



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
STRENGTHENING INSTITUTIONAL CAPACITY FOR GOVERNMENT EFFECTIVENESS PROJECT
APPROVED ON APRIL 22, 2015
TO
GOVERNMENT OF BURUNDI

GOVERNANCE

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ABBREVIATIONS AND ACRONYMS

ASM:	Artisanal and Small-Scale Mining
EICVM:	Integrated Household Living Conditions Survey
IFMIS:	Integrated Financial Management Information System
IRI:	Intermediate Results Indicator
ISTEEBU:	<i>Institut de Statistiques et d'Etudes Economiques du Burundi</i>
ITAS:	Integrated Tax Administration System
MTR:	Mid-Term Review
OBR:	<i>Office Burundais des Recettes</i> (Burundi Revenue Office)
PDO:	Project Development Objective
PFM:	Public Financial Management
SIGEFI:	<i>Système de Gestion des Finances Publiques</i> (Integrated Financial Management Information System)
SYGAD:	<i>Système de gestion et d'analyse de la dette</i> (Debt Management and Analysis System)



Note to Task Teams: The following sections are system generated and can only be edited online in the Portal.

BASIC DATA

Product Information

Project ID P149176	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 22-Apr-2015	Current Closing Date 31-Dec-2021

Organizations

Borrower Government of Burundi	Responsible Agency MINISTRY OF FINANCE
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Project Development Objective (PDO)

Original PDO

The Project Development Objective (PDO) is: to strengthen government institutional capacity to improve fiscal management. This objective will be achieved by supporting government efforts to mobilize domestic revenue, improve public expenditure management and controls, produce timely statistics for policy making, and improve mining sector regulatory capacity and practices.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-D0490	22-Apr-2015	01-Apr-2016	19-Aug-2016	31-Dec-2021	22.00	12.32	9.41



Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. The Strengthening Institutional Capacity for Government Effectiveness Project, financed by IDA (22 million USD), was approved on April 22, 2015, became effective on August 19, 2016 and was officially launched on October 26, 2016. By the time the project was designed, the Government of Burundi was strongly committed to ambitious Public Financial Management (PFM) reforms. In 2015, the political context changed significantly and as a result, the Government of Belgium withdrew its intended original co-financing (5.2 million USD), and the project was restructured accordingly. The project components are: 1) Modernizing Revenue Policy and Administration; 2) Strengthening Public Expenditure Management and Control, Project Management; 3) Improving ISTEERU's Institutional Capacity (National Statistical Agency); and 4) Improving Mining Regulatory Capacity and Practices.
2. During the Mid -Term Review (MTR) carried out in March 2019, progress towards the PDO and the Implementation Progress were rated Moderately Unsatisfactory. Only 5 Intermediate Results Indicators out of 16 were achieved. Although progress was made to support improving the predictability of the fiscal policy and the timely production of statistics, the implementation of Performance Based Budgeting and the improvement of accountability in the management of the mining sector were unsatisfactory. The implementation of the Program Based Budgeting is a complex and long-term undertaking, requiring some pre-requisites such as a credible medium-term planning and adequate information management system which are lacking and are unlikely to happen by the project closing date. Public access to Artisanal and Small-Scale Mining (ASM) inspection data and publication of mining production and revenue are constrained, hindering the transparency in the sector.
3. In terms of components, the implementation progress of Component 1 was Moderately Unsatisfactory at the MTR. Despite progress made in tax audit coverage and collection of taxes, including outside Bujumbura, significant weaknesses remain in tax-payers registers, tax arrears management, and core activities to enable the automation of the tax system have been delayed. The implementation progress of Component 2 (Strengthening Public Expenditure Management and Control; Project Management) was Unsatisfactory because of the non-implementation of the Program based budgeting. In addition, the IFMIS (SIGEFI) envisaged to be operational in 2016 was not yet fully operational. Component 3 (Improving ISTEERU's Institutional Capacity) implementation progress was rated Satisfactory due to the regular production and dissemination of statistical data and the completion of ISTEERU capacity building activities supported by the Project. Component 4 (Improving Mining Regulatory Capacity and Practices) was assessed Unsatisfactory. The rating reflected the slow progress in making data on the sector available. It should be noted that the first year of project implementation for this component was satisfactory, with several of the capacity building activities completed in a timely manner (the functional review of the Ministry, the training of Ministry staff in various mining subjects, and the review of key legislation).
4. The project has been complying with the terms of the Financing Agreement. The project's last ISR upgraded the Financial Management (FM) rating to Satisfactory due to the timely production of acceptable Interim Financial Reports (IFRs). The FM performance is still satisfactory as the PIU has improved the quality of its IFRs, the disbursement rate as of January 2020 is 57% and the external audit as of December 2019 raised no major issues. The Project's procurement performance remains moderately satisfactory in light of the recurrent delays in the implementation of the Procurement Plan. With the reduced number of activities to be implemented following the restructuring, it is expected that procurement processing times will be reduced.



RATIONALE FOR RESTRUCTURING

5. Since the project design in 2015, the country context has evolved and is currently less conducive to more ambitious PFM reforms, with current PFM needs in setting and consolidating the basics, rendering the initial results framework indicators and the implementation of some of the reforms initially planned over ambitious.
6. A first project restructuring was done in April 2017 as a result of the Belgian funds decommitment. The purchase of the Integrated Tax Administration System (ITAS) solution, in line with OBR's business requirements, was dropped but with the project still planning to provide technical assistance for its development. The current Project restructuring, the second one, aims at amending the project results framework to align with the current PFM reform needs, revising the project components to focus on more critical activities that are achievable within the remaining project implementation period, and consequently reallocating the project funds between disbursement categories and project components. The task team is confident that the PDO is achievable within the life of the project with the changes reflected in this restructuring paper.
7. The project restructuring provides a unique opportunity to continue working with the government to improve fiscal management and strengthen government institutional capacity, but also to maintain the dialogue in order to mitigate the risk of inaction that would predictably lead to a worse case. The Ministry of Finance is committed to improving the effectiveness of the PFM system and the public administration along the lines of the existing PDO, and the sign of this commitment was the request for the project restructuring. With the project restructuring, it is expected within a year an upgrade of the ratings of the Components 1 and 2 from MU and U to MS and MS.

II. DESCRIPTION OF PROPOSED CHANGES

8. The proposed changes to the results framework streamline the PDO indicators and the Intermediate Results Indicators (IRIs) and enhance their relevance.

1. PDO Indicators

9. Three PDO indicators are proposed for revision and one remains unchanged. The unchanged PDO indicator is: (i) Improved predictability of tax policy measured by the actual aggregate revenue outturn as compared to the original approved budget. The target (> 95%) was surpassed for 2018 with revenue collected by December 2018 calculated to be 115.5% of the approved budget for that year.

PDO indicators proposed for revision:

10. The current PDO Indicator 2 "Program-based budgets attached to the Finance Law and defended by sector ministries in the Parliament" is no longer realistic in light of the need to set and enhance the PFM basic foundations first. To this regard, the PDO indicator 2 is dropped and proposed to be replaced by "Improved financial accountability" measured by the production of the State financial accounts which have not been produced since 2016. The MTR found that SIGEFI, which is to enable the automatic production of these financial accounts, was operational except for the accounting module that was near completion. A December



2019 Implementation Support Mission found that the accounting module has been completed. Further adjustments are however needed to address few inconsistencies in the balances of some accounts of the 2016 financial statements and to ensure comments made by the Supreme Audit Institution (Court of Auditors) in their audit of the 2015 State financial accounts are taken into account in the production of the 2016 State financial accounts. The new PDO indicator 2 will aim to address the backlog of 2016, 2017, and 2018 (6 months to align with the new calendar for the FY) State financial accounts and the production of those of 2018-2019, and 2019-2020 by December 31, 2021. The government has committed to their production on the basis of the actions and progress just mentioned, starting with the 2016 State financial accounts in April 2020, followed by the production of the other accounts every three months thereafter.

11. The PDO Indicator 3 “Improved production of timely and reliable statistics” is revised to focus on their regular production and the timeliness of their release, as mechanisms to assess the reliability of the majority of the statistics being produced are not available. By the latter measure which constitutes IRI 3.1 (to be removed to avoid duplication), the targets were surpassed for year 1, 2 and 3 of project implementation in terms of the number of statistical products released by ISTEERU that were available to users in a timely fashion. Moving forward, this indicator will thus be reported as a percentage (statistics published in a timely fashion vs the overall number that are produced) and closer attention will be given to how this indicator is measured and reported to ensure timeliness is measured with reference to the publication deadlines defined in the ISTEERU business program.
12. The PDO indicator 4 “Improved management and regulatory framework for the mining sector” is clarified to focus on the completion of relevant and achievable targets on which there has been progress. The indicator aimed to measure improved governance in the mining sector through a series of milestones: (i) restructuring of the Ministry based on its functional review; (ii) increased transparency of the mining sector data through a website and national database to publish inspection data, mining production and revenue; and (iii) improved framework guiding ASM activities through new regulations. The PDO targets for year 1, 2 and 3 have been achieved and the annual milestones to assess progress toward the achievement of the PDO indicator for years 4 and 5 are revised as follows:

Year 1: Functional review of the Ministry in charge of mining and its related agencies (completed)

Year 2: Mining website for the Ministry of Energy and Mines operational (completed)

Year 3: Adoption of measure to merge various mining-related entities under one structure based on the functional review (completed)

Year 4: National database on mining established, and accessible to relevant staff within Office Burundais des Mines (OBM)

Year 5: ASM regulations finalized by Ministry and transmitted to the Council of Ministers/Cabinet.

13. The milestone for year 4 clarifies the project’s IRI on establishing a national database with the type of information that at a minimum would need to be entered for the database to be considered as established and operational (see IRI 4.3). This database will improve the management capacity of OBM with the main modules for the database having already been completed and with relevant staff to be trained for its use and updating. The milestone for year 5 clarifies the previous related milestone (development of ASM regulations) to specify they are to be finalized by the Ministry and sent to the Council of Ministers. During project implementation, ASM regulations have been developed as part of the revised Mining Code and would contribute significantly to improving the sector’s regulatory capacity and if adopted, practices.

2. Intermediate Results Indicators (IRIs)



14. The project has 16 IRIs, which can be considered many and complex for the size and scope of the project. Some IRIs are less relevant to the achievement of the PDO or have proven impractical to measure, and others have been revised to avoid duplication and align with the revised PDO indicators. The proposed changes aim at streamlining the IRIs and enhancing their relevance toward the achievement of the PDO. As a result, 8 IRIs are dropped, 3 IRIs are revised, 5 unchanged, and 2 are newly created for a total of 10 IRIs.

2.1 Dropped IRIs

Num	IRI	Description	Reasons
1	IRI1.1	Tax policy measures backed by ex-ante impact analysis	Limitations in available data (both quality and quantity), the current budget preparation environment (time available between revenue policy conceptualization, discussion and enactment into budget law), plus staff capacity, make it not conducive to carrying out ex-ante impact analysis for new tax policy measures. The Project is however supporting the government in developing its capacity for such types of analyses.
2	IRI1.2	New tax policy measures implemented after a minimum of six months from the date of announcement to taxpayers	The indicator measurement is subject to qualitative analysis and some tax policies measures are implemented partially and unevenly. The project does not support actions influencing the IRI, hence attributability is low. These challenges limit the value added of the indicator and render difficult its tracking.
3	IRI.2.1	Reduction in the time reported to process budget requests at each stage of the expenditure chains (quarterly average)	The indicator aims at measuring the efficiency the public expenditures chain and requires a robust information management system with timeline tracking module. The actual stage of the IFMIS requires to invest in fixing the basics first as is being done and in a later stage adapt the system to track the timeline. As a result, it has not been possible to measure the indicator since the project's start, nor will it be in the medium term.
4	IRI.2.2	Number of beneficiaries of training courses on budget program, of which at least 80 % pass the final test/get the certificate	The budget program is abandoned as pre-requisites are not in place and could not be realistically set within the project remaining implementation timeframe. Hence, the training on budget program is dropped.
5	IRI. 3.1	National statistics published as per the original targets set in the annual ISTEEBU corporate program (percentage)	This IRI now duplicates the PDO 3 as revised.
6	IRI.3.2	Performance appraisal system and evaluation mechanisms developed and implemented for all technical employees at ISTEEBU	The system was already developed but its implementation has financial implications and requires an increased national budget allocation to ISTEEBU which the project could not influence.
7	IRI.3.4	Statistics products publicly available to users through Accelerated Data Program and ISTEEBU website	The indicator partially duplicates with the revised PDO 3 on the publication of statistical products.



8	IRI.4.2	Percentage of total remedial actions taken within 6 months from inspection reports deemed satisfactorily addressed	The indicator partially duplicates with IRI.4.1 Percentage of ASM mines inspected according to mining regulations and mine inspection files that are non-compliant with the mining regulations and mine inspection files. IRI 4.1, by tracking the reduction in non-compliant ASM mining sites would already indicate that remedial actions have been taken in order to reach the targets.
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2.2 Revised IRIs

Num	IRI	Description	Reasons
1	IRI.2.3	Number of audits reports produced by the Court of Auditors transmitted to Parliament	The target of 185 was inadequately set as it includes some SAI special engagements which are not audit related. The new target of 13 is related to audit reports produced (cumulative) and has been defined to include 3 State accounts in 2020 (2016, 2017 and first 6 months of 2018) and 2 in 2021 (2018-2019, 2019-2020), 3 municipalities annually including Bujumbura and at least 1 State-Owned Enterprise annually (for a total of 7 audit reports in 2020 and 6 additional in 2021.) Compliance will be assessed based on the audit reports transmission to Parliament which are expected to be published on the <i>Cour des Comptes</i> website (http://courdescomptes.bi/). As they have demonstrated with their audit of the 2015 state account produced within 3 months of receipt, the Court of auditors has committed to producing its audit reports within 6 months of receipt. They have audited 10 municipalities for the past FY with donor funding.
2	IRI.4.1	Percentage of ASM mines inspected on a quarterly basis according to mining regulations which don't respect mining regulations. The revised indicator description is the percentage of ASM mines inspected annually that are non-compliant with the mining regulations and mine inspection files.	The regulations do not require quarterly inspection. As a result, the timeline was revised, and the indicator will be monitored on the basis of the annual target agreed. 57 sites were reported as having been inspected since July 2018.
3	IRI.4.3	Mineral production and taxation revenues database monthly updates completed and made available to the public. The proposed revised indicator would be: Basic mining data (on number of mine sites with permits, number of active miners active per site, number of cooperatives, production per mineral, and revenues exported) to be inputted to national database and updated on a semi-annual basis.	This indicator is revised to better align it with the newly revised corresponding milestone for the PDO indicator. The mining database has been developed (various modules) and would need to be populated with the basic mining data as specified. This data is already being collected and would need to be inputted in the database.

2.3 Newly created IRIs

- IRI.1.1. A New Fiscal Strategy and Medium-Term Action Plan, with credible revenue targets approved by Cabinet and published by end FY 2020. Government is developing capacity to put in place a tax policy



strategy and a revenue forecasting module. The aim is to generate credible revenue forecasts which will be included in the Fiscal Strategy and or Medium-Term Action plan, in a bid to improve fiscal realism. The credibility of the revenue targets will be assessed in FY 21 with regards to actual revenue collected vs the projection for that year in the Fiscal Strategy.

- IRI 3. 4. Conduct of the Integrated Household Living Conditions Survey (EICV). The survey is critical to inform better policy design and decision making based on reliable and accurate statistics since the last survey is dated from 2014. The proposed indicator will capture the production of the survey report with the poverty profiles based on the data collected from the households.

2.4 Unchanged IRIs

- IRI 1.3. Increased taxpayer compliance (Percentage). This is an annual target that needs to be reached every year. For large taxpayers, the target has been met for every year of project implementation and for medium tax payers surpassed. For small taxpayers, the targets were reached for every year of implementation except in 2018. Moving forward, the indicator needs to be measured on the basis of the updating of the taxpayer registry to ensure inactive taxpayers are effectively removed from the registry if they are not being counted when reporting compliance.
- IRI 1.4. Domestic tax revenue collected outside Bujumbura urban, out of the total domestic revenue collected in a given year (Percentage). The project achieved 2.4% collection as of June 30, 2019 against a target of 2% for 2019. The targets for the two remaining years of project implementation are respectively 2.2% and 2.5 %.
- IRI 1.5. Audit completion Ratio (Percentage). The project achieved 79.4% as of June 30, 2019 against a target of 65% for that year. The targets for the two remaining years of project implementation are respectively 70 % and 80%.
- IRI. 3.3. Number of ISTEERU staff trained and evaluated with satisfaction in design and analysis of statistics products, of which at least 25% should be women. The project surpassed the target in 2019 (130 staff trained and evaluated with satisfaction vs a cumulative target of 88 for that year, with 26.9% of them women).
- IRI. 3.5. Beneficiaries satisfied with quality of services provided by ISTEERU (Percentage). The survey conducted in 2018 (to cover 2017) reports a beneficiary satisfaction rate of 52.1% (vs a target of 45% for that year). The survey is to be conducted annually by ISTEERU.

3. Results Reporting Timeline

15. In 2018, the country's fiscal year changed from January to December, to July to June. The data on results collected would thus refer to the fiscal years as such when relevant to the indicators.

B. Project Components



16. The project components were revised to remove activities with high likelihood of not being implemented by the project closure date and with low impact, and include value added activities with strong link with the IRIs and PDO indicators.

- Component 1 (Category 1, Part A) “Modernizing Revenue Policy and Administration” has been streamlined to focus on technical assistance to develop fiscal policy capacity and risk-based tax audit. The project has financed the updating of the MACMOD system with the inclusion of a fiscal module, with more training needed to make it operational. With regard to the development of key modules of the non-project funded ITAS for OBR, the project provided technical assistance to determine whether ITAS as developed by the provider (ASYST) met the user requirements as defined by OBR which, in addition to the latest available OBR reports, indicated that the system has not yet fully met the user needs. In the absence of a government resolution for a way forward regarding its procurement, the project will not be able to provide further technical assistance on the development of ITAS. Project funds will be reallocated notably for technical assistance to support the updating of the taxpayer registry and the development and implementation of a strategy to improve and maintain its reliability and accuracy.
- Component 2 (Category 3, Part B) “Strengthening Public Expenditure Management and Control; and Project Management” is adjusted to remove the Sub-component 2.3: Establishing the Building Blocks for the Implementation of a Program and the Activity 2.1.2 Support the *Cellule d’Appui aux Reformes* (Reforms Implementation Unit in Ministry of Finance) to promote access to (and management of) a series of demand-driven studies. Instead, new activities have been included in Sub-component 2.1 (Strengthening Capacity to Plan, Coordinate, and Build Consensus on the Implementation of the Government’s Public Finance Reforms) to improve public assets management and project monitoring as follow:
 - a) Improve State assets management including (i) review and update of public assets regulatory framework, procedures and system, (ii) capacity building on public assets management, and (iii) the monitoring of public assets.
 - b) Enhance the capacity of the Ministry of Finance Office in charge of Monitoring and Evaluation by (i) equipping the Office with adequate procedures and systems to supervise projects effectively, and (ii) providing capacity building in project monitoring.
 - c) Technical assistance to improve debt management and related operating costs. The project will finance the updating of the SYGADE (Debt Management and Analysis System) as well as the training of new relevant government officials in its use (with attrition having led to low current capacity). That training will include a module on the how-to of developing a debt management Strategy.

The technical assistance provided under Sub-component 2.3. to enhance the functionality and use of the IFMIS (SIGEFI) will continue as well as the support being provided under Sub-component 2.4 (Strengthening External Audit and Control Functions) to strengthen the capacity of the Court of Auditors (*Cour des Comptes*) and of the National Accountancy Body to align the profession with international standards.

- Component 3 (Category 4, Part C) “Improving ISTEERU Institutional Capacity” has supported improving the production and dissemination of statistics including the production of various indices for the analysis of economic trends and supporting IT connectivity for ISTEERU to be able to publish data on its website. Work on improving the production of national accounts will continue with a focus on providing technical assistance to clean the data for past years and helping resolve discrepancies in the data held by various institutions (Ministry of Finance, ISTEERU, Central Bank). Sub-Component 3.3 (Improve the Quality and Timeliness of



Statistics) will be reinforced by adding the conduct of the Integrated Household Living Condition Survey (EICVM). The survey is critical to inform better policy design and decision making based on reliable and accurate statistics since the last survey is dated from 2014. The EICVM is also one the important outcomes of the Burundi Country Partnership Framework (Report No.122878-BI) approved by the World Bank Board on July 11, 2019.

- Component 4 (Category 5, Part D) “Improving Mining Regulatory Capacity and Practices” is integrated under Component 1 as the revised sub-component 1.4 for consolidation and as it contributes to the mobilization of domestic revenue targeted under component 1. Streamlined activities to be supported will be focused on the achievement of the remaining and revised IRIs under this sub-component (now under component 1): the operationalization of the mining database as a management tool with basic data inputted, and the continuous conduct of the inspections of the mining sites to reduce non-compliance.
- The remaining funds in the Project Preparation Fund (PPF) will be re-allocated to Component 3 (Category 4, Part C) to ensure there are sufficient funds available for the conduct of the EICVM and the remaining planned activities under the component.

III. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Reallocation between Disbursement Categories	✓	
Disbursement Estimates	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Disbursements Arrangements		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓



Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)

COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component 1: Modernizing Revenue Policy and Administration	6.20	Revised	Component 1: Modernizing Revenue Policy and Administration	6.30
Component 2: Strengthening Public Expenditure Management and Control; Project Management	8.90	Revised	Component 2: Strengthening Public Expenditure Management and Control; Project Management	6.80
Component 3: Improving ISTEERU's Institutional Capacity	3.30	Revised	Component 3: Improving ISTEERU's Institutional Capacity	7.30
Component 4: Improving Mining Regulatory Capacity and Practices	3.60	Marked for Deletion	Component 4: Improving Mining Regulatory Capacity and Practices	1.60
TOTAL	22.00			22.00

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

Current Allocation	Actuals + Committed	Proposed Allocation	Financing % (Type Total)	
			Current	Proposed



iLap Category Sequence No: 1	Current Expenditure Category: GD, CONSUL, TR PART A NOT PART A.4			
3,550,000.00	1,526,898.67	1,526,900.00	100.00	100.00
iLap Category Sequence No: 2	Current Expenditure Category: GD, CONSULT, TR PART A.4			
700,000.00	169,419.91	169,500.00	100.00	100.00
iLap Category Sequence No: 3	Current Expenditure Category: GD, CONSULT, OP COST PART B			
6,200,000.00	2,878,381.10	4,750,000.00	100.00	100.00
iLap Category Sequence No: 4	Current Expenditure Category: GD, CONSULT, TR PART C			
2,100,000.00	2,084,422.02	5,300,000.00	100.00	100.00
iLap Category Sequence No: 5	Current Expenditure Category: GD, WORK, NCS, CONS, TR PART D			
2,400,000.00	1,094,406.25	1,094,500.00	100.00	100.00
iLap Category Sequence No: 6	Current Expenditure Category: PPF REFINANCING			
750,000.00	379,726.10	379,800.00		
iLap Category Sequence No: 7	Current Expenditure Category: GD, WORK, NCS, CONS, TR PART A			
0.00	0.00	2,479,300.00		100
Total	15,700,000.00	8,133,254.05	15,700,000.00	

DISBURSEMENT ESTIMATES

Change in Disbursement Estimates

Yes

Year	Current	Proposed
2015	0.00	530,000.00
2016	0.00	2,200,000.00



The World Bank

Strengthening Institutional Capacity for Government Effectiveness Project (P149176)

2017	0.00	2,100,000.00
2018	0.00	2,800,000.00
2019	0.00	2,000,000.00
2020	0.00	7,000,000.00
2021	0.00	5,370,000.00



Results framework

COUNTRY: Burundi

Strengthening Institutional Capacity for Government Effectiveness Project

Project Development Objectives(s)

The Project Development Objective (PDO) is: to strengthen government institutional capacity to improve fiscal management. This objective will be achieved by supporting government efforts to mobilize domestic revenue, improve public expenditure management and controls, produce timely statistics for policy making, and improve mining sector regulatory capacity and practices.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Modernizing Revenue Policy and Administration				
Improved predictability of tax policy (Percentage)		93.40		95.00
Strengthening Public Expenditure Management and Control				
Improved financial accountability (Number)		0.00	3.00	5.00
Action: This indicator has been Revised	<p>Rationale: <i>The current PDO Indicator 2 “Program-based budgets attached to the Finance Law and defended by sector ministries in the Parliament” is no longer realistic in light of setbacks in PFM reforms since 2015. The first priority is now to set and enhance the basic foundations for PFM. To this regard, the PDO 2 is proposed to be replaced by “Improved financial accountability” measured by the production of the State financial accounts which had not been produced since 2015. The 2015 State financial account has now been produced. PDO indicator 2 aims at addressing the backlog of 2016, 2017 and 2018 State financial accounts and production of those of 2018-2019 and 2019-2020.</i></p>			
Improving ISTEERU's Institutional Capacity				
Improved production of regular and timely statistics (Percentage)		0.00	70.00	75.00
Action: This indicator has been Revised	<p>Rationale:</p>			



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<p><i>The PDO Indicator 3 “Improved production of timely and reliable statistics” is revised to focus on their regular production and the timeliness of their release as mechanisms to assess the reliability of the majority of the statistics being produced are not available. Moving forward, this indicator will be reported as a percentage (statistics published in a timely fashion vs the overall number that are produced which is estimated at 66.2% this year for now (2019)).</i></p>				
Improving Mining Regulatory Capacity and Practices				
Improved management and regulatory framework for the mining sector (Text)		No	Yes	Yes
Action: This indicator has been Revised		<p>Rationale: <i>The PDO indicator 4 “Improved management and regulatory framework for the mining sector” is clarified to focus on the completion of relevant and achievable targets on which there has been progress as follows:</i> <i>Year 1: Functional review of the Ministry in charge of mining and its related agencies (completed) Year 2: Mining website for the Ministry of Energy and Mines operational (completed) Year 3: Adoption of measure to merge various mining-related entities under one structure based on the functional review (completed) Year 4: National database on mining established, and accessible to relevant staff within Office Burundais des Mines (OBM) Year 5: ASM regulations finalized by Ministry and transmitted to the Council of Ministers/Cabinet.< /p></i></p>		
Intermediate Results Indicators by Components				
Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Component 1: Modernizing Revenue Policy and Administration (Action: This Component has been Revised)				
A New Fiscal Strategy and Medium-Term Action Plan, with credible revenue targets approved by the Ministry in charge of Finance and published (Yes/No)		No		Yes



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator is New				
	<p>Rationale: <i>Government is developing capacity to put in place a tax policy strategy and a revenue forecasting module. The aim is to generate credible revenue forecasts which will be included in the Fiscal Strategy and or Medium Term Action plan, in a bid to improve fiscal realism.</i></p>			
Tax policy measures backed by ex-ante impact analysis (Percentage)		0.00		50.00
Action: This indicator has been Marked for Deletion				
	<p>Rationale: <i>Limitations in available data (both quality and quantity), the current budget preparation environment (time available between revenue policy conceptualization, discussion and enactment into budget law), plus staff capacity, make it not conducive to carrying out ex-ante impact analysis for new tax policy measures. The Project is however supporting the government in developing its capacity for such types of analyses.</i></p>			
New tax policy measures implemented after a minimum of six months from the date of announcement to taxpayers (Percentage)		0.00		50.00
Action: This indicator has been Marked for Deletion				
	<p>Rationale: <i>The indicator measurement is subject to qualitative analysis and some tax policies measures are implemented partially and unevenly. The project does not support actions influencing the IRI, hence attributability is low. These challenges limit the value added of the indicator and render difficult its tracking.</i></p>			
Increased taxpayer compliance (Percentage)		0.00		0.00
Action: This indicator has been Revised				
Large Tax Operators (Percentage)		99.00	99.00	99.50



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<i>Action: This indicator has been Revised</i>	Rationale: <i>Revised to update current value (99.2% in 2018-2019 against a target of 98.5%).</i>			
Medium Tax Operators (Percentage)		83.00	91.00	97.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>Revised to add remaining intermediate targets. Moving forward, the taxpayer registry will need to be cleaned to remove inactive taxpayers with all those remaining in the registry to be counted in order to report compliance.</i>			
Small Tax Operators (Percentage)		60.00	93.50	95.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>Revised to add remaining intermediate targets. Moving forward, the taxpayer registry will need to be cleaned to remove inactive taxpayers with all those remaining in the registry to be counted in order to report compliance.</i>			
Domestic tax revenue collected outside Bujumbura urban, out of the total domestic revenue collected in a given year (Percentage)		0.80	2.20	2.50
<i>Action: This indicator has been Revised</i>	Rationale: <i>Revised to capture current value (2.4% against a target of 2% in 2018-2019) and remaining intermediate targets.</i>			
Audit completion ratio (Percentage)		46.00	70.00	80.00
<i>Action: This indicator has been Revised</i>	Rationale: <i>Revised to capture current value (79.4% against a target of 65% in 2018-2019) and remaining intermediate targets.</i>			



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Percentage of of ASM mines inspected and non-compliant with the mining regulations and mine inspection files (Percentage)		70.00	20.00	10.00
Action: This indicator has been Revised	<p>Rationale: <i>The regulations do not require quarterly inspection. As a result, the timeline was revised, and the indicator will be monitored on the basis of the annual target agreed.</i></p> <p><i>57 mining sites are reported as having been inspected since July 2018. The current value for this indicator (2019) needs to be verified and reported.</i></p>			
Basic mining data (total mine sites with permits, # active miners per site, # of cooperatives, production per mineral and revenues exported) to be inputted to national database twice a year (Number)		0.00	2.00	2.00
Action: This indicator has been Revised	<p>Rationale: <i>This indicator is revised to better align it with the newly revised corresponding milestone for the PDO indicator. The new database has been developed under the project and now needs to be populated with the specified data at the minimum with relevant staff trained in its use and updating. The indicator reports the number of updates per year.</i></p>			
Component 2: Strengthening Public Expenditure Management and Control; Project Management (Action: This Component has been Revised)				
Reduction in the time reported to process budget requests at each stage of the expenditure chains (quarterly average) (Days)		5.00		5.00
Action: This indicator has been Marked for Deletion	<p>Rationale: <i>The indicator aims at measuring the efficiency the public expenditures chain and requires a robust information management system with timeline tracking module. The actual stage of the IFMIS requires to invest in fixing the basic first and in a later stage adapt the system to tack the timeline. As a result, it has not been possible to measure the indicator since the project's start and in the medium term</i></p>			



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Verification (VF) (Days)		15.00		2.00
<i>Action: This indicator has been Marked for Deletion</i>				
Budget Commitment (BC) (Days)		27.00		2.00
<i>Action: This indicator has been Marked for Deletion</i>				
Legal Commitment (LC) (Days)		27.00		2.00
<i>Action: This indicator has been Marked for Deletion</i>				
Authorization (AT) (Days)		12.00		1.00
<i>Action: This indicator has been Marked for Deletion</i>				
Disbursement (DE) (Days)		5.00		2.00
<i>Action: This indicator has been Marked for Deletion</i>				
Payment (PA) (Days)		12.00		5.00
<i>Action: This indicator has been Marked for Deletion</i>				
Number of beneficiaries of training courses on budget program, of which at least 80 % pass the final test/get the certificate. (Number)		0.00		120.00
<i>Action: This indicator has been Marked for Deletion</i>				
		<i>Rationale:</i>		



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<i>The budget program is abandoned as pre-requisites are not in place and could not be realistically set within the project remaining implementation timeframe. Hence, the training on budget program is abandoned</i>				
Number of beneficiaries of training courses on budget program, of which at least 80 % pass the final test/get the certificate. (Percentage)		0.00		96.00
Action: This indicator has been Marked for Deletion				
Number of audit reports produced by the Supreme Audit Institution that are transmitted to Parliament (Number)		0.00	7.00	13.00
Action: This indicator has been Revised	<p>Rationale: <i>The new target of 13 is related to audit reports produced (cumulative) and has been defined to include 3 State accounts in 2020 (2016, 2017 and first 6 months of 2018) and 2 in 2021 (2018-2019, 2019-2020), 3 municipalities annually including Bujumbura and at least 1 State-Owned Enterprise annually (for a total of 7 audit reports in 2020 and 6 additional in 2021). Compliance will be assessed based on the audit reports transmission to Parliament which are also expected to be published on the Cour des Comptes website (http://courdescomptes.bi/). The Audit Court produces a larger number of audits but these are the ones targeted in the context of the project.</i></p>			
Component 3: Improving ISTEEBU's Institutional Capacity (Action: This Component has been Revised)				
National statistics published as per the original targets set in the annual ISTEEBU corporate program (Percentage)		0.00		75.00
Action: This indicator has been Marked for Deletion	<p>Rationale: <i>This IRI now duplicates the PDO 3 as revised.</i></p>			



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Performance appraisal system and evaluation mechanisms developed and implemented for all technical employees at ISTEERU (Yes/No)		No		Yes
Action: This indicator has been Marked for Deletion	Rationale: <i>The system was already developed but its implementation has financial implications and requires an increased national budget allocation to ISTEERU which the project could not influence</i>			
Number of ISTEERU staff trained and evaluated with satisfaction in design and analysis of statistics products (Number)		0.00	96.00	120.00
Action: This indicator has been Revised				
Number of ISTEERU staff trained and evaluated with satisfaction in design and analysis of statistics products, of which at least 25% should be women (Number)		0.00		120.00
Action: This indicator has been Marked for Deletion	Rationale: <i>Indicator repeated in the results framework.</i>			
Number of ISTEERU staff trained and evaluated with satisfaction in design and analysis of statistics products, of which at least 25% should be women (Percentage)		0.00	25.00	25.00
Action: This indicator has been Revised				
Statistics products publicly available to users through Accelerated DataProgram and ISTEERU website (Percentage)		25.00		80.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator has been Marked for Deletion	Rationale: <i>The indicator partially duplicates with the revised PDO 3 on the publication of statistical products.</i>			
Beneficiaries satisfied with quality of services provided by ISTEEBU (Percentage)		22.70	50.00	55.00
Action: This indicator has been Revised	Rationale: <i>For the survey covering 2017 (conducted in 2018), the rate of satisfaction was reported at 52.1% (against a target of 45% for that year).</i>			
Integrated Household Living Conditions Survey (Yes/No)		No		Yes
Action: This indicator is New	Rationale: <i>The survey is critical to inform better policy design and decision making based on reliable and accurate statistics since the last survey is dated from 2014.</i>			
Component 4: Improving Mining Regulatory Capacity and Practices (Action: This Component has been Marked for Deletion)				
Percentage of total remedial actions taken within 6 months from inspection reports deemed satisfactorily addressed (Percentage)		5.00		50.00
Action: This indicator has been Marked for Deletion	Rationale: <i>The indicator partially duplicates with IRI.4.1 Percentage of ASM mines inspected according to mining regulations and mine inspection files and non-compliant with the mining regulations and mine inspection files</i>			



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