil works and focus mainly on the existing software product and it’s underlying infrastructure (servers and networking equipment).

The Government of Burkina Faso (GoBF) has made the strategic choice to internally develop and maintain its Integrated Financial Management Information System (IFMIS). While this choice
provides a high level of flexibility to the IFMIS, it puts the pressure of its maintenance and adaptation solely on the DGSI which will require a strong and better internal organization to carry out these functions.

Activities to be financed: Under this sub-component, the project will finance, inter alia, the following key activities: (i) network infrastructure capacity and performance enhancement; (ii) Primary Data Center rehabilitation and Disaster Recovery Center setup; (iii) systems integration and data management; (iv) technical assistance, implementation, and advisory services for IFMIS systems adaptation and rollout; (v) capacity building for IT staff and users; (vi) hardware and software enhancements. Advisory services will be required to provide technical assistance and quality control during the entire process of systems adaptation to support mitigating the main risks related to the overall systems development and deployment. Under the aforementioned (ii) there will be some renovation (mainly painting) work in the existing Datacenter, but the bulk of the work will entail installing CCTV, access control systems and fire protection equipment.

Sub-component 3.3: Cash and debt management

The objective of this sub-component is to strengthen the management of cash and debt with a view to minimizing net interest cost and ensuring cash is available to meet commitments and obligations for service delivery –thereby reducing arrears).

Activities to be financed: Under this sub-component, the project will finance : (i) improvement of a medium term debt management strategy and the management of operational risks; (ii) update and dissemination of a manual of procedures for debt management; (iii) enhanced data coverage and retrocession of guarantees, (iv) functional enhancement of the debt and cash management information system; (v) technical assistance to assist the Government to improve its liquidity management and the predictability of budget releases to line ministries, and (vi) capacity building of the staff in key areas of debt and cash management, i.e. borrowing and related financing activities, cash flow forecasting and debt sustainability analysis, Operational Risk Management, audit of public debt and periodic publication of financial information on public debt etc.

Sub-component 3.4: Enhancing performance of internal audit and control systems and the external audit oversight

With the devolution of payment authorization and the adoption of a performance approach based on the concepts of programs, objectives and results indicators, the internal controls and audits procedures will be reoriented to achieve targeted results.

The objective of the sub-component is to support the Government of Burkina Faso in enhancing the performance of the internal control systems, through an operational internal audit function within line ministries as well as support the development of the Supreme Audit Institution’s capacity in conducting performance and special audits and in clearing the backlog of audits and certifications.

Activities to be financed: The sub-component will finance the following activities: (i) orienting and shifting the work programs of internal auditors towards risk-based audit methodologies and reinforcing their capacities to focus on systemic issues as well as enable them to use IT-based systems in their audit work; (ii) support the development of the Supreme Audit Institution’s capacity in conducting performance and special audits as well as assist the SAI in completing the clearance of the backlog of audits and certifications.
Component 4: Project Management Support (US$2 million) – The objective of this component is to establish an effective and efficient project coordination and administration function during the implementation of the project. The component will be implemented under two sub-components.

Sub-component 4.1 Project Management and Central Coordination

The objective of this sub-component is to provide leadership and management of the overall governance program and to ensure the specific project objectives are met on time, on quality and in line with the allocated funds.

Key activities to be implemented under the sub-component through technical assistance consultancies, operational expenses, project coordination and procurement of goods and services, financial management and audit.

Sub-component 4.1 Monitoring, Evaluation and Communication

The objective of this sub-component is to enhance the project performance through effective monitoring and quality feedback to the Project institutional coordination mechanism and stakeholders.

Activities to be financed under the sub-component will include sensitization and awareness, preparation of a robust monitoring and evaluation strategy and overseeing its implementation, communication and change management strategy.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is not expected to have an adverse social or environmental impacts. It will not entail any civil works or prepare civil works, or other physical interventions, besides some minor renovations (mainly painting), at the existing Datacenter, under component 3.2.

E. Borrowers Institutional Capacity for Safeguard Policies

N/A

F. Environmental and Social Safeguards Specialists on the Team

Yacouba Konate (GSURR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
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<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
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<tbody>
<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>No</td>
<td>The project is not expected to have any adverse environmental or social impacts.</td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>The project will not affect natural habitats.</td>
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<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>The project will not have any impact on forests.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
<td>The project does not entail any pest management.</td>
</tr>
<tr>
<td>Physical Cultural Resources</td>
<td>No</td>
<td>The project will not entail any movement of earth,</td>
</tr>
</tbody>
</table>
OP/BP 4.11 | excavations or other civil works (besides some minor interior renovations of the existing data center).
---|---
Indigenous Peoples OP/BP 4.10 | No | There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12 | No | The project will not lead to involuntary resettlement.
Safety of Dams OP/BP 4.37 | No | The project does not involve construction of or reliance on dams.
Projects on International Waterways OP/BP 7.50 | No | The projects does not impact on international waterways.
Projects in Disputed Areas OP/BP 7.60 | No | The project is not located in any disputed areas.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 01-Sep-2015

**B. Time frame for launching and completing the safeguard-related studies that may be needed.**

The specific studies and their timing\(^1\) should be specified in the PAD-stage ISDS:

N/A

### IV. APPROVALS

| Task Team Leader(s): | Name: Maimouna Mbow Fam |
| Approved By: | |

| Safeguards Advisor: | Name: Johanna van Tilburg (SA) | Date: 08-Jun-2015 |
| Practice Manager/Manager: | Name: Renaud Seligmann (PMGR) | Date: 10-Jun-2015 |

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\(^1\) Reminder: The Bank’s Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.