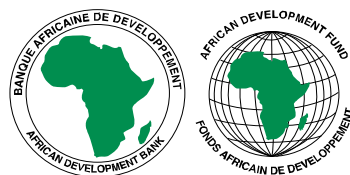


# **AFRICAN DEVELOPEMENT BANK GROUP**



## **OPERATIONS EVALUATION DEPARTMENT (OPEV)**

### **Evaluation of Policy Based Operations in the African Development Bank, 1999-2009 Country Case Study: Burkina Faso**

**High Level Evaluations Division (OPEV.2)**

**March 2011**



# Executive Summary

## Introduction

Burkina Faso is one of the poorest countries in the world with a Gross National Income (GNI) per capita of USD 520. For the past two decades Burkina Faso has enjoyed social and political stability and has made some progress on democratisation and economic and social reforms. Regular elections have been held, without major incidents, since the adoption of the Constitution in 1991.

Burkina Faso is very dependent on Official Development Assistance (ODA). Indeed, against the global trend, in 2009 ODA represented 14.5% of the Gross Domestic Product (GDP) in Burkina Faso, higher than the ratio of 12.1% in 2006. Budget Support (BS) is the Government's preferred modality. However, project support is the most common modality for aid delivery in Burkina Faso. In 2009, General Budget Support (GBS) accounted for just over 29% of aid, while project support amounted to 62%. The AfDB is among the largest donors in Burkina Faso. Over the period from 2000 to 2009, the contribution of AfDB represented 6.6% of total ODA. Burkina Faso has a mature system of aid coordination which is organised around (i) an internal coordination mechanism of the Government; (ii) a mechanism for coordination among development partners (DPs), and (iii) a joint structure which brings together the Government of Burkina Faso (GoBF) and its external DPs. The GoBF has taken a strong lead in aid coordination.

In 2000 the Poverty Reduction Strategy Framework was drafted (known as the Poverty Reduction Strategy Framework (CSLP)). The CSLP has become the reference document for Burkina Faso and its DPs and guides the development policies of the country. It was reworked 2003 in broad consultation with civil society and other stakeholders and there is good ownership of it. At the beginning of 2009 the GoBF initiated a process of preparing a Strategic Paper for Accelerated Growth and Sustainable Development (SFPR) for 2010–2015 which will replace the CLSP. High, though volatile, growth over the last decade has allowed the country to make significant investments in the social sectors. Progress has been made on health and education indicators. Access to water has also improved. However, significant challenges persist with respect to meeting the MDGs and it is unlikely that the education MDG will be achieved before 2020.

## Overall Assessment

The Bank undertook four PBOs in Burkina Faso over the evaluation period (Poverty Reduction Strategy Support Programmes (PRSSP) I-IV), with the first operation approved as an ADF Loan in 2001 and the fourth in 2008. These have accounted for 31% of total ADF operations in the country and for UA 138.6 million in total. The performance of the operations has improved significantly over the period with PRSSP I being related below 'Fair' in performance, and each subsequent operation achieving a higher rating with PRSSP IV achieving a rating of 'Very Good'. There were substantial delays in implementation of the first three two operations. Delays in tranche releases were however reduced between PRSSP II and PRSSP III from nine months to four months for the first tranche, and from seven months to four months for the second tranche. Later operations have been two tranche ADF grants with considerably simplified conditionality compared to PRSSP I. A fifth programme of support to PRSSP began in May 2010.

The overall assessment by the case study of the performance of the Bank PBOs in Burkina Faso was highly positive. Bank support (significantly aided by an active role from the Burkina Faso Field Office (BFFO)) was judged to have played an important role in supporting policy reform and institutional strengthening (particularly in public finance management) including

through the provision of complementary technical support. The Bank's chairing of the General Budget Support Group in 2008 provided a platform for the Bank to encourage the donor group towards a more effectively harmonised approach. The Bank has increased the significance of budget support in its country portfolio and the existence of the BFFO since 2006 has strengthened its capacity to engage effectively.

## **Findings**

### **Performance and Impact**

#### **Preparation and monitoring of AfDB PBO support has improved and become more participatory**

The establishment of the AfDB field office in Burkina Faso has contributed to improving the planning and implementation of AfDB PBO support. In general, development partners (DPs) and Government consider that AfDB missions are well coordinated and often undertaken jointly, with other partners and there is effective sharing and discussion of terms of reference for missions, joint briefings and debriefings. Missions are timed to coincide with agreed processes and time-frames and are frequently undertaken with other partners. A comparison of the five PRSSP documents shows a clear improvement over time of the quality of analysis of the context and the issues to be addressed.

#### **AfDB's PBOs have influenced key areas of policy reform and institutional strengthening. AfDB has added value through its support to aid effectiveness, capacity building and through its flexible response to agenda setting and funding**

The AfDB's priorities when providing PBO support have consistently been in line with the priorities identified by the GoBF. Clear contributions are made by the AfDB to specific processes and achievements which has resulted in evident value-added. In terms of governance, the AfDB used its position as head of the GBS Group in 2008 to speak out strongly on issues of governance and corruption. The AfDB decision to align and harmonise its PBO portfolio at an early stage and to conduct joint planning and review exercises influenced the WB's use of PBOs and led it to join the GBS process. The rising levels of AfDB funding are a second area of added value as are its technical inputs, especially in areas such as macroeconomic support, public finance, financial control, public expenditure, public procurement, parliamentary oversight, and the drafting of sectoral Mid Term Expenditure Frameworks (MTEFs). Recently, the AfDB has adapted flexibly to emerging crises. Portfolio restructuring released over UA 16 million from projects for GBS and the AfDB was the first agency to draft a plan to respond to the country's economic and food crises.

#### **Merging technical support with PBO funding has strengthened interventions in institutional support and contributes to more effective PBOs**

In Burkina Faso, the AfDB has moved from having Technical Assistance (TA) programmes in parallel to Budget Support Initiatives, to a system which integrates the two. Institutional support is now part of the PBO funding package. This has enhanced the effectiveness of support and contributed to capacity building, to institutional strengthening, and to GoBF's ownership of capacity building efforts.

#### **The opening of the Burkina Faso Field Office (BFFO) and the calibre of the staff have made a substantial improvement in the AfDB's engagement at country level and its capacity to respond, but limited progress in the decentralisation process continues to provide constraints**

The opening of the AfDB office has had implications for the manner in which PBOs are used and the interaction of the AfDB with the GoBF and DPs. The opening of the office made it possible for the AfDB to engage directly with local processes, and to use PBO support more

effectively. However, whilst the decentralisation process has had a very positive effect, further potential progress has been held back by the lack of delegation of decision-making power to local levels. The BFFO has been able to overcome these difficulties through a unique combination of leadership, technical capacity, and a good working relationship with HQ. However, this does not in itself provide a basis for sustainability.

**The predictability of AfDB support is weak and this results in high transaction costs for the Government**

Predictability of aid flows for PBOs continues to be a constraint. In the earlier part of the evaluation period there were substantial delays in disbursement of funds (caused 2001-03 by the delayed endorsement of loans and the Bank's HQ relocating to Tunis). Advances in harmonisation and alignment have led to an improvement in the latter part of the evaluation period with delays being much shorter for the later PBOs. However, AfDB is still unable to provide good between-year predictability and still works with two-year commitments. The predictability of ADF funds has also been affected by external factors. The downgrading of Burkina Faso's debt status resulted in a reduction in the amount of funds that Burkina could receive overall. This has been to some extent compensated for by the restructuring of the portfolio and the inclusion of a grant component in PBO support but the overall level of funding still fell short of the commitments that AfDB had made.

**The Bank's technical capacity for PBO management is excellent but it is insufficient to provide in-depth support on all aspects of budget support dialogue and implementation**

The AfDB has provided strong and much appreciated technical input into budget support processes in Burkina Faso. Nonetheless, current staffing levels are not sufficiently aligned to need. Sectoral AfDB staff are fully occupied with the project portfolio and do not have time to engage with macro-level support activities. This represents a loss of opportunity to learn from sectoral and sub-sectoral engagement. While decisions and processes on budget support take place almost entirely at country level, the task manager for PBO operations remains located at HQ in Tunis. The one staff economist is stretched to provide inputs into the many technical and coordination forums.

**Strategic Issues**

**PBOs are increasingly important in the Bank's overall portfolio, and have been strategically used to provide increasingly harmonised aid aligned with the Government's plans, processes and activities and other DP's inputs**

There has been a strong trend towards greater harmonisation and alignment of aid in Burkina Faso and the AfDB's programme has become increasingly aligned and harmonised. The AfDB's PBO funding has grown in importance and the instrument has been used to engage in the GBS dialogue and provide technical input. The number of AfDB projects has been reduced and conditionalities have been streamlined. An important initial contribution by the AfDB was the signalling effect of its own joining of the GBS process in 2006 which convinced other partners to join. Its commitment to harmonisation is illustrated the joint reviews of its PBO support it has carried out with other partners. The AfDB has used its technical expertise to enhance the effectiveness of PBO support.

**The AfDB's chairing of the GBS Group in 2008 provided the platform for the Bank to strategically engage and to strengthen the joint agenda, it also raised the AfDB's credibility**

The AfDB was incoming chair of the GBS group in the latter half of 2007 and was chair for the first part of 2008. This provided the opportunity to raise its profile among stakeholders in Burkina Faso and to further establish its credibility. As Chair, the AfDB encouraged DPs to develop a plan of action to address economic challenges and provided technical input into these discussions. A second area of focus was governance and corruption, where the AfDB

called attention to the need to address the capacity of public institutions as a foundation for change. Other partners felt that the AfDB was well positioned to take on these issues because of its technical competence and the fact that sensitive issues around governance could best be put forward by a more neutral partner – i.e. not a bilateral and one that is seen to represent African interests.

### **Partners have little understanding of the AfDB’s overall strategy, and what role PBO support plays in this respect**

It is not clear, even to partners who interact with the AfDB on a regular basis, what role PBO support plays within the overall portfolio, what is the medium to long-term vision of the AfDB concerning different instruments, and how these might evolve. Different stakeholder groups made clear that whilst the AfDB has made important progress in terms of the harmonisation and alignment agendas, these commitments should translate into reforms of its procedures through a stronger commitment to budget support and by ensuring that where feasible project funding uses Government systems.

### **Design**

#### **Guidelines on how decisions are made on individual country PBO allocations have become clearer over the evaluation period, but could be further strengthened**

Overall, the evaluation finds that guidance provided by the Country Strategy Paper (CSP) has become stronger, but the Bank’s overall strategy for, and its approach to, the various instruments used is still not clearly articulated in the CSP document. There is insufficient explanation in the CSP documentation of the synergies between the PBO portfolio and the project portfolio, or of how these might be strengthened – although such synergies do exist in practice.

#### **The use of conditionality has been strengthened based on lesson learning, but PBO effectiveness is constrained by the use of AfDB specific conditionalities, rigid funding instruments, and a centralised approval processes**

Lessons from earlier PRSSP operations regarding conditionalities have been taken on board by the AfDB and by partners collectively. There has been a shift over the evaluation period with conditionalities: a) becoming more realistic; b) being more carefully and precisely formulated; c) being based on more realistic time-frames; and d) reflecting a greater awareness and effort to provide the necessary technical support to support the GBS process. The number of specific conditions required has been reduced and all conditions including those that are specific to certain agencies are included in the overall joint matrix. AfDB continues to use a number of specific conditionalities in addition to the general ones which are agreed on by DPs with the GoBF. The short time-frames of AfDB support has implications on the kind of conditionalities that AfDB negotiates. The result is a focus on processes that produces outcomes in the short term, which is not necessarily helpful to overall reform processes.

### **Concluding Comments**

Overall the evaluation established a positive picture; the opening of the BFFO and the high level of expertise and commitment of AfDB staff has been an important ingredient in the successful use of PBO support. However, the evaluation team felt that the decentralisation process needs to advance further learning lessons from the BFFO experience. The current level of engagement, visibility and commitment in Burkina Faso has been achieved by the former Resident Representative’s considerable efforts to manage and get around complex rules and systems, and through consistent overtime working by the technical staff. This does not provide a basis for running a sustainable programme in Burkina Faso or for running PBOs in other countries. There are also areas where the planning and implementation of PBOs can be improved. Predictability is constrained by the short time-frames of support.

There is little interaction between the project and PBO elements of the BFFO portfolio and the CSP does not provide appropriate guidance on this. AfDB continues to have its own specific conditionalities which counter the harmonisation process and increase transaction costs for Government.

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## Abbreviations

ADF	African Development Fund
AfDB	African Development Bank
AICB	Burkina Inter-professional Cotton Association ( <i>Association Interprofessionnelle du Coton du Burkina</i> )
AIDS	Acquired Immune Deficiency Syndrome
ARMP	Government Procurement Regulatory Authority ( <i>Autorité de Régulation des Marchés Publics</i> )
ASCE	High Authority for State Control ( <i>Autorité Supérieure du Contrôle d'Etat</i> )
AU	Accounting Unit
BCEAO	Banque Centrale des Etats de l'Afrique de L'Ouest
BEDP	Basic Education Development Plan
BFFO	Burkina Faso Field Office
BS	Budget Support
CBS	Common Budgetary Support
CFAA	Country Financial Accountability Assessment
CGAB	General Framework for Organising Budget Support ( <i>Cadre Général d'organisation des Appuis Budgétaires</i> )
CGP	Country Governance Profile
CPAR	Country Procurement Assessment Report
CPIA	Country Policy and Institutional Assessment
CSLP	Poverty Reduction Strategy Framework ( <i>Cadre Stratégique de Lutte Contre la Pauvreté</i> )
CS	Civil Society
CSO	Civil Society Organisation
CSP	Country Strategy Paper
CST	Sectoral and Thematic Commissions ( <i>Commissions Sectorielles et Thématiques</i> )
DBSC	Development Budget Support Loan
DP	Development Partner
DPG	Development Partners Group
DOL	Division of Labour
EC	European Commission
ECDPM	European Centre for Development Policy Management
EDA	Enterprise Development Agency
EU	European Union
FMI	International Monetary Fund ( <i>Fonds Monétaire International</i> )
FTI	Fast Track Initiative
GBS	General Budget Support
GDP	Gross Domestic Product
GoBF	Government of Burkina Faso
GNI	Gross National Income
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
HIV	Human Immunodeficiency Virus
HQ	Head Quarters
IDA	International Development Association
IMF	International Monetary Fund
IMR	Infant Mortality Rate
MDG	Millennium Development Goal
MMR	Maternal Mortality Rate

MTEF	Medium Term Expenditure Framework
n/a	not applicable
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OPM	Oxford Policy Management
PABG	Good Governance Support Programme ( <i>Projet d'Appui à la Bonne Gouvernance</i> )
PAF	Performance Assessment Framework
PAI/PDC	Programming of Public Expenditure and Control ( <i>Programmation des Dépenses Publiques et de Contrôle</i> )
PBL	Policy Based Lending
PBO	Policy Based Operation
PCR	Project Completion Report
PEFA	Public Expenditure and Financial Accountability
PER	Public Expenditure Review
PFM	Public Financial Management
PIU	Project Implementation Unit
PRGB	Action Plan for Strengthening of Budget Management ( <i>Plan d'action pour le renforcement de la gestion budgétaire</i> )
PRSF	Poverty Reduction Strategy Framework ( <i>Stratégie de renforcement des finances publiques</i> )
PRSSP	Poverty Reduction Strategy Support Programme
RMC(s)	Regional Member Countries
ROSC	Report on the Observance of Standards and Codes
SAL	Structural Adjustment Loan
SAP	Structural Adjustment Programme
SBC	Joint Budget Support ( <i>Soutien Budgétaire Conjoint</i> )
SBS	Sector Budget Support
SCADD	Strategy for Accelerated Growth and Sustainable Development ( <i>Stratégie de Croissance Accélérée et de Développement Durable</i> )
SFPR	Strategy Paper for Accelerated Growth and Sustainable Development
SIP	Sector Investment Programmes
SPA	Special Programme of Assistance for Africa
SP-PPF	Permanent Secretariat for Monitoring of Financial Policies and Programmes ( <i>Secretariat Permanent Pour Le Suivi des Politiques et Programmes Financiers</i> )
SRFP	Strategy to Strengthen Public Finance
STI	Sexually Transmitted Infection
SWAp	Sector Wide Approach
TA	Technical Assistance
TAF	Technical Assistance Fund
UA	Unit of Account
UEMOA	West African Economic and Monetary Union ( <i>L'Union économique et monétaire ouest-africaine</i> )
UN	United Nations
UNDP	United Nations Development Fund
UNICEF	United Nations Children's Fund
USD	United States Dollar
WB	World Bank
WFP	World Food Programme
WS	Water and Sanitation

## **Currencies and Measures**

### Currency equivalents

As of October 2010

UA 1.00 = CFA Franc 747.942

UA 1.00 = £ 0.977871

UA 1.00 = US\$ 1.56619

### Financial Year

1 July to 30 June

# 1 Introduction and Background

This country case study of Burkina Faso is one of a series of case studies that have been undertaken as part of an independent evaluation commissioned by the African Development Bank (AfDB) of the AfDB's Policy Based Operations (PBOs). PBOs are quick-disbursing aid instruments which are defined by the AfDB (2009c) as:

*Funds that are channelled directly to the partner Government's general treasury account and subject to the country's own systems for public financial management i.e. allocation, procurement, accounting and auditing procedures.*<sup>1</sup>

The aim is to support policy and institutional reforms that promote economic growth and poverty reduction. PBOs include balance of payments support, sectoral adjustment lending to support reforms in specific sectors, policy based lending for governance, General Budget Support (GBS) and Sector Budget Support (SBS). This evaluation has been designed to examine the application of PBOs used by the Bank over the period 1999–2009. The objectives and purpose of the evaluation are outlined in Box 1.1

## **Box 1.1 Objectives and Purpose of the Evaluation of Policy Based Lending**

*The overarching objective of the evaluation is to examine the relevance, efficiency and effectiveness of the PBL instrument as used by the Bank in regional member countries over the period 1999 – 2009. Specific attention is being given to the evaluation of:*

- ◇ *The AfDB's institutional and policy framework for the design, appraisal and delivery of PBL:* to evaluate the Bank's formal policy framework, procedures, skills and organisational structure for the delivery of PBL. How well does this reflect emerging international (and Bank) best practice; and is the Bank organisationally equipped to delivery best practice PBL efficiently and effectively?
- ◇ *Policy and practice:* to evaluate the Bank's approach to the design, appraisal and delivery of PBL instruments in practice and how well this fits or deviates from Bank policy guidelines, with international best practice and country context and needs.
- ◇ *Choice of aid instruments:* to evaluate how choices are made about the use of aid instrument in the country programmes and how relevant it is to the partner country's problems, policies and priorities
- ◇ *Effects at country level:* To assess the contribution made by the AfDB to policy dialogue, joint processes, institutional strengthening and other relevant areas where PBL is focused.

*Source: AfDB (2009c)*

A full explanation of the evaluation, its methodology and the evaluation matrix is provided in the Inception Report of the Evaluation of Policy Based Operations in the African Development Bank 1999–2009 (OPM and Mokoro, 2010). The country case studies have been designed to complement the work undertaken by the evaluation team at AfDB headquarters and more specifically the Institutional and Policy Review, by providing additional information on the operation of PBOs at country level. The case-studies have been designed to address the questions outlined in the evaluation matrix that are relevant to the country level (see Annex B, OPM and Mokoro, 2010), with each study using the same evaluation framework in order to ensure consistency between studies. Annex A provides an

<sup>1</sup> Or, in the case of balance of payments support, funds are channelled through the central bank and consequently subject to country systems

outline of the evaluation questions for the country case-studies with a summary of the answers for Burkina Faso.

Six country case studies have been undertaken to gather evidence relating to AfDB policy, processes and choices relating to PBOs from 1999–2009, in Morocco, Sierra Leone, Ethiopia, Rwanda, Burkina Faso and Tanzania. Each involved a country visit and interviews with the AfDB in Tunis, the AfDB office in country, Government, civil society organisations and development partners. This report is the output of the Burkina Faso country visit and includes evidence gathered both in country and at AfDB headquarters (HQ), and assesses the experience of AfDB support to PBOs in Burkina Faso. The country visit for this study took place from 25th-29th October 2010. The team was comprised of Muriel Visser-Valfrey and Idrissa Ouedraogo.

The second section of this report provides some background information on the Burkinabe context in terms of aid flows and a description of the aid architecture. The third section describes the AfDB portfolio over the evaluation period, and the fourth section describes the main PBOs that the Bank has implemented. The fifth section outlines the key findings from the evaluation, while the final section gives conclusions, lessons learned and reflections.

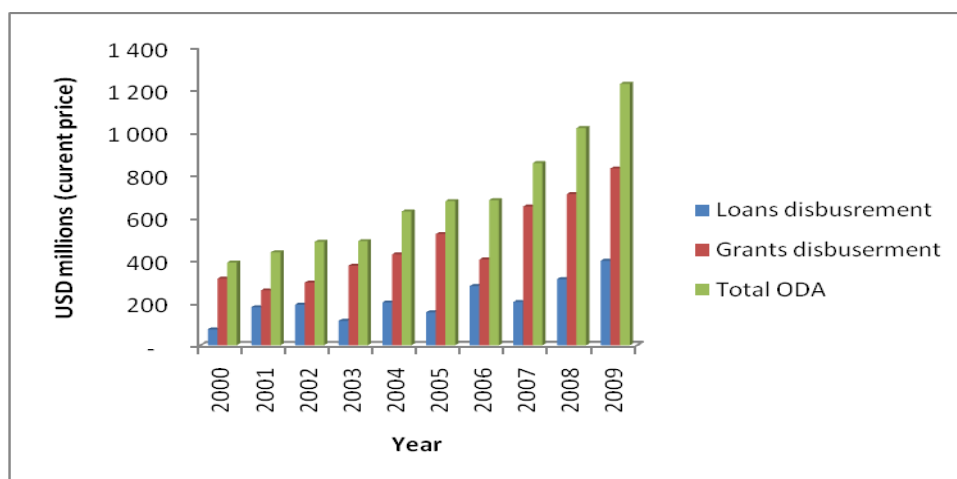
## 2 Burkina Faso Context

### 2.1 Main features of aid to Burkina Faso

Burkina Faso is one of the poorest countries in the world with a Gross National Income (GNI) per capita of USD 520. Burkina Faso is a landlocked country with a population of approximately 15 million people. Its natural growth rate is a high 3.1 percent per year, the result of a very high birth rate (6.1 children per women). For the past two decades Burkina Faso has enjoyed social and political stability and has made progress on democratisation and reforms. In terms of economic and political reforms and the process of democratisation, regular elections have been held, without major incidents, since the adoption of the Constitution in 1991. Agricultural production is an important source of income but lacks diversification and is vulnerable to climate risks. Economic regulation has gradually been reduced as a result of which Burkina Faso has been able to make important progress in the World Bank's rating for improving investment and business climate.<sup>2</sup> Public services are, however, still weak and corruption is considered an issue, although not on the scale of other countries in the region.<sup>3</sup> A decentralisation process has been initiated in the country, but there is still a lack of adequate transfer of resources to local levels.

As is the case for many of the poorest countries, Burkina Faso is very dependent on Official Development Assistance (ODA). Indeed, against the global trend, in 2009 ODA represented 14.5% of the Gross Domestic Product (GDP) in Burkina Faso, higher than the ratio of 12.1% in 2006. As can be seen from Figure 2.1, development aid to Burkina Faso has grown incrementally during the period under consideration. It has increased from USD 388 million in 2001 to USD 6,931 million in 2009, which represents an average annual increase of 27%. The growth in official aid was particularly important between 2003 and 2009 when total disbursements more than doubled in value. It should also be noted that in general, grants have exceeded loans.

**Figure 2.1 Burkina Faso Gross Loan and Grant Disbursements 2000–2009**



Source: Database of the Direction Générale de la Coopération (DG-Coop) Burkina Faso

<sup>2</sup> Burkina Faso progressed from 154<sup>th</sup> position out of 155 countries listed on the World Bank's rating in 2005 to 148<sup>th</sup> out of 181 in 2009.

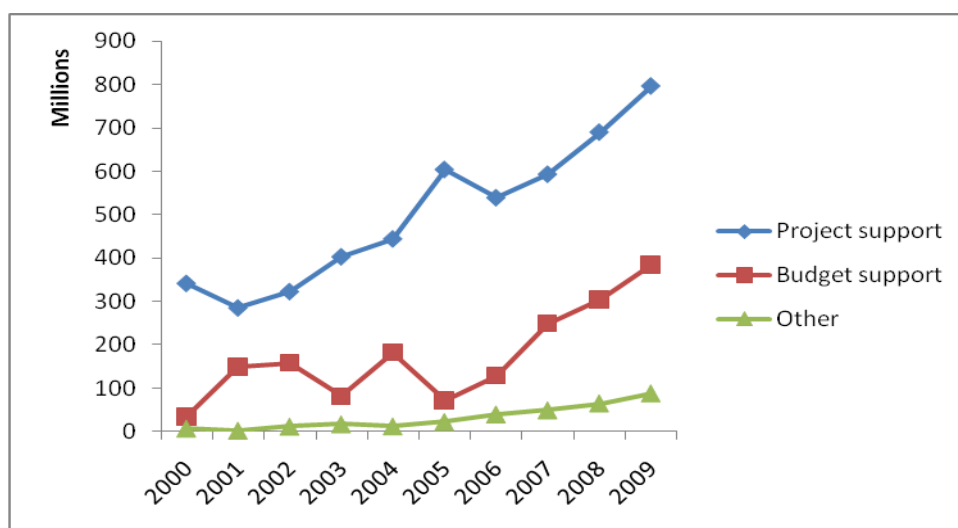
<sup>3</sup> The 2010 Transparency International Corruption Perception Index ranked Burkina Faso no. 98 compared with, Senegal 105, Mali 116, Niger 123, Sierra Leone 134, Côte D'Ivoire 146, Guinea Bissau 154, and Chad 171 [http://transparency.org/policy\\_research/surveys\\_indices/cpi/2010/in\\_detail](http://transparency.org/policy_research/surveys_indices/cpi/2010/in_detail)

Budget Support (BS) is the Government's preferred modality. However, project support is the most common modality for aid delivery in Burkina Faso, as can be seen in Figure 2.2. Even though total project aid fell slightly in 2001 and 2006, there has been an increasing trend in the use of this instrument. Independent technical cooperation on the other hand has decreased substantially over the evaluation period.

After an initial period of hesitation, interest and commitment to BS has increased since 2005. This is likely to be related to the establishment of the *Cadre Général d'organisation des Appuis Budgétaires* (CGAB) or Overall Framework for Provision of Budget Support.

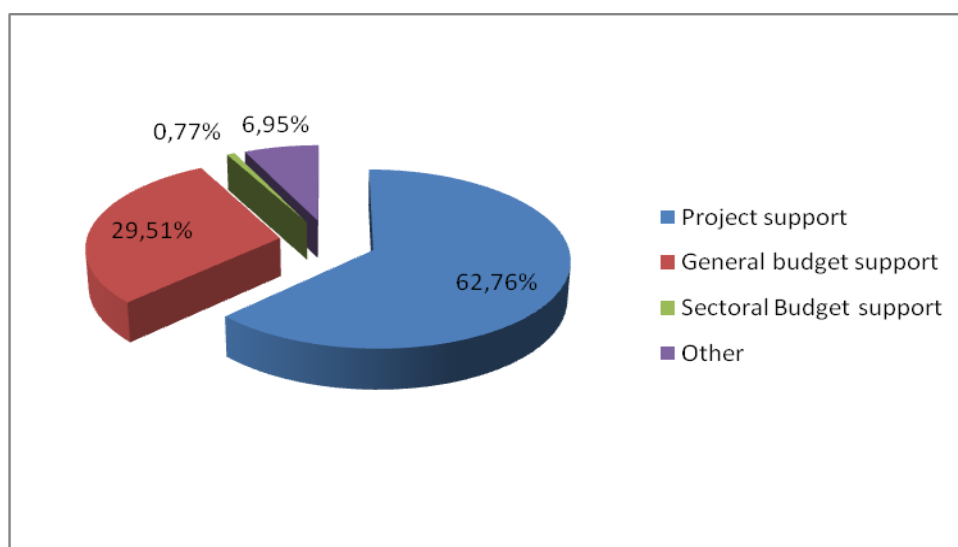
In 2009, GBS accounted for just over 29% of aid, while project support amounted to 62%. Other forms of assistance are food and emergency aid, which in 2009 jointly accounted for 7% of foreign assistance (see Figure 2.3).

**Figure 2.2 Trends in Project and General Budget Support Disbursements 2000–2009**



Source: Database of the Direction Générale de la Coopération (DG-Coop) Burkina Faso

**Figure 2.3 Share of ODA by instruments in 2009**

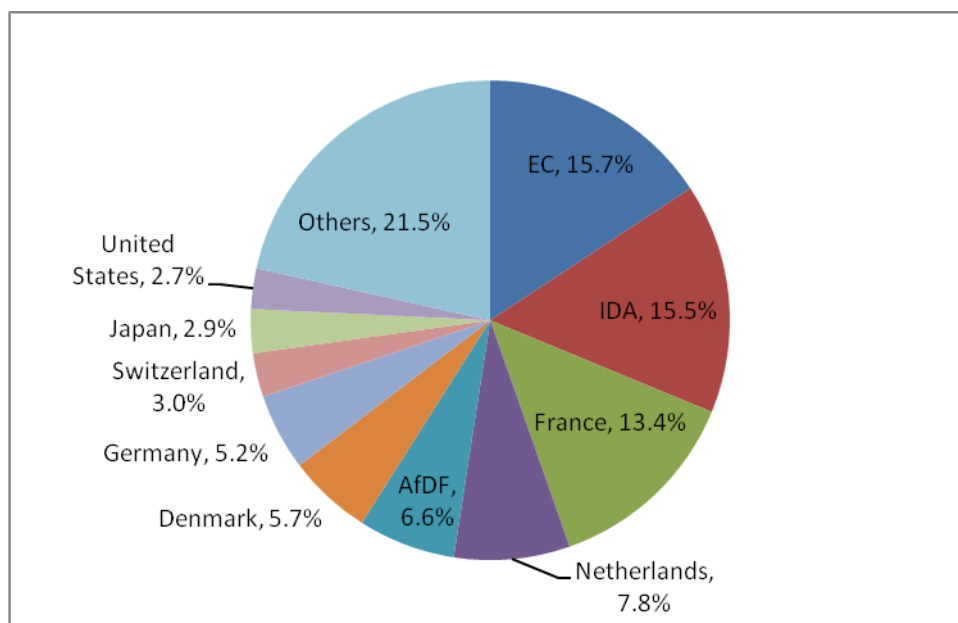


Source: Database of the Direction Générale de la Coopération (DG-Coop) Burkina Faso



The AfDB is among the largest donors in Burkina Faso. Over the period from 2000 to 2009, the contribution of AfDB represented 6.6% of total ODA. This places AfDB fifth behind other somewhat larger partners – the World Bank’s (WB) International Development Association (IDA) with 15.5% and the European Commission (EC) with 15.7%, and the Netherlands with 7.8% (Figure 2.4. For the year 2009 the classification remained roughly similar but with a marked change in some values (not shown). The AfDB was still among the largest donors, but with markedly lower values and China-Taiwan has become an important partner.

**Figure 2.4 Share of ODA by main development partners 2000–2009**



Source: Source: DAC Statistics, [http://stats.oecd.org/Index.aspx?DatasetCode=ODA\\_RECIP](http://stats.oecd.org/Index.aspx?DatasetCode=ODA_RECIP)

## 2.2 Aid relationships

Burkina Faso has a mature system of aid coordination which is organised around three axes. There is an internal coordination mechanism of the Government, a mechanism for coordination among development partners (DPs), and a joint structure which brings together the GoBF and its external DPs.

GBS is managed by the Ministry of Economy and Finance, through a Permanent Secretariat for Monitoring of Financial Policies and Programmes (*Secretariat Permanent Pour Le Suivi des Politiques et Programmes Financiers* or SP-PPF). The Country’s Poverty Reduction Strategy Framework (the *Cadre Nationale de Lutte Contre la Pauvreté* or CSLP) is the main reference document for development support.

The GoBF has taken a strong lead in aid coordination, and has made the implementation of the Paris Declaration Agenda and the commitments in Accra a key priority. In this context, an overall Framework for the Provision of BS in support of the CSLP (the so called CGAB-CSLP) was established in 2004. It falls under the Ministry of Economic and Financial Affairs and was formally put in place with the signature of the CGAB-CSLP Agreement on the 11th of January 2005 by the Government and representatives of the WB, the European Commission (EC), Denmark, France, the Netherlands, Sweden and Switzerland. On the 18th of January 2005 the AfDB joined, and on the 23rd of May 2005, Germany also signed. The

CGAB-CSLP framework not only supports the implementation of the CSLP itself but also aims at strengthening public financial management. The CGAB-CSLP currently comprises ten signatories and six observers. Confidence between the Government and the DPs has grown over time thanks to the common work around the CGAB and the ownership of the process by the various partners over the period from 2005–2010.

Government performance is monitored annually via a joint GBS matrix linked to the CSLP. The overall aid coordination framework includes annual reviews of the CSLP which are guided by a joint performance assessment framework (PAF) – also known as the CGAB-CSLP matrix – which has a three-year horizon. The use of a single PAF with indicators selected from the CSLP has generally improved the dialogue with the Government and contributed to predictability of financing. The payment of GBS is tied to macroeconomic stability, as monitored by the International Monetary Fund (IMF), to the progress in the implementation of the CSLP and to progress in public finance reforms, and in the case of some DPs to progress against specific conditionalities.

The Paris Declaration is taken very seriously by all partners. On the Government side a National Coordinator for Aid Effectiveness has been in place for a number of years, whose role is to liaise with the donor community. The Government has also established a national action plan on aid effectiveness (the *Plan d'Action National de l'Efficacité de l'Aide*). On the donor side, the Technical Secretariat for Aid Effectiveness was established in 2005 by donors to help support the in-country implementation of the Paris Declaration.

Dialogue between the Government and its development partners was further strengthened in 2009 through the signing between the Government, the AfDB, the EC, France, the United Nations Development Programme (UNDP), Denmark and the Netherlands of a Partnership Framework in Support of Public Finance. This framework will allow for financial flows to be better managed by Government and for Government to improve the effectiveness of their funding.

Recently, too, efforts have taken place to merge and streamline the mechanisms for aid coordination, by integrating the separate GBS coordination group with the overall aid coordination mechanism. The DPs put in place a “Troika” in 2009 to interface between the Government and development partners. The Troika, which has recently established a technical secretariat, consists of a group of development partners which includes one multilateral, one representative of the United Nations (UN) family and one bilateral agency. One of the three members of the Troika must be a DP which provides GBS. The President of the Troika is also the head of the DP group. The AfDB is preparing to be the head of the Troika in 2011. The merging of the aid coordination mechanisms has however coincided with changes in senior officials at the level of the GoBF and there has been some stalling in the dialogue. Overall, the outcome of these changes has so far not been as satisfactory as had been hoped. In particular, a number of DPs who were involved in GBS support before this development have expressed strong concerns about the quality of the dialogue and the effectiveness of the interaction between Government and DPs. The fact that these reservations are being expressed at a time when there are indications that some of the main BS partners may be reviewing their commitment and enthusiasm for this instrument presents a somewhat worrying scenario for the future of BS.

## **2.3 National Development Strategy and Economic Performance**

### **2.3.1 National Development Strategy**

Burkina Faso, as is the case with many countries in Sub-Saharan Africa, adopted a new approach to development in the late 1990s. This approach, which emerged after two decades of policies which focused mainly on macroeconomic stabilisation, aims at addressing and reducing poverty more directly. In 2000 this resulted in the drafting of the Poverty Reduction Strategy Framework (the above-mentioned CSLP).

The CSLP has since then become the reference document for Burkina Faso and its DPs and guides the development policies of the country. The CSLP was reworked 2003 in broad consultation with civil society and other stakeholders and there is good ownership of it. It is operationalised through priority action programmes, with the current programme emphasising the following: a) strengthening of economic foundations and competitiveness; b) improving public expenditure; c) employment and income creation; d) acceleration of the decentralisation process; and e) promoting good governance. The CSLP is updated annually with a three-year rolling programme which takes into account lessons learned. Overall it is a credible strategy which addresses the poverty situation through appropriate measures and has clear links to the budget.

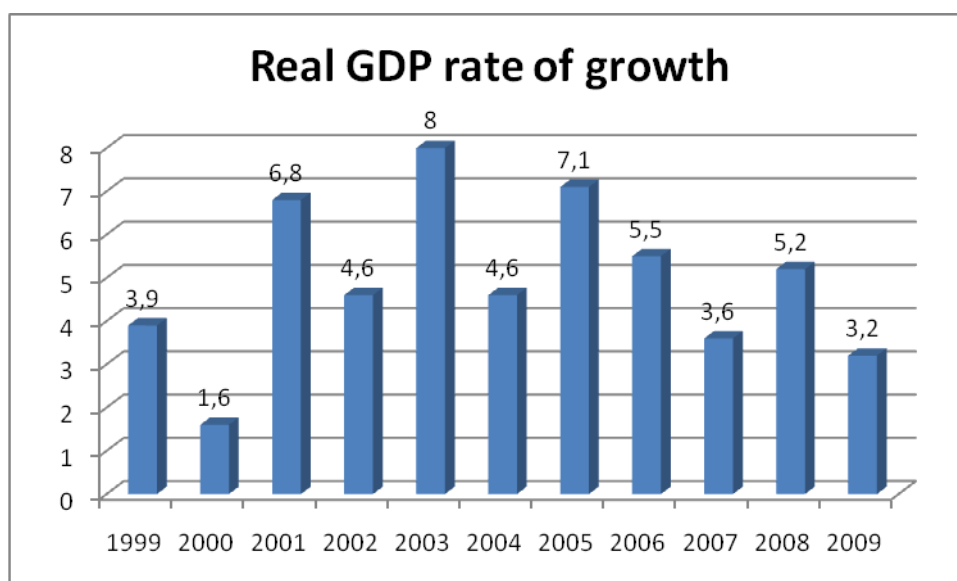
The drafting of the CSLP has led to the carrying out of economic policies which have allowed the country to make good economic progress, in which years of strong growth have alternated with years of moderate growth. But, as is discussed in the next Section, in spite of the credible Government strategy growth has not been sufficiently pro-poor and is not accompanied by a sufficiently strong reduction in inequality.

At the beginning of 2009 the GoBF initiated a process of preparing a Strategic Paper for Accelerated Growth and Sustainable Development (SFPR) for 2010–2015 which will replace the CLSP. The emphasis of the new strategic framework will be on the productive sectors on the assumption that economic growth will lead to a sustainable improvement in the income of households and will increase the availability and supply of goods and services. The Government emphasises that this policy change will not affect the fight against poverty but will ensure that the gains made with the implementation of the CSLP are consolidated and extended to the poorest population groups.

### **2.3.2 Economic Performance and Poverty Reduction**

In the last decade, Burkina Faso has experienced good but variable economic growth. As can be seen from Figure 2.5, while the growth rate was estimated at 1.6% in 2000, the country experienced a 6.8% growth rate in 2001, and 8% in 2003, falling to 3.2% in 2009. The reduction in economic activity in 2009 can be attributed to the effects of the financial crises and low rainfall which affected agricultural output levels. Poor economic performance was also further caused by a steep fall in international cotton prices, given that cotton is Burkina Faso's main export product. There are concerns that over time the effects of the global economic crises will be more severe due to possible reductions in development aid, and a fall in remittance income from Burkinabe workers abroad. Burkina Faso's challenges in terms of economic growth and poverty reduction include the need to sustain the ongoing structural reforms, the need to continue to invest in the country's infrastructure (particularly important in this landlocked country), and the need to diversify and improve the competitiveness of the economy. Removing constraints on the participation of women in economic development will require particular attention in this context.

**Figure 2.5 Real GDP Growth rate 1999–2000**



Source: *Rapport sur le Développement et la Coopération, Direction Générale de la Coopération, Burkina Faso*

High, though volatile, growth rates have allowed the country to make significant investments in the social sectors. On the Human Development Index (HDI) (UNDP, 2009) Burkina Faso is classified 126th out of a total of 182 countries in the 2010 index, and its HDI has steadily improved, although with a dip mid-decade. Nonetheless poverty continues to be a major concern. According to recent GoBF estimates (AfDB, 2010) 43.2% of the population were living below the poverty line in 2009, compared to 46.3% in 2004. This represents a marginal improvement but is still far from the target rate of 35% which was established for 2015.

Table 2.1 below provides a summary overview of Burkina Faso's progress against the Millennium Development Goals (MDG). The data show that Burkina Faso is on track to reach the MDG targets for water, and for the Human Immunodeficiency Virus (HIV) and the Acquired Immune Deficiency Syndrome (AIDS). Progress has been made in health where the use of health services has increased from 32% in 2005 to 51% in 2009 and the percentage of assisted births has gone up from 48.7% in 2006 to 65.19% in 2009. In education the gross enrolment rates have gone up from 60.7% in 2005 to 72.4 % in 2009, and girls' participation has overall grown faster than boys'. Access to water has also improved, with 72% of urban and 56% of rural inhabitants accessing clean water.

However, significant challenges persist with respect to other MDGs. It is unlikely that the education MDG will be achieved before 2020. Concern exists in particular with respect to the persistent high Maternal Mortality Rate (MMR) and Infant Mortality Rate (IMR), at 484 and 187 per 100,000 respectively. Of particular concern also is the rise in malnutrition over the past decade. Also, in spite of the progress referred to above, Burkina Faso still compares very unfavourably to other countries in relation to key health indicators such as the percentage of assisted births and access to health services. There are concerns, too that the worsening economic situation, and the various crises (cotton and cereals), and environmental disasters such as the floods of September 2009,<sup>4</sup> will adversely affect the living conditions of the population and the level of public resources for basic services,

<sup>4</sup> The floods mainly affected Burkina Faso's capital, Ouagadougou and resulted in the destruction of major infrastructure (roads, bridges, health services), left 180.000 people without homes, and resulted in the loss of 24.000 private homes

including health, putting further strain on Burkina Faso's ability to reach the MDGs. In this context Burkina Faso's very high birth rate is a major concern as the rapidly rising population makes it even more difficult to increase the share of the population able to access basic services and to achieve food security, access to land, and higher levels of productive employment.

**Table 2.1 Burkina Faso: Summary of Progress against the Millennium Development Goals**

Objectives	Objectives and measures taken to achieve them
1. Eliminate extreme poverty and hunger by 2015.	The incidence of poverty worsened in 1998 and 2003 by rising from 45.3% to 46.4% and the government's objective is to reduce it to 35% in 2015 notably by targeting HIPC resources. However, there are potentialities to reduce the incidence of absolute poverty. In fact, the significant results obtained in terms of structural reforms (rural sector) and good macroeconomic results (that is 5.2% between 2000-2004) augur well for the country's chances of reducing poverty. The proportion of underweight children increased from 30% in 1998 to 42.2% in 2003. However, the environment remains conducive to the achievement of the objective by reason of the energy and food potential.
2. Insure primary education for all by 2015.	Burkina Faso drew up a ten-year basic education development plan (PDDEB) for the 2000-2009 period. However, the gross school enrolment rate of 52.2% in 2004, even if the national objective of 70% in 2010 were achieved, would stand at 86% in 2015 and school enrolment for all would be achievable only by 2020. Concerning the adult literacy rate, the country is recording progress (32% in 2003) and the objective of 40% could be achieved in 2010. The objective of 60% in 2015 will require maintaining the current trend.
3. Promote gender equality and empower women by eliminating gender disparities in primary and secondary education by 2015.	The female/male ratio in primary education was 0.74 in 2000 and 0.76 in 2003. The ratio will be 0.78 in 2005 and it would take 22 more years of efforts (by 2025) to attain gender parity. In secondary education, it will take less time, thanks to recent efforts. Given the level of the female/male ratio of 0.81 in 2003 as against 0.61 in 2000, it could take nearly 9 years (that is in 2012) to attain the objective of gender parity.
4. Reduce by two-thirds the infant and child mortality rate between 1990 and 2015.	The Government's objective is to reduce the infant mortality rate from 210‰ in 1990 to 70‰ in 2015. However, given the infant mortality rate of 198‰ in 200, the achievement of this objective is unlikely.
5. Reduce by three-quarters the maternal mortality rate between 1990 and 2015.	Recent data show a downward trend. The infant mortality rate has dropped by 22 points from 105.3% in 1998 to 83% in 2003. With the implementation of major malaria control, immunization and epidemiological surveillance programmes, the objective of 38% by 2015 should be attained. The maternal mortality rate reduced from 566 deaths per 100 000 live births in 1993 to 484 deaths in 1998, that is a 14.5% drop in 5 years. If these efforts are maintained, the levels of reduction as against 1998 could reach 50% in 2015 (that is 283 deaths for 100 000 live births) and be closer to the objective which was 142 deaths per 100 000.
6. Reduce the prevalence rate of HIV/AIDS, malaria and other diseases.	The AIDS prevalence rate dropped from 7% in 1998 to 4.2% in 2002 and 1.9% in 2004. The control of HIV/AIDS, malaria and other diseases is among the Government's priorities. Several donors are supporting this action. This objective could be attained.
7. Ensure sustainability of the environment, notably by ensuring access to potable water for 50% of the population.	Access to drinking water, notably in rural areas and environmental protection (notably under the PNGT) are among the government's priorities. The proportion of forest zones dropped from 26.5% in 1990 to 25.9% in 2000 while in 2000, the rate of access to drinking water is estimated at 42%. The maintenance of current trends will largely permit coverage of the real drinking water needs of over 73% of the population by 2015. This objective could be attained.
8. Establish global partnership for development.	Partnership has been established in various domains, notably that of poverty reduction and reform programmes. Burkina Faso has obtained debt relief under the HIPC initiative and during the 2000-2017 period, this could translate into the freeing up of USD 829 million which will be allocated to coverage of country's social development basic needs. Furthermore, the country has benefited from an annual coverage of USD 400 million since the devaluation.

Source: AfDB, 2005e: Annex XII.

### **2.3.3 Public Financial Management Reform**

In order to address weaknesses in the country's public finances, the Burkina Faso Council of Ministers adopted a Strategy to Strengthen Public Finance (SRFP) in April 2007. The SRFP followed the Action Plan for the Strengthening of Budget Management (PRGB) which was in place for the period 2002–2006. The SRFP has a time-line of nine years (until 2015). Its main objectives are to: promote public expenditure programming; ensure the efficient mobilisation of internal and external resources allowing for public expenditure to take place within a balanced budgetary context; guarantee transparent and efficient procedures for public financial management; develop reliable and comprehensive data; strengthen budgetary expenditures and receipts; roll out a coherent and efficient system of control in line with international norms and which addresses potential fraud and corruption risks; develop a public and a financial environment which is conducive to the development of the private sector; and finally, strengthen the institutional capacity of the Ministry of Finance and its affiliated departments.

The implementation of the SRFP is overseen by a Steering Committee which is chaired by the Ministry of Economic and Financial Affairs and which consists of: (i) representatives of the ministries and institutions which are involved in implementing the SRFP, (ii) those DPs which are providing financial support to the SRFP, and (iii) representatives of Civil Society Organisations (CSOs). The Steering Committee is expected to meet twice a year.

The performance of Burkina Faso's Public Financial Management systems was evaluated in accordance with the Public Expenditure and Financial Accountability (PEFA) methodology in 2007, and again during the first trimester in 2010. These evaluations judge that overall the management of public finance has been broadly satisfactory and has been improving. A number of weak areas persist, in particular with respect to public procurement and external control mechanisms.

In summary, it is apparent that in some areas of financial management, systems are sufficiently robust and in others necessary improvements have taken place in various areas (for example, with respect to the regulatory and institutional frameworks). However, key weaknesses in the implementation of the reforms remain. Areas in which particularly good progress is being made include the overall credibility of the budget, the comprehensiveness of the budget, the budgetary process, internal controls of expenditure chains and the accounting system. On the other hand, serious weaknesses are found in the frequent use of derogatory/exception procedures and in the insufficient amount of resources made available to certain bodies, in particular for the purpose of internal and external verification of public finance.

## **3 AfDB Operations in Burkina Faso**

### **3.1 Brief history of AfDB operations and Country Strategy**

The AfDB initiated operations in Burkina Faso in 1972, and the Burkina Faso Field Office (BFFO) was established in 2006. Covering the period of the review, there have been three Country Strategy Papers (CSPs) providing guidance to the AfDB programme.

The 1999–2001 CSP (AfDB, 1999) followed a period of strong economic growth. It was also a period in which the Government was growing concerned about the need for increasing competitiveness and further economic diversification. The CSP highlighted a number of areas to help promote economic growth: i) agriculture and rural development; ii) development of the road infrastructure; and, iii) the development of reform programmes that were more geared towards regional integration. The CSP made provision for a base allocation of UA 46 million to the country for the three years 1999 to 2001. There was also the possibility of additional resources of up to UA 23 million for policy-based reforms and for private sector and multinational operations.

The 2002–2004 CSP (AfDB, 2002a) focused on a limited number of sectors; namely agriculture and rural development, as well as the social sectors (in particular education and HIV/AIDS). A number of priorities were identified at the inter-sectoral level, including the need to consolidate the macroeconomic framework, to continue to pursue structural reforms and to improve governance. An addendum to the CSP was produced in 2004 because of “political, economic and social developments since the adoption of the 2002–2004 CSP in July 2003” (AfDB, 2004). It provided an one year interim framework for operations in Burkina Faso (July 2004 to July 2005) and sought to accommodate the Government’s priorities defined in the revised Poverty Reduction Strategy Support Programme (PRSSP) and donor commitments in the areas of harmonisation and alignment. A nominal allocation of UA 83 million was indicated for the period, of which two thirds comprised loan and a maximum of UA 22 million grant funds

The 2005–2009 CSP (AfDB, 2005b) again placed emphasis on harmonisation and alignment, as well as on the PRSSP process and on the provision of BS. It stated that the main objective of the Bank’s assistance strategy would be to promote sustainable development through economic diversification and the improvement of living conditions for the population, in particular of the most vulnerable. The main areas of intervention identified were: the consolidation of the stability of the macroeconomic framework and improvements in governance; promoting increasing productivity and competitiveness in the agricultural sector and developing sustainable income-generating activities; strengthening the country’s administrative capacities; and improving access to basic social services (primary health care, water and rural electrification). The main instruments for support were specifically highlighted as being BS, sector-wide investments and micro-credit.

An extension to the third CSP has been requested by the AfDB Board to allow for the new AfDB Country Strategy to be aligned with the Government’s SFPR for 2011–2015. During the extension period, the Bank will continue to implement priority activities related to the two pillars of support: a) the promotion and diversification of the economy; and b) the improvement of the living conditions of the population.

## 3.2 Overview of portfolio and aid instruments used

According to the 2009 Portfolio Review (AfDB, 2009a), since the start of AfDB's activities in Burkina Faso, the vast majority of operations have been financed from African Development Fund (ADF) resources (85.5%). Other funding sources for AfDB support to Burkina Faso have been the Technical Assistance Fund (TAF) which comprises 11% of the total resources and AfDB with 3.5%.

In December 1999, the total net commitment to Burkina Faso stood at UA 299.71 million (AfDB 2000d). These funds had been used in a total of 47 operations of which the AfDB funding financed 1 project and 2 lines of credit; the ADF 26 projects and one line of credit, one Structural Adjustment Programme (SAL) and two lines of credit; and TAF funding was used for three institutional support projects and 10 studies. By this time, disbursements had reached UA 210.42 million, i.e. about 70% of approved loans. At the time of the 2005 Portfolio review, the number of operations had increased to 62, of which 36 had been completed, and the total net commitments had increased to UA 519.4 million. By 2009 the number of operations had increased further, to 72, of which 51 had been completed, and the total net commitments to the country amounted to UA 729.91 million. By May 2010 the ongoing portfolio consisted of 16 operations encompassing the following areas: agriculture, transportation, electricity, equipment (for education and sanitation), social sectors, and multi-sectoral support. A number of these operations are funded by a combination of both loan and grant monies.

**Table 3.1 Composition (in percentages) of the Bank's Burkina Faso Portfolio in 1999, 2006 and 2009**

	1999	2006	2009
Agriculture	31.1	30.9 (agriculture and rural development)	21.7
Social	25.1	31.3	17.7
Transport	20.8	16.8	25
Public Utilities	11	0.3	3.1 (electricity)
Multi Sector	12	11.4	22
Water and Sanitation		9.3	9.2
Mining, industry and banking			1.3
Totals	100	100	100

Sources: AfDB, 1999; AfDB, 2007; AfDB, 2009a

Table 3.1 above shows how the sectoral focus in Burkina Faso has changed over time. Over the evaluation period agriculture, the social sectors, and utilities have seen a decrease in funding, while multi-sector support (PBO funding) has almost doubled. New sectors have also emerged, most notably water and sanitation, as well as mining, industry and banking, reflecting the dual focus on the social sectors and on economic development and diversification of the economy.

Recently AfDB and other DP support to Burkina Faso has been influenced by the country's downgrading in the June 2008 on the WB and IMF Country Policy and Institutional Assessment (CPIA) score which for the first time placed the country in a high risk category in terms of debt sustainability. This has limited the window of loans that the country can access and has reduced the level of funding that AfDB has been able to make available in the past two years. As a result AfDB has had to conduct a major restructuring of its portfolio. This restructuring allowed AfDB to reallocate funding from projects that had not been performing



well. The restructuring of the portfolio released a total of UA 16 685 075 (AfDB, 2010a, p. 14). It has led to an improvement in the quality of the portfolio and has allowed the AfDB to re-allocate the resources freed up to a quick disbursing mechanism (i.e. to budget support). Nonetheless, PBO funding for 2010 and 2011 is substantially lower than was initially planned (further details on this are provided in Section 4).

As is illustrated in Annex D, Table D.1, a mix of aid instruments has been used by the AfDB in Burkina Faso. PBO only started in Burkina Faso in 2001, and PBO have averaged around 30% over the years that followed, although in some years (2002, 2006 and 2007) no PBO commitments to the country were made at all. Project lending made up 100% of funding in 1999, at the beginning of the evaluation period, then rose to just over 50% in 2004, and 100% in 2007, a year when no PBO commitments were made, but was down to only 28% in 2009. Over the period since 2006 the average size of projects has grown, from UA 11 million to UA 15 million.

There has been a series of consecutive PBOs over the evaluation period, all of which have supported the GoBF PRSSP. Performance of the PBOs has improved over time. Delays in completion have been reduced from 34 months for the first PRSSP to no delay for the last PRSSP. The rating given to the PBO operations has also improved from less than 2 to 3 for the last PRSSP. Further details on each of the PBOs are provided in Section 4.

### **3.3 Performance of the Portfolio**

There have been four portfolio reviews of the AfDB in Burkina Faso over the evaluation period, in 2002, in 2004, in 2007 (this coincided with the opening of the BFFO), and in 2009.

The 2002 and 2004 Portfolio reviews (AfDB, 2002b; AfDB 2005a) both resulted in an overall portfolio rating of 2, indicating a generally satisfactory performance but with reservations and the identification of areas which required attention. Key bottlenecks identified in these reports included weak administrative capacity of the Government/executing institutions, delays in the ratification of loan agreements, a lack of understanding of the Bank's procedures, and delays in the submission of reports.

The 2006 Portfolio Review (AfDB, 2007) was conducted four months after the BFFO became operational. The objectives of this review were threefold: a) to establish a base-line for future portfolios; b) to draw up an action plan to improve the quality of the portfolio; and c) to identify lessons for future AfDB interventions in Burkina Faso. The review gave the portfolio a rating of 1.9 points, reflecting an unsatisfactory performance, although efforts by Government to address concerns that had been raised in the previous portfolio review were noted. The review identified 33% of the portfolio as being at risk. The main reasons for poor performance were the same as had been identified in the previous two portfolio reviews, although to this were added concerns about inadequate supervision of projects by the Bank due to inadequate staffing combined with management problems overall related to the size of the portfolio and the limited human resources.

The 2009 Portfolio Review was able to draw more positive conclusions. This Review assessed the performance of the portfolio since 2006 and concluded that the *"status of the Bank's portfolio in Burkina Faso improved significantly ... with an overall satisfactory score of 2.26"* (AfDB, 2009a). It was noted that this was the result of better compliance with conditions, better financial performance, more solid implementation of activities and works, and improved procurement. The portfolio disbursement rate, for ongoing projects (i.e. excluding approved but not yet disbursed projects) stood at 45% compared to the December 2006 level of 39.4%. It was noted that the good portfolio performance was in part attributable

to the considerable fall in the overall risk exposure of projects which had been reduced from 33% of the portfolio in 2006 to 14.3% in May 2009. The important role of the BFFO – in terms of allowing for direct engagement and follow-up at country level – was noted as an important factor in the progress that had been made.

### **3.4 Engagement in joint donor initiatives**

Burkina Faso's overall aid architecture has evolved substantially over the evaluation period under strong leadership by the GoBF. As described above, new mechanisms and procedures for dialogue and for monitoring have been put in place by the different DPs, within the GoBF, and between DPs and the GoBF and with the involvement of Civil Society Organisations (CSOs). The joint PAF includes indicators on economic growth, social services and good governance. Progress has been made in reducing and streamlining the number of indicators in the matrix, and the current matrix is considered more realistic and strategic. Line ministries are also much more involved in the drafting of the matrix. In terms of implementation, many of the agreed reforms are being implemented, although delays are not uncommon. The DPs have expressed satisfaction with the overall consistent progress towards the objectives as measured by the quantitative annual targets of performance. The results achieved are presented in an annual report, on the basis of which the donors agree on a joint aide-memoire with recommendations regarding the future steps and expected results.

Progress in harmonisation is taking place and is evident, for example, in the increasing number of joint appraisals, the use of basket funds and more joint project funding, and in the reduction in the number of Project Implementation Units (PIUs) although further progress needs to be made in this area. Officials of the GoBF highlight the difference to their own management of aid, in terms of reduced transactions costs, and improved aid predictability. There are also some efficiency gains on the side of the donors, although the workload overall does not appear to have decreased as more complex skills and inputs are now required on the donors' side, for example in terms of understanding and capacity to provide technical input into issues around financial management. There is also a substantial workload for donors related to coordination and harmonisation.

Over the evaluation period, the BFFO has moved from being hardly engaged at all in the first part of the decade to a strong engagement in, and commitment to, increased harmonisation with other donors and to align the Bank more to GoBF processes. The AfDB is a member of the Development Partners Group (DPG). It is also very active in the PRSSP and CGAB process. The CGAB-PRSSP is jointly reviewed three times each year (February, April and September). The AfDB was a member of the technical secretariat from July to December 2007, and led the secretariat between January and June 2008. In addition the AfDB participates in various Sectoral and Thematic Groups that have been established under the PRSSP process. In terms of its areas of engagement, the AfDB is very much present in discussions and work around macroeconomic issues (such as public procurement), in public finance (where the AfDB has a lead role) and at the sectoral level in the area of transportation. It is far less engaged in dialogue in other sectors.

The AfDB portfolio has seen a shift to more GBS, and work at sectoral level has become more harmonised through aligning support with other DPs funding sector baskets, although the AfDB is not able to put funding into basket arrangements. However, many DPs view the AfDB as adopting a dual track approach, with its PBO support increasingly harmonised and aligned with others, and its project portfolio (which continues to be the dominant part of its engagement) still using the Bank's own procedures, systems and implementation units. This issue will be further discussed in Section 5.

## 4 Features of AfDB PBOs

### 4.1 Introduction

In the pre-evaluation period, AfDB had already supported the Government of Burkina Faso's reform efforts with the financing of the first Structural Adjustment Programme (SAP I) for an amount of UA 13.82 million for an initial three-year period from 1991–93. The programme was subsequently extended for a further period until 1996 as a result of the cotton crisis, as well as the substantial financial deficit and an accumulation of debt arrears. PRSSP I was thus preceded by three multi-sector projects financed by the Bank: (i) an institutional support loan to four ministries approved in 1991; (ii) SAP I approved in 1991; and (iii) the social dimensions of adjustment institutional support project approved in 1992 (AfDB, 2005d: p.1.)

During the period under review (1999–2009), there have been four PBOs in Burkina Faso. These PBOs supported consecutive phases of the PRSSP of the country and comprise: Poverty Reduction Strategy Support Programme I (PRSSP I); Poverty Reduction Strategy Support Programme II (PRSSP II); Poverty Reduction Strategy Support Programme III (PRSSP III); and Poverty Reduction Strategy Support Programme IV (PRSSP IV). The first of these started in 1999. PRSSP IV was completed in 2009. A fifth programme of support to PRSSP was initiated in May 2010.

Table 4.1 records the disbursements of each PBO by year and the share of each in total annual disbursements. It shows that disbursements have fluctuated from year to year. Further details of each PBO undertaken during the evaluation period are given in the following sections.<sup>5</sup>

**Table 4.1 AfDB Annual Disbursements of PBOs (UA millions)**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total Loan/Grant
<b>PRSSP I</b>				23.09										<b>23.09</b>
<b>PRSSP II</b>						15.0	10.0							<b>25.0</b>
<b>PRSSP III</b>									15.0	15.0				<b>30.0</b>
<b>PRSSP IV</b>											25.0	20.0		<b>45.0</b>
<b>Total PBO</b>	0	0	0	23.09	0	15.0	10.0	0	15.0	15.0	25.0	20.0	0	<b>123.09</b>
<i>PBOs % of total progr. Disbursemnt</i>	0%	0%	0%	100%	0%	58%	37%	0%	39%	39%	45%	-	-	
<b>Total Prog Disbursement ADB<sup>1</sup></b>								25.66						
<b>Total Prog Disbursement ADF</b>	11.51	8.58	10.23	11.50	33.16	25.78	26.42	39.48	38.70	38.03	55.06	-	-	

<sup>1</sup> Data taken from AfDB Compendium of Statistics

Source: AfDB Appraisal Reports and Project Completion Reports from relevant programmes.

<sup>5</sup> As each PBO has a grace period of ten years, with repayments then spread over forty or fifty years, it is not yet possible to assess how successful these loans have been in terms of being repaid.

## 4.2 Poverty Reduction Strategy Support Programme I (PRSSP I)

PRSSP I was identified and drawn up by the AfDB during the time that the GoBF was preparing its poverty reduction strategy paper (CLSP) in 1999–2000. The purpose of the loan was to support the objectives of the Government as outlined in its Poverty Reduction Strategy. The main focus of the PRSSP was therefore to: a) enhance growth and competitiveness; b) to rationalise and decentralise public expenditures, enhance compliance with financial accountability, and introduce an efficient monitoring-evaluation system; c) to increase participation of communities and the private sector in the provision of public services; and, d) to improve governance, capacity building and to strengthen the fight against corruption (AfDB, 2001).

The AfDB loan was approved by the Board in October 2001. The loan was to be disbursed in one single tranche, subject to fulfilment of the loan effectiveness conditions and the specific conditions stated in the project documents. The loan was disbursed in one single tranche of UA 23.09 million in February 2002. The AfDB contribution covered 25% of the total PBO funds needed and requested by the Government. Other contributors included the WB through IDA funds, the IMF, and the Heavily Indebted Poor Countries (HIPC) initiative which provided the funds for debt relief (see Table 4.2).

**Table 4.2 Sources of Financing for PRSSP I**

Source	Amount	Percentage
AfDB	UA 23.09 million	25%
World Bank (IDA)	UA 36.00 million	39%
IMF (PRGF)	UA 11.18 million	12%
HIPC / Debt Relief	UA 23.65 million	24%
Total	UA 92.94 million	100%

*Source: AfDB, 2005j: p.5.*

The loan agreement included a set of three conditions which had to be met before the AfDB loan could enter into force, and a further five conditions which had to be met prior to the disbursement of the first and only tranche. However, the second set of five conditions was waived as it was judged that the “conditions precedent to release of the single tranche were irrelevant” (AfDB, 2005j: p.3-4) or required other prior actions.

PRSSP I was implemented with a delay of 34 months and received a performance rating of 2, i.e. it was deemed satisfactory overall (AfDB, 2005j). However, it was noted that the programme overall had a low 24% implementation rate, with only 24 out of the 99 planned activities being put in place. It was concluded that disbursing in a single tranche needed to be reviewed as this deprived the Bank of the means of influencing the implementation rate of reforms. Issues were also raised with respect to the monitoring of a joint programme of this kind, in particular because of the fungible nature of the donor contribution. Like the other donors, the Bank had received copies of the national reports on PRSSP implementation, the quarterly implementation tables of the Government’s financial operations and the annual review reports on PRSSP implementation. However, it did not receive from the GoBF the quarterly status reports of PRSSP and the completion report specific to the loan granted by the Bank Group (AfDB, 2005j: p.v).

## Box 4.1 Lessons from PRSSP I

Lessons from PRSSP I include the importance of:

- i) Taking account of the administrative capacity and the political environment in the country in formulating the programme
- ii) Identifying pre-conditions for awarding budget support, which should include specific conditions related to the fungibility of aid
- iii) Being more realistic about the number of measures and examining these in relation to the human and institutional capacities of the administration.
- iv) Modifying the Bank's instruments, requesting information on budget implementation and performance indicators as a whole
- v) Moving towards multi-year (three year) programmes, with intermediate indicators, to accommodate the fact that poverty reduction measures are often complex and time consuming
- vi) Providing institutional support to contribute to the fulfilment of the conditions precedent to the success of programme aid
- vii) Strengthening the monitoring and supervisory system of future programmes

Source: (AfDB, 2005j: p.17–19)

### 4.3 Poverty Reduction Strategy Support Programme II (PRSSP II)

PRSSP II built on the first PRSSP. The specific objective was to assist the GoBF in continuing to carry out the reforms it had initiated under PRSSP I. The programme was more streamlined than the first PRSSP and focused in particular on three components: a) growth and competitiveness; b) efficacy of public services; and c) good governance and institutional development. The implementation of PRSSP II took into account some of the key lessons from PRSSP I and was shaped and informed particularly on the action plans to strengthen budget management prepared in 2002, the joint IDA/ADF report on the Country Financial Accountability Assessment (CFAA) and the IMF Report on the Observance of Standards and Codes (ROSC)" (AfDB, 2005k: p.v).

The loan agreement was signed in October 2001, and a joint appraisal with other development partner was conducted in September 2002, almost one year later, with the loan being approved in January 2003 for a total duration of 24 months. The first disbursement of UA 15 million took place in October of the same year. The delay of almost 10 months between the approval and the first disbursement was related to slowness in the endorsement of the loan, and the impact of the relocation of the Bank to Tunis. This caused considerable financial stress for the GoBF which had to resort to contracting loans from the Banque Centrale des Etats de l'Afrique de L'Ouest (BCEAO) and on the financial markets to meet its obligations. As a result, the second tranche of UA 10 million which was disbursed in February 2004 was used to 'mop up' the debt contracted by the Government.

In addition to receiving support from the AfDB to the tune of 29% of the total PBO Budget for PRSSP II, the programme was supported by the same partners that had support PRSSP I and by a number of other DPs as can be seen in Table 4.3.

**Table 4.3 Sources of Financing for PRSSP II**

Source	Amount	Percentage
AfDB	UA 25.00 million	28.9%
World Bank (IDA)	UA 27.27 million	31.5%
IMF (PRGF)	UA 5.59 million	6.4%
HIPC Debt Relief	UA 14.40 million	16.6%
Development Partners of the CBS <sup>6</sup>	UA 14.18 million	16.4%
<b>Total</b>	<b>UA 86.44 million</b>	

Source: AfDB, 2005k: p.5.

\*Includes Belgian grant

The disbursement of the first tranche of the AfDB loan was subject to the Government's continued implementation of policy reforms, and the fulfillment of three specific conditions related to the submission by the GoBF of: a) operational plans, procurement plans, audit and monitoring-evaluation planning of the MTEF sectors; b) a time frame for the implementation of the procurement reforms in 2003; and c) the selection of a consultant to support the implementation of the procurement reforms and the establishment of a Group or Committee to monitor the public contract reform (AfDB, 2005k: p.3). The second tranche was subject to the positive appraisal of the implementation of the measures foreseen in the PRSSP II matrix as well as the implementation of the following specific measures: (i) adoption of the recommendations of the audit on public contracts in 2001 and manual of procedures, and of the final institutional capacity building plan for the procurement sector; (ii) adoption of a plan of action for the establishment of private operators in the new cotton zones as well as the medium-term plan for the development of the cotton sector; and (iii) adoption by the National Assembly of the 2000 and 2001 draft audited budget acts coupled with the conformity report of the Audit Office (AfDB, 2005k: pp.3–4).

It was also specified that the loan would not be subject to specific procurement procedures, but that public procurement would be the object of an annual review supported by most of the DPs, for both the PRSSP II and the separate Sector Investment Programmes (SIP) in education and health. A special account would be opened, in the name of the Treasury, in the books of the BCEAO, to receive the ADF loan resources. The opening of the special account was a condition precedent to the entry into force of the loan agreement (AfDB, 2002d: p.20).

The programme received an overall performance rating of 2. However, the programme performance rating – which is an element of the total performance – was 1.9 and thus deemed unsatisfactory. The PCR noted that the main achievements of PRSSP II were financial (AfDB, 2005k: p.iv) in that it impacted positively on the financial balance sheet of the country, although this clearly contradicts with the fact that the failure to disburse funds had obliged the GoBF to borrow funds on the financial market. The foreseen structural reforms and the formulation of results-based sector policies showed shortcomings, the public procurement system continued to be flawed and the audit and control bodies were still weak, and neither the economic liberalisation measures nor the measures relating to corruption were implemented. The decentralisation process was also delayed which affected the implementation of the poverty reduction plans.

<sup>6</sup> The Common Budgetary Support Group (CBS) was set up in 2002 to contribute to the implementation of the PRSSP through budget support. It was presided over by the EC and comprised France, the Netherlands, Belgium, Sweden, Denmark and Switzerland.

## Box 4.2 Lessons from PRSSP II

Implementation of PRSSP II highlighted that:

- (i) Time-frames for the implementation of structural reforms need to be realistic
- (ii) Multi-year programmes are essential to ensure continuity in the implementation of various reforms
- (iii) Closer attention needs to be paid to the implementation of the structural measures given their importance for the strengthening of the economy, for sustainable growth, and for poverty reduction.
- (iv) Account needs to be taken of the fact that budget support objectives require the existence of acceptable budgetary, accounting and public procurement procedures, a public expenditure review, a Country Procurement Assessment Report (CPAR) and the need to provide if necessary, institutional support in this area
- (v) By not participating in the mechanism for aid coordination established by the member countries of the Common Budget Support Group, the Bank denied itself an important tool for the coordination of its intervention and its influence on programme implementation.

*Source: AfDB 2005k, pp.viii-ix*

## 4.4 Poverty Reduction Strategy Support Programme III (PRSSP III)

PRSSP III was approved in December 2005. It had a dual focus on the poverty reduction priority sectors and on budget management and private sector development. Key components of the programme were: a) improved competitiveness of the productive sectors and private sector development; b) continuing efforts to increase access by the poor to basic social services; c) strengthening the fiduciary framework; and d) the establishment of a PRSSP monitoring and evaluation mechanism (AfDB, 2008b: p.viii).

The plans for PRSSP III comprised two equal disbursements of UA 15 million. The first took place ten months after the loan approval, in September 2006, and the second one year later in September 2007. The total financing requirements of the programme were estimated at UA 356.67 million, of which UA 315 million were actually disbursed. Funding was provided by a range of partners as can be seen from Table 4.4 below. The AfDB contribution amounted to just under 10 percent of the total external funding (excluding debt relief).

**Table 4.4 Sources of Finance for PRSSP III**

Source of Finance	Amount (UA million)	Percentage excluding debt relief
AfDB	30.0	9.5
World Bank (IDA)	106.7	33.8
IMF	11	3.4
EU	89.4	28.3
Switzerland	9.3	3.0
Sweden	11.2	3.6
Germany	4.7	1.5
Denmark	10.1	3.2
France	8.5	2.7
Netherlands	34.8	11.0
<b>Total excluding debt relief</b>	<b>315.7</b>	<b>100%</b>
<b>Debt relief</b>	<b>597.4</b>	
<b>Total</b>	<b>913.1</b>	

Source: AfDB, 2008b

The first tranche of the loan was disbursed following: the conclusive review of the General Organisational Framework for Budget Support to implement the PRSSP with other partners; the establishment of a stable macroeconomic framework; and, the fulfilment by the GoBF of a total of six specific conditions related to: a) the adoption by decree of the national micro-financing strategy and the presentation of an action plan: b) the transfer of the One-Stop-Shop to the 'Maison de l'Entreprise' (Enterprise Development Agency – EDA) and implementation of measures aimed at strengthening the one-stop business formalities centre; c) the adoption of the 2006 Budget Act based on the sector ceilings of the 2006–2008 MTEF in keeping with the PRSSP priority sectors, particularly education and health: d) the establishment of a pilot public-finance sector-oriented MTEF for 2006–2008: e) proof of the adoption of the action plan stemming from the 2005 CPAR and the audit of public procurements; and f) the adoption of a national anti-corruption policy and the implementation of its action plan (AfDB, 2008b, pp.2-3).

For the second tranche, disbursement was subject to a satisfactory evaluation of the joint performance and disbursement matrix, agreed on by the CGAB-PRSSP partners, as well as the satisfactory performance of the macroeconomic framework. The second tranche was also subject to specific conditions related to: a) the adoption of the policy on land tenure in the rural areas and the key implementing acts; b) the adoption of the 2007 Budget Act based on the sector ceilings of the 2007–2009 MTEF in keeping with the PRSSP priority sectors, particularly education and health; c) finalising the Updating of the Ten-Year Basic Education Development Plan (BEDP) to take into account the need to expand the basic education concept; d) finalising the framework for the transfer of competences and human resources within the framework of the decentralisation process; e) the adoption of a public finance sector-oriented MTEF for 2007–2009 and the submission of a new action plan; f) the publication of the 2005 Audit Court's Report; and g) the publication of the first HACLC Report. (AfDB, 2008b: p.4).

The PRSSP III programme's overall performance was rated higher than the previous two PRSSPs with an average of 2.5 (AfDB, 2008b: p. 14). The high score of the performance rating was achieved in part because the Bank conducted the identification phase in coordination with other donors. The Bank scored lower (score = 2) on monitoring and



evaluation because of insufficient staff numbers being deployed on the missions and because of the low number of supervision missions which took place.

### **Box 4.3 Lessons from PRSSP III**

Implementation of PRSSP III highlighted the need for the Bank to:

- (i) Adopt an approach that takes account of Government processes in designing PBOs, in particular to ensure that conditions can be drawn up on an annual basis taking into consideration the developments linked to the implementation of the matrix (as is the practice of other partners such as the European Union, World Bank).
- (ii) Clearly distinguish between policy dialogue measures, such as corruption which requires political will and a participatory approach within Government, and other types of reforms that are easier to achieve.
- (iii) Formulate conditions in a precise and clear manner so that there are no ambiguities as to the expectations.
- (iv) Be realistic about time-frames for implementation for structural reforms
- (v) Combine the implementation of complex reforms under PRSSP with support that aims at building the Government's capacities
- (vi) Ensure that the programme's conditions are formulated in a clear and precise manner; and
- (vii) Acknowledge that the monitoring of the programme's implementation and the dialogue with the authorities and partners, were improved by the presence of an economist in the Bank's country office (PCR, p.iv).

*Source: AfDB, 2008b: p.iv*

## **4.5 Poverty Reduction Strategy Support Programme IV (PRSSP IV)**

The fourth PRSSP was very explicitly based on the General Budget Support Framework which this time comprised nine development partners: three multilaterals and six bilaterals. It was also designed to draw on lessons of previous Budget Support operations, in particular by taking into account measures that are achievable by Government and by specifying that these measures should be part of the joint CGAB framework of disbursement conditions.

PRSSP IV's overall objective was to contribute to poverty reduction by fostering stable pro-poor growth based on private sector development that would broaden employment opportunities and promote income-generating activities for the poor. The programme's specific objective, outlined in three components, was aimed at: "improving competitiveness and private sector development; strengthening financial governance; and improving administrative governance" (AfDB, 2009d, p.5). This PRSSP was therefore more strongly focused on key areas of the regeneration of growth in Burkina Faso through deconcentration and the development of an integrated system of information on services provided by the EDA to improve services to businesses through the reduction of administrative costs, thereby improving the business climate. Support to the export promotion policy through institutional reform measures and the institutional capacity building of structures responsible for managing and monitoring exports was also an important area of focus, with the ultimate goal of ensuring that the country develops a clear policy aimed at promoting good quality Burkinabe produce for domestic and foreign consumption. Other key areas were the strengthening of financial governance and the fiduciary framework through fiscal policy and procurement reforms. Finally, other priorities were the improvement of administrative governance through the building of reform programmes and the strengthening of the deconcentration of public administration (AfDB, 2009d).

PRSSP IV was approved in March 2008. The programme comprised a loan of UA 20 million and a grant of UA 25 million (reflecting Burkina Faso's revised debt status) which were disbursed in two tranches in August 2008 and June 2009. AfDB's contribution to PRSSP IV accounted for just under 14% of the funding provided through grants, and 20% of the funding provided through loans (Table 4.5).

**Table 4.5 Sources of Finance for PRSSP IV**

Source of Finance	Amount (end August 2009) ( CFAF Million)	Percentage of grants and loans respectively
<b>GRANTS</b>		
1. IDA	0.0	0.0
2. AfDB	17,379,252.7	13.9
3. European Union	45,303,362.7	36.2
4. Denmark	8,067,103.2	6.4
5. France	9,511,376.5	7.6
6. The Netherlands	27,878,172.3	22.3
7. Switzerland	6,790,218.6	5.4
8. Sweden	10,257,678.7	8.2
9. Germany	0.0	0.0
Total Grants	<b>125,187,164.7</b>	
<b>LOANS</b>		
1. IDA	45,929,495.4	66.2
2. AfDB	14,479,857.2	20.9
3. IMF	8,850,767.6	12.9
Total loans	<b>69,260,120.2</b>	
<b>TOTAL GENERAL BUDGET SUPPORT</b>	<b>194,447,284.9</b>	

Source: AfDB, 2009c : p.19.

The Programme again drew on lessons of previous General Budget Support programmes, especially the measures that can be achieved by the Government, by reference to a joint matrix of disbursement conditions and the strengthening of dialogue. (AfDB, 2009d: p.5). Two conditions needed to be fulfilled prior to the first disbursement, namely (i) the maintenance of a stable macroeconomic framework, and (ii) the satisfactory assessment of progress in public finance management reforms as well as the implementation of the performance and disbursement criteria matrix of the CGAB. The programme received an overall score of 3, and 3s for each of the component scores, namely for results, and for achievements, for both the Bank and the GoBF. Somewhat exceptionally, this programme was closed prior to the planned date.

#### **Box 4.4      Lessons from PRSSP IV**

Implementation of PRSSP IV brought the following lessons:

- (i) The relevance of pursuing the implementation of the PRSSP through a general budgetary support mechanism to enhance ownership in defining and implementing development policies
- (ii) The need to develop the capacity of the administration to ensure greater ownership and better monitoring of reform programmes;
- (iii) The need to undertake specific activities to improve the business climate for private sector development and to further the diversification of the economy, to enhance the contribution by private businesses to GDP and to reduce the vulnerability of the economy to external shock and the vagaries of the weather
- (iv) The need to pursue the reforms aimed at enhanced transparency in public finance management in order to raise the level of domestic resource mobilisation and to improve the effectiveness of public spending.
- (v) The need to continue to refine conditionalities so that the indicators/measures drawn up can be adapted to changes in performance and disbursement criteria.

*Source: AfDB, 2010b*

### **4.6 Poverty Reduction Strategy Support Programme V (PRSSP V)**

PRSSP V – the AfDB's fifth budget support operation for Burkina Faso – was formally agreed and signed in May 2010. The programme identification mission undertaken in September 2009 and its subsequent appraisal in March and May 2010 were undertaken in close collaboration with other development partners. The purpose of PRSSP V is to support the implementation of measures which the Government of Burkina Faso is putting in place to address the effects of the financial and economic crises and the floods in 2009. The PRSSP was developed to contribute to improving macroeconomic stability, strengthening the management of public finance, and improving the debt indicators through the revival of the cotton industry.

The funds made available for PRSSP V by the AfDB comprised a grant of 10 million UA, and a loan of UA 16.68 million which were to be drawn from resources released through the restructuring of the overall country portfolio. The amount to be provided by the bank for PRSSP V is substantially lower than the UA 35 million which the GoBF had budgeted for based on the country's 2009 CPIA rating. The downward revision was due to Burkina Faso's lower CPIA score.

Other partners have also substantially reduced their funding and the overall funds committed by external partners amounts to just over UA 200 million (see Table 4.5). The AfDB contribution to PRSSP V through the UA 10 million loan was paid in a single tranche in late 2010. The funds from the restructuring of the project portfolio will be paid in five disbursements, tied to the five restructured projects. In line with the CGAB-PRSSP protocol of agreement, disbursements will be paid into a special account of the Public Treasury opened at the BCEAO Agency in Ouagadougou. The payment schedule was subject to the fulfilment of two specific conditions: a) the start of a study on the strategy for deploying programme budgets; and b) the launch of the independent public procurement audit of 2008 and 2009, (AfDB, 2010a). The loan agreement requires that evidence is forthcoming for each of these conditions.

**Table 4.6 Sources of Finance for PRSSP V**

Source of Finance	Amount (in UA million)	Percentage
AfDB	26.68	12.94
World Bank (IDA)	40.00	19.41
IMF	7.45	3.61
EU	47.00	22.8
Denmark	6.00	2.91
Switzerland	4.00	1.94
Sweden	11.00	5.34
Germany	8.00	3.88
France	6.00	2.91
Netherlands	18.00	8.73
FTI Education	30.00	14.55
WS Programme	2.00	0.97
<b>Total</b>	<b>206.13</b>	<b>100.00</b>

Source : AfDB, 2010b

At the time of the writing of this report there had not yet been a specific evaluation of the implementation of PRSSP V.

## 5 Key Findings

This section looks at key findings from the evaluation and discusses the main issues which are relevant to the AfDB's design and implementation of PBOs. The analysis in this section is based on the evaluation matrix found at Annex A.

The evaluation found a globally positive picture, with AfDB using PBO support to provide important financial, policy and technical contributions to the overall development of Burkina Faso. More detailed findings are summarised below.

### **Performance and Impact**

#### **Preparation and monitoring of AfDB PBO support has improved and become more participatory**

The establishment of the AfDB Burkina Faso field office (BFFO) in 2006 has contributed to improving the planning and implementation of AfDB PBO support. Prior to 2006 the process of PBO preparation was superficial at country level and had little coordination with other partners. This is reflected in the fact that PBO preparation was done from HQ and involved only a brief period in country; the Appraisal Reports for PRSSP I (AfDB, 2001) and PRSSP II (AfDB, 2002b) do not mention engagement with other partners. Although the work around aid coordination is referred to, no specific effort was made at the time to be involved with this process. For the first time PRSSP IV included a strong process of consultation with other partners. There has been a change and partners and the GoBF now associate AfDB with missions that are closely coordinated and often jointly undertaken, with sharing and discussion of terms of reference for missions, joint briefings and debriefings (which include Government, DPs, and CSOs), and sharing of reports. Missions now coincide with the planning in the CSLP matrix, and AfDB makes a point of sharing information in the context of the various coordination platforms that exist. PBO design takes place in very close collaboration with the Government and with other partners. Through its local presence and in coordination with HQ, the AfDB has provided important technical inputs into these processes.

#### **AfDB's PBOs have influenced key areas of policy reform and institutional strengthening. AfDB has added value through its support to aid effectiveness, capacity building and through its flexible response to agenda setting and funding**

AfDB has had a clear and consistent agenda of priorities in the context of its PBO support which is in line with the priorities identified by the GoBF. AfDB has specifically used PBO support to engage strongly in a number of key policy areas, the most prominent of which have been: macroeconomic support, public finance, and governance. Interviewees – when asked about the overall contribution of AfDB – strongly identified AfDB with these three areas. In terms of its project portfolio AfDB is cited as having played an important role in infrastructure and transportation, and being less prominent in other areas. Because of the nature of the aid environment in Burkina Faso, achievements reported are the product of collective action by the GoBF and DPs, and it is difficult to specifically attribute changes to the AfDB. Nonetheless, the evaluation team was able to clearly identify a number of areas of contribution and added value by AfDB highlighting that Burkina Faso has played an important and perhaps unique role.

AfDB is much valued for its technical inputs. Partners were unanimous in praising the relevance of the support provided (i.e. the areas on which this has focussed) through PBO support, the TAF and project support. The commitment shown by the Resident

Representative, by the technical staff in the GBS dialogue, and the overall good (although sometimes variable) input provided by the staff from HQ were also acknowledged. The value of the AfDB's technical input and studies was highlighted in areas such as public finance, financial control, public expenditure (including for example through a survey of public opinion on the quality of public expenditure), parliamentary oversight, the development of sectoral MTEFs, among other areas. The need to further bolster the technical capacity of the office was however highlighted, in particular in a context where the bilateral input is reducing and the level of expertise required is growing due to the changing and more difficult aid environment.

In the area of macroeconomic support, AfDB has put a strong emphasis on improving competitiveness of the economy through promoting the standardisation and the development and adoption of quality standards for commercial undertakings. The objective of this engagement is to enhance the quality of Burkinabe commercial products and their placement on the export market. In the area of quality, the AfDB has provided specific support to the Ministry of Commerce to develop standards and guidelines. The AfDB, together with the EC and the WB, is credited with having sensitised other DPs to the importance of putting the role of the private sector on the agenda of economic development. In this context, the establishment of the *Maison d'Entreprise* was a key development.

In public finance the AfDB has probably made the most visible contribution so far. It has led the donor coordination group in the area of public sector reform, has conducted studies in support of public expenditure programming and the institutions which monitor and control public spending. These studies were cited by various parties as having been instrumental in helping to frame thinking by the GoBF and DPs on priorities and strategies for reform, and as having contributed to transparency. Since 2008 a clear jointly-agreed strategy, plan, and time-line by partners and the GoBF have been in place outlining the steps needed to improve public finance. The AfDB played a lead role in achieving consensus around these priorities. Partners indicated that the agreed steps in the financial reform programme are largely being met by Government and that progress is satisfactory. The improvements noted between the two PEFA reports (see Section 2) testify to the gains that have been made, while the quality of the policy dialogue in the area of financial reform has improved.

The AfDB also supported Public Expenditure Reviews (PERs) in a number of sectors (health, education, agriculture) together with the EC and the United Nations Children's Fund (UNICEF). AfDB support included providing consultants, drafting documents, and conducting consultative meetings. The engagement of HQ was reportedly helpful in this respect and the whole process resulted in the establishment of a PER Steering Committee in the Ministry of Finance and the production of a road map to guide the decentralisation process. The PER will inform the forthcoming GoBF budget which is considered an important development. In the social sectors, funding to education, health and water by the Government has grown over the evaluation period.

The AfDB has provided important inputs into the reform of the public procurement system, which has improved the regulations and the overall climate for procurement. The AfDB has been able to use its expertise from other countries in this field to provide what various DPs confirmed had been very useful technical inputs and advice into changing the regulations and aiding the reforms. In terms of governance, the AfDB used its position as head of the Budget Support Group in 2008 to speak out strongly on issues of corruption. The dialogue with donors and the GoBF has resulted in a number of areas where important improvements are evident. The establishment of a High Level Public Auditing Office (*Cours des Comptes*) which produces annual reports is seen as an important development. However, concerns remain with respect to corruption and fiduciary risks which will require further work and

efforts. AfDB's engagement and commitment to changes in the aid architecture and the fulfilment of the Paris and Accra objectives have also been significant.

AfDB have added value through the volume of funding it has provided. AfDB has made an important input into infrastructure and transportation, and to other important areas of social and economic development, although a number of partners argued this contribution would be even greater if a more substantial percentage was devoted to GBS. Finally, in the more recent phase of the evaluation period, the AfDB has shown that it has had the capacity to adapt both rapidly and flexibly to emerging crises. A recent example, which has been much appreciated by the Government, was AfDB's flexibility in restructuring the portfolio. This recovered over UA 16 million from projects that were not performing, and has compensated to some extent for the reduced ceiling due to Burkina Faso's revised debt status, and allowed for a rapid response to the financial crises. It was noted that AfDB was the first agency to come up with a plan to respond to the economic and food crises, and that it was able to put in place funds in a relatively short period (two months). In this, and in other respects, the AfDB in Burkina Faso has been able to show vision and leadership.

In terms of possible future added value, the Government made it clear that they would like to see the AfDB playing a stronger role as an African Bank in helping to access resources from other sources (not just from the AfDB). It would also like to see the AfDB taking a more proactive role in streamlining and enhancing coordination between the regional initiatives that are put in place by different agencies – AfDB, WB, EC etc. – and which could be made much more specific and relevant to the country, and better coordinated and harmonised. At present, these initiatives are reportedly predominantly more a compilation of national plans than a well thought out regional effort.

### **Merging technical support with PBO funding has strengthened interventions in institutional support and contributes to more effective PBOs**

In Burkina Faso AfDB has moved from having Technical Assistance (TA) programmes in parallel to Budget Support Initiatives, to a system of integrating the two; institutional support is now part of the PBO funding package. In the earlier part of the evaluation period, institutional support was not properly aligned. In practice this meant that funds for GBS were often misaligned with technical assistance inputs, and that more often than not the technical input came too late or at inappropriate moments. For example, PBO funds provided to the Ministry of Commerce for the development of a national policy on quality and competitiveness included a technical assistance/strengthening component in the area of quality and standards, with technical inputs recruited directly by the Ministry. The Ministry of Commerce reports that this has led to greater ownership of institutional strengthening processes and has contributed to the relevance of the support that has been provided.

### **The opening of the BFFO and the calibre of the staff has made a step difference in terms of the AfDB's engagement at country level and its capacity to respond, but fundamental constraints in the decentralisation process remain to be addressed**

Two clear phases of interaction can be distinguished: before and after the opening of the AfDB field office. The BFFO has influenced the manner in which PBOs are used, and the nature of AfDB's interaction with the country and its partners. The opening of the office made it possible for the AfDB to engage directly with the local context, and to use PBO support much more effectively. When interviewed, representatives of both the GoBF and DPs pointed to a number of specific ways in which the AfDB was able to engage with and move forward agendas (e.g. on governance issues), as well as its capacity to respond flexibly and quickly to emerging needs (e.g. the food crisis).

Nonetheless it was clear, that the full potential of the decentralisation process has not been realised due to a lack of delegation of decision-making power from HQ to the local level.

Despite the need to refer back to Tunis for decisions the BFFO have not experienced substantial delays. Interviews with the key stakeholders indicate that the reason for this difference was mainly due to the engagement and level of priority given by staff at the BFFO in pushing for solutions. The dynamic engagement of the Bank's Resident Representative in place during the main part of the evaluation period, was found to be critical in this respect. She was not only able to develop an excellent relationship with the Government and with the DPs, but also managed to have a strong working relationship with HQ, which at times involved making it clear that decisions had to be taken locally. She also put a strong focus on team building at country level, and her day-to-day engagement with the specifics of the AfDB portfolio, and her commitment to building up a strong relationship with HQ contributed to ensuring that delays were shorter and procedures were implemented more swiftly. The quality and background of the local staff that who have been in place since the opening of the BFFO has been equally critical to the office's successful engagement. The recruitment of a senior country economist who had many years of experience in the Government, supported a consultant economist as needed somewhat, has reinforced the competence of the office and established a trusted interface with the Government.<sup>7</sup>

### **The predictability of AfDB support is weak and this results in high transaction costs for the Government**

Predictability continues to be a major constraint. In the earlier part of the evaluation period substantial delays occurred in disbursement of funds. This, was caused in 2001-03 by the delayed endorsement of loans and the Bank's HQ relocating to Tunis (as documented in Section 4.3). The delays resulted in the GoBF having to resort to loans from the BCEAO and on the financial market to meet its obligations. Advances made in the areas of harmonisation and alignment have led to an improvement in the latter part of the evaluation period – delays have been much shorter for PRSSP III and IV – although the AfDB tends to disburse late in the year which complicates budget management by the GoBF.

More substantially, however, the AfDB is unable to provide good between-year predictability. Other partners have moved towards longer windows of support – in the case of the EC six years, Denmark and the Netherlands both five years, and the WB has a rolling three-year programme. However, the AfDB still works with two-year commitments and this limits predictability. In practice AfDB's commitments are made in year 0 for the next year. With respect to between-year predictability AfDB practice is inconsistent with the agreements made in the Paris Declaration which require partners to enter into commitment of at least two years. The predictability of PBO funding for Burkina Faso has also been affected by external factors. ADF rules meant that the reduction in Burkina Faso's external debt and the more favourable debt indicators which resulted meant a reduction in the amount of funds that Burkina could receive overall from the Bank. This has been to some extent compensated for by the restructuring of the portfolio and the inclusion of a grant component in PBO support. However, the overall level of funding provided still fell short of the commitments that AfDB had earlier made.

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<sup>7</sup> Some partners felt however that there was a negative side to this in that recruitment from the ranks of Government contributes to resource drain and that TFPs should have a joint approach to the issue of local recruitment to minimize the damage as much as possible.



**The Bank's technical capacity for PBO management is excellent but it is insufficient to provide in-depth support on all aspects of BS dialogue and implementation**

The BFFO has a total of seven professional staff. Two international staff occupy the positions of resident representative and country programme officer. The remaining five positions are for local professional staff: a macro-economist and specialists in rural development, infrastructure, procurement, and the social sectors (the latter position is currently vacant). Support staff (including drivers, secretaries, messengers, administrative and financial assistants, procurement assistant, and disbursement assistants) total eleven and the overall office staff (professional and administrative) stand at eighteen. Therefore, the capacity to provide input into the budget support dialogue is limited to the input provided by the economist. Other sectoral professional staff are fully occupied with the project portfolios and do not have time to engage in discussions at this level. This represents a loss of opportunity to learn from what are likely to be important lessons from sectoral and sub-sectoral engagement into macro-level dialogue and vice versa. It also puts a very heavy burden on the staff working on PBO support, and limits the extent to which the AfDB can contribute with sector-specific messages and needs. There has been limited capacity to provide additional input by staff who have been on short-term contracts. During the period that the AfDB was chairing the BS group a macro-economist was recruited on a short-term contract for six months and provided important support to the AfDB chair. However, additional support was not received from HQ during this specific period.

The evaluation found that current staffing levels did not correspond to the specific needs at country level and compare poorly to other agencies such as the WB. The fact that BS decisions and processes by the GoBF take place almost entirely at country level, and that many DPs have considerable power to make decisions locally, makes it less than practical that the task manager for Burkina Faso is at HQ, particularly given that decision-making has not been decentralised to the BFFO. The BFFO has requested five additional positions to strengthen the team and make it commensurate with the nature of the aid environment and to needs in country. The requested positions include a second macroeconomist, a specialist in water and sanitation, a specialist in financial management, a specialist in monitoring and evaluation, and a specialist in communication. However, at the time this report was being produced the BFFO had yet to receive a response to these requests. The current high quality of staff output, has only been achieved because staff are, consistently having to work overtime and this is not sustainable.

Staff at country level were not aware of a corporate strategy on PBO capacity building. It was noted that the capping of PBO support at 22 percent in practice appears to limit the level of interest at AfDB forgiving priority to training on PBOs. Nonetheless, there is evidence of good knowledge sharing across countries, for example through joint reviewing of programme documents. AfDB's requirement in its procedures for all evaluation reports to include a person from the field is a good practice that promotes exchange of experience and adds knowledge. For example, the Burkina Faso Education specialist participated in the evaluation of the education sector in Morocco.

## **Strategic Issues**

**PBOs are increasingly important in the Bank's overall portfolio, and have been strategically used to provide increasingly harmonised aid aligned with the Government's plans, processes and activities and other DP's inputs**

There has been a strong trend towards greater harmonisation and alignment in Burkina Faso, in particular in the second half of the evaluation period. Ensuring compliance with the Paris and Accra commitments is important for the Government, and in this context the GoBF accords significant priority to GBS. The main DPs have aligned their activities closely to Government priorities and are committed to providing a substantial part of their financial contribution in the form of BS. AfDB PBO support is aligned with Government systems, using Government processes and procedures. AfDB PBO support uses country systems for financing interventions which means more funds are on budget and use is made of Government monitoring and evaluation systems, reporting, and audits. The AfDB has adopted and committed to the joint PAF which monitors the implementation of the PRSSP.

AfDB has shown a strong commitment to and engagement in harmonisation with other DPs. As noted earlier in this case-study, the AfDB has been a very active partner in the CGAB process from an early stage. An important initial contribution was the signalling effect that the AfDB's joining the GBS process in 2006 had, as this occurred at a relatively early stage (when other key partners, in particular the WB, were not yet making this change). At the time, AfDB HQ argued for targeted budget support, and extensive internal discussion was necessary in order to secure commitment from HQ to proceed with GBS. The engagement of the AfDB was the result of its strong local presence, and a determined vision and position taken by the then Resident Representative of the AfDB in Burkina Faso.

Following this initial engagement the AfDB was also instrumental as the chair of the GBS group in 2008. Interviewees for this case-study were unanimous in specifying the important role that the AfDB had played in this context by courageously raising issues around governance, in a manner that other partners felt they would not have been able to do. This is further discussed below. The AfDB is assessed by partners as dynamic and committed to the GBS process,. It has made concrete contributions, including an early commitment to include its conditionalities in a joint matrix, a reduction in the number of conditionalities that are specific to its agency, and a reduction in the number of stand-alone projects (from 27 to 18 with further reductions expected under the Division of Labour (DOL) Process). Its commitment to harmonisation is also evident through the AfDB's joint reviews of its PBO support with other partners. These included the joint preparation mission for PRSSP IV with the WB (which resulted in a joint aide memoire), and in 2010 undertaking the joint portfolio review also with the WB. At the time of this evaluation the WB and AfDB were developing a Joint Strategy for Burkina Faso to guide investments for the coming years.

AfDB PBO funding to Burkina Faso has grown in importance over the period, and currently accounts for about a quarter of the portfolio. The fact that this is, however, much lower than the commitments by other partners is seen by others as contradicting the high level of technical investment and commitment that AfDB has put into the policy dialogue around the PRSSP. DPs and Government agree that parallel AfDB projects make sense for support to infrastructure. However, most partners see a contradiction in the AfDB's approach between the procedures and arrangements for these parallel projects and the changes and reforms that PBO support is targeting. In particular partners/Government feel that AfDB should make more effort to use Government procedures for its project support, and to harmonise with other partners in providing support through sector pool funds where this is desirable (rather than having its own parallel funding). A second area where greater harmonisation is needed

is between the WB and the AfDB. The evaluation found a number of instances where opportunities for joint approaches exist but were not taken up. For example, it was pointed out that the banks reacted differently to the (lower) 2009 CPIA rating scores. Thus, whereas the AfDB had initially indicated that it would be increasing its grants to the country, in the event it ended up converting a portion of its grants into loans using a different formula from the WB for decision making and incorporating the poor performance of the cotton sector into its analysis. In contrast, in the same year, the WB increased its grant funds to the country. On pooled funding different approaches were also followed; the AfDB indicated that its procedures would not allow it to join these arrangements. Yet, a joint approach by the AfDB and the WB would further the harmonisation objective and reduce the transaction costs for Government that are associated with projects implemented separately by both agencies.

In summary, the judgement of the evaluation is that the AfDB has used PBO support strategically to commit to the PRSSP process, its policies have resulted in a greater alignment of its activities to those of the Government and greater harmonisation with other DPs over the evaluation period, and it has made important additional contributions through its engagement and commitment to policy dialogue and through its technical inputs. However, there are concerns for the future notably that further gains in harmonisation and alignment will be difficult to achieve. A number of partners feel that strong harmonisation has been achieved but at the cost of the quality of the dialogue between DPs and with the GoBF, which focuses on achieving consensus rather than on addressing critical issues. Indeed, in spite of the creation of coordination forums, a number of key partners (including the AfDB) are still engaging in bilateral discussions with the Government – in particular around conditionalities – which is inconsistent with advancing harmonisation and alignment processes, and has adverse effects on increasing transparency. It is also clear that while Civil Society (CS) has a stronger place in the national dialogue, it is still not fully part of the planning and budgeting process and therefore still only plays a marginal role in decision-making.

**The AfDB's chairing of the GBS Group in 2008 provided the platform for the Bank to strategically engage and to strengthen the joint agenda; it also raised the AfDB's credibility**

AfDB was incoming chair of the GBS group in the latter half of 2007 and was chair for the first part of 2008. This gave it the opportunity to raise its profile among stakeholders in Burkina Faso and to further establish its credibility. AfDB played a very active role as lead and reportedly brought two main agenda points to the table which were seen as relevant and important. The first concerned the economic challenges in Burkina Faso which were becoming more evident at the time. The AfDB emphasised the importance of a concerted dialogue around this issue, and of a joint approach addressing the implications for future economic growth. As Chair, AfDB encouraged partners collectively to examine the situation and to develop a plan of action to address these challenges. AfDB provided valuable technical input, through its economist, into these discussions. A second area of focus was governance and corruption, where AfDB took a strong critical position, and specifically called attention to the need to address the capacity of public institutions as a foundation for change in the area of governance.

Other partners felt that AfDB was well positioned to take on both these points, due to its technical competence and because the sensitive issues around governance could best be put forward by a more neutral partner, i.e. one that is not associated with a particular government and that is seen as representing African interests. As one of the interviewees put it: *"this is precisely the kind of role that the AfDB should play more widely"* and *"AfDB's added value lay in being able to raise issues and to work with Government and partners on*

*finding solutions*". Reflecting on this contribution, other partners highlighted that AfDB's input had been outstanding, and a step above that of others who had been in the position before. AfDB has also played an important and widely appreciated technical and leading role in the Public Finance Working Group which led to the adoption of a Partnership Framework on Public Finance that harmonised action by the DPs.

### **Partners have little understanding of the AfDB's overall strategy, and what role PBO support plays in this respect**

PBOs and projects are the two main AfDB instruments in Burkina Faso. In practice the two are very separate in terms of their management and engagement; they follow different procedures for approval and disbursement and differ substantially in the extent to which they use country systems. Partners said they had little understanding of the AfDB's overall strategy for its support to Burkina Faso: even partners who interact regularly with AfDB (such as the WB) seemed unclear as to what role PBO support plays within the overall portfolio of the Bank, and more generally what the medium to long-term vision of the Bank is with respect to its different instruments and how this might evolve. Many partners in Burkina Faso have moved to providing a very substantial part of their financial contribution in the form of budget support – an area where it was felt that the AfDB should be setting the agenda and using its engagement in structural reforms to commit more strongly. It was also not clear how the Bank might envision using its experience in social sectors, for example, to strengthen its engagement at the level of GBS. As noted above, a number of partners were particularly confused by recent decisions regarding the composition of the loan and grant components of the AfDB portfolio. There is also a perceived contradiction between the Bank's very successful support of public finance issues and the continued dominance in its overall portfolio of parallel projects which do not use the Government systems which Bank support has helped to strengthen.

The GoBF would like to see AfDB PBO support evolve to become a more substantial part of its overall portfolio – which is already the case for other partners (the EC, the World Bank, and leading bilateral agencies such as the Netherlands, etc., for whom GBS constitutes between 50 and 70% of their aid portfolio). The EC Millennium Development Goal Contract was cited as an example of clear commitments and longer term predictability<sup>8</sup> which the AfDB should strive to follow. Other partners, too, felt that the AfDB needs to be clearer on its strategy and approach, and that greater synergies and compatibility in terms of ways of working should be developed between the PBO and project elements of the portfolio. There was a clear message across different stakeholder groups that while AfDB has made important progress in harmonisation and alignment, it should translate these commitments into reforms of its agency. The role of AfDB in developing regional agendas and priorities around issues such as (road) communications and market/commercial development was also emphasised.

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<sup>8</sup> The EC had signed the MDG Contracts in a total of eight countries in 2010, including with Burkina Faso (other countries include Ghana, Mali, Mozambique, Rwanda, Tanzania, Uganda and Zambia). The MDG contract provides for more predictable aid, with engagements that go up to six years (two times the average budget support engagement period). The MDG contract provides a minimum level of aid, practically guaranteed, for each year, as well as variable annual tranches based on a pre-agreed calendar.

## Design

### **Guidelines on how decisions are made on individual country PBO allocations have become clearer over the evaluation period, but could be further strengthened**

The CSP is the main document providing guidance for the AfDB at country level on where PBOs will be used and how PBOs will strengthen and complement the implementation of the AfDB programme. In the case of Burkina Faso, the first two CSPs (1999–2001 and 2002–2004) did not mention PBO support. The first CSP (AfDB, 1999) also did not focus on the provision of budget support, although it was noted that Germany and The Netherlands had both initiated BS to the country. At that time, the AfDB was not directly engaged in country dialogue around GBS. The situation changed somewhat with the 2002–2004 CSP which specifically states that multi-sectoral support will be used to consolidate the macroeconomic framework, pursue structural reforms and improve governance (AfDB, 2003a, p. 10.). The approval of new instruments by the Bank is noted, including the Development Budget Support Loan (DBSC), Sector Wide Approaches (SWAs), and specific instruments in support of governance initiatives (the Country Governance Profile (CGP) and the Good Governance Support Programme (PABG)). However, there is no discussion in the document as to what specific opportunities this represents or how it may affect the composition of and priorities in the portfolio.

The third CSP (2005–2009) specifically mentions the use of different instruments (AfDB, 2005e). It indicates that the multi-sectoral efforts will target reforms initiated by the country in 1991. PBO support is presented as an instrument to promote macro-level reforms which will build upon earlier efforts by the Bank to strengthen capacity of the Government. Within this context, the liberalisation of the economy, the privatisation of state-owned enterprises, the re-channelling of expenditure to the social sectors and improvements in governance are highlighted as priorities. There is no discussion or mention, however, of a specific level of PBO support. The last CSP document – which as noted above is an extension of the earlier CSP – again emphasises that budget support is provided in support of the overall reform process in the country (AfDB, 2010a). It specifically underscores the importance of PBO support for macro-economic stability (in a difficult economic context) and for attenuating the impact of the economic crises and floods on the economy. The CSP makes reference to complementarity between PBO support to the PRSSP and the other components of the programme. However, the specifics of this are not explained in detail in the CSP itself, though they are found with somewhat more clarity in the Programme Appraisal Document for PRSSP V<sup>9</sup> (AfDB, 2010a).

Overall, the evaluation finds that guidance provided by the CSP has become stronger, but that the discussion on the strategy and approach, and on how synergies will be achieved between the various instruments, is still insufficiently reflected in the CSP document, although it does appear more clearly in other documents. Finally, it was clear from the interviews conducted in the context of this evaluation that, while they could identify AfDB with specific priority areas in the context of GBS, partners were not clear on the AfDB's overall

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<sup>9</sup> The Programme Appraisal Document for PRSSP V (AfDB, 2010) states that this programme has linkages with: a) the public finance management reforms which are supported by the Project in Support of Public Expenditure Programming and Control Institutions (PAI-PDC); b) with other projects in the portfolio in the areas of transportation, agriculture and rural development, water and sanitation, and the social sectors, through improving public finance governance and contributing to economic recovery; and c) the regional integration efforts by fostering the application of regional standards and guidelines especially in the area of public finances and public procurement, in the context of which the Bank supports the WAEMU initiatives through the Public Procurement Reform Support Project and the Harmonised Public Finance Framework Reform Support Programme

strategy and the manner in which its project and PBO portfolio would contribute to achieving these goals.

**The use of conditionality has been strengthened based on lesson learning, but effectiveness of PBOs is constrained by: the use of AfDB-specific conditionalities, rigid funding instruments, and centralised approval processes**

The interviews conducted by the evaluation team, and the documentary evidence, shows that there has been evolution in terms of the use of conditionalities in Burkina Faso. This has been the result of lesson learning by the AfDB, the GoBF and other DPs. In the early part of the evaluation period, conditionalities were negotiated bilaterally between each DP and the GoBF. For the first three AfDB PBOs the disbursement of funds was based on a large number of conditionalities that were specific to the AfDB. The PRSSP reviews for these PBOs, clearly highlights the difficulties that were encountered in the AfDB PBOs in terms of the kind of conditionalities, their number, and the manner in which they were formulated. This made it difficult for conditionalities to be met and produced delays in PBO implementation and completion.<sup>10</sup>

The use of conditionalities in Burkina Faso has evolved over the evaluation period to a system of joint dialogue. Partner funds are now released on the basis of performance assessed against a matrix of joint measures agreed on by partners and the Government, that are also more in line with the GoBF's planning and budgeting cycle. Lessons from earlier PRSSP operations (as discussed above in Section 4) have been taken on board, not just by the AfDB, but by all PBO partners collectively. There is consensus that: a) conditionalities have become more realistic; b) are more carefully and precisely formulated; c) are based on more realistic time frames; and d) there is greater awareness and effort to provide the required technical support in areas that will support the GBS process (e.g. procurement reform). The result is that the number of measures in the PAF matrix has been reduced, and there has been a reduction in the number of conditionalities that are specific to certain agencies (AfDB, the WB and a number of other agencies still have some), these are also included in the overall joint matrix.<sup>11</sup> Currently AfDB PBO funding is disbursed on the basis of a positive assessment of three general criteria and three specific conditions.<sup>12</sup>

Nonetheless, areas of concern/difficulty remain. The process of accommodating joint and individual conditionalities has resulted in a performance matrix although shorter but still comprises of 50 measures<sup>13</sup>. This makes it difficult to effectively discern priority setting

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<sup>10</sup>In PRSSP I there were seven specific conditions. For PRSSP II, the disbursement of the first tranche was subject to the Government's undertaking to continue the implementation of policy reforms, and the fulfilment of three specific conditions. The second tranche was subject to the positive appraisal of the application of the measures set out in the development policy letter as well as in the Matrix of measures, and implementation of three specific measures. The first and second tranches of PRSSP III were respectively subject to six and seven specific conditions. PRSSP IV was subject to a positive assessment of three general criteria and three specific conditions.

<sup>11</sup> The AfDB specific conditionalities are number 39 and 47 of the joint matrix respectively.

<sup>12</sup> In this context the 2010 Appraisal Report for PRSSP V explicitly notes that "in designing PRSSP V, the five (5) principles of good practices for the application of conditionalities were observed" (AfDB, 2010b), namely: a) strengthening of ownership by joint design; b) adoption by the TFP of the Framework Note for the Government's new Strategy for Accelerated Growth and Sustainable Development (Stratégie de Croissance Accélérée et de Développement Durable, or SCADD) and the Government's Action Plan in response to the economic and financial crisis and the flooding as the framework for coordinating BS; c) using modalities of support that are in keeping with national priorities; d) choosing a limited number of conditionalities which derive from the joint (Government-Partners) matrix; and e) ensuring the Bank's support is aligned with the budget cycle.

<sup>13</sup> These measures relate to: a) improving the business and private sector climate; b) strengthening and promoting productive sectors; c) improving access by the poor to basic social services; d) water supply and

among the many agendas that it contains complicating processes for the GoBF. The continued use of agency/organisation specific conditionalities by the AfDB and a number of other DPs is counterproductive, as they: a) still result in bilateral consultations because they are of less interest to other partners; b) dilute the thrust and impact of the reform agenda; c) lead to micro-managing; and d) put a considerable burden on the Government. The 2009 Monitoring Report of the Paris Declaration in Burkina Faso (Ministère de l'Economie et des Finances, 2010) notes the constraints on aid effectiveness that result from the number and type of conditionalities. Other areas of concern noted by the report include continued poor predictability, difficulty tracing funding sources and flows, and the multiplicity of procedures and actors.

With respect to AfDB-specific conditionalities the evaluation was given to understand that the choice of these is often not in line with what is considered locally important and/or manageable, as decisions must be informed by the Bank's overall policies/practices and guidelines. Other DPs referred to the AfDB negotiation around conditionalities as a "black box" process where those to be used end up being included in the matrix "for the sake of form". Furthermore, the short time-frames of AfDB support inform the kind of conditionalities that the AfDB negotiates and reduces their effectiveness as the conditionalities have to be achievable and met over a short time-frame. Finally, the AfDB financing instrument does not seem to be able to take into account progress/development in the context. . Other partners, such as the WB and the EC, are able to operate more flexibly and can make partial disbursements based on progress made, and accommodate for changes in the environment.

For a number of partners the continued use of specific conditionalities reflects a lack of real understanding by AfDB and other agencies of the full thrust of the Paris principles, and contradicts the other efforts which the AfDB (and some other DPs) have been making at country level towards greater harmonisation and alignment. Therefore, while the evaluation is able to conclude that progress has been made with respect to conditionalities over the period under consideration, it is clear that further work is needed to adapt AfDB instruments and procedures to the lessons that are being learnt from their use at country level. This lesson learning needs to involve both HQ and country offices, and should be shared with other partners so that agencies such as the AfDB, the WB and the EC can strive to adopt a compatible approach.

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sanitation; e) equity based employment and income generation; f) promoting good governance; g) political governance; and, h) monitoring and evaluation.

## 6 Issues

This evaluation has established overall a positive picture. The opening of the BFFO, the high level of expertise and commitment of the Resident Representative and technical staff have been important ingredients in the successful engagement and use of PBO support by AfDB in Burkina Faso. Their good working relationship with HQ has been equally important.

In spite of this positive picture, it is the considered view of this study that the decentralisation process needs to advance further, and that more decision-making powers need to be given to the Country Offices. In the particular case of Burkina Faso, it appears that the Country Office has been able to “work around” the constraints flowing from the need to refer key matters to HQ as a result of a ‘lucky’ combination of personalities at country and HQ level and a great deal of persistence and engagement on all sides. This does not provide the basis either for running a sustainable Burkina Faso programme in the future or for running PBOs in other countries. The AfDB needs look more closely at the specifics of the BFFO and to learn lessons about decentralisation. There is also a need to review the staffing of the BFFO as it is not commensurate to the size of the portfolio, the dynamics of the country level aid coordination structures, and the nature of the engagements that AfDB undertakes.

The evaluation points to areas where the planning and implementation of PBOs can be improved. Predictability in the medium to long term remains constrained by the short time-frames of support. CSP guidance on the use of PBOs has improved but there is room for further detailing of the strategy and approach with respect to the various instruments and parts of the portfolio and how synergies and complementarity will be achieved.

In practice the evaluation finds that there is little interaction between the project and PBO elements of the BFFO portfolio. The use of conditionality has evolved over the evaluation period but the fact that AfDB continues to have its own specific conditionalities runs counter to the commitment to greater harmonisation and increases transaction costs for Government. The lack of flexibility in terms of conditionalities in practice means that AfDB is unable to make adjustments to the agreed conditionalities, and does not have the facility to make a (partial) disbursement if not all of the conditionalities have been met. A final issue concerns communication, where further efforts are needed to explain to other partners what AfDB’s engagement consists of and how it works. The BFFO has asked for a communication expert to be added to its roster of staff, but has yet to receive approval for this.

The following reflections emerge from this study. These reflections will feed in to the country case study synthesis, and into the overall evaluation report, which will include recommendations on the whole body of evidence collected in the course of this evaluation:

1. ***Decentralisation of decision making*** – This country case study illustrates the leading role that AfDB has played at country level in policy reform, institutional strengthening, and aid effectiveness. Lessons from this study include the importance of high calibre staff, a solid understanding of context, the benefits of greater harmonisation with partners, identifying areas of potential added value, clear agenda and priority setting, and the need for good working relations between HQ and the field. Good progress has been made, but there is a need for the AfDB to invest more in strengthening the human resource base that the BFFO has provided at the country level so it can play the greater role it has the potential to play. The AfDB also needs to ensure that decision making is sufficiently decentralised to allow for effective action. Processes between HQ and the field need to be streamlined and adequate incentives need to be created across the organisation for performance on PBOs.



2. **CSP guidance on PBOs** – The BFFO has had a clear agenda for PBO support. CSP guidance on PBOs needs to be further strengthened to reflect the specific role of PBO in the Burkina context. In particular the CSP needs to make explicit how the project and PBO components of the portfolio complement one another and what the long-term vision and expected evolution of the instrument are. This will require reflection and decision-making at country level and also at HQ level, taking into account the findings of these case studies. AfDB as a whole should spell out more clearly its targets and its medium-term vision for PBOs, and how PBL will contribute to the success of the overall AfDB portfolio.
3. **Time-frames and approach** – A longer-term more programmatic approach to country-level PBO support would increase the effectiveness of the instrument. Longer time-frames would constitute a more realistic approach to policy and institutional reforms, which require time to be implemented in a context where capacity and structures are weak. A longer-term approach would also be more in line with the approach by other partners and contribute to the overall goals that are being targeted. It would also go some way to addressing the issues identified in this study with respect to conditionalities.
4. **Procedures for disbursement** – This country case highlights that AfDB needs to review its procedures and requirements for the disbursement of PBO funding. So that it becomes possible to disburse funding in situations where good (but perhaps not complete) progress has been made and to accommodate unexpected changes in the context (such as the effects of an economic crisis). AfDB should carefully examine the changes that other partners (such as the EC, the WB and a number of bilaterals) have made in recent years and feed these lessons into its ongoing stock-taking of its operations to ensure its own instruments remain efficient, effective and relevant and that they contribute as well as possible to the objective of greater harmonisation.
5. **AfDB conditionalities** – More work needs to be done with other partners to move towards a small set of commonly agreed conditionalities, and away from individual agency-specific conditionalities. This will require changes in terms of HQ policy and practices.
6. **Capacity development and PBO effectiveness** – BFFO has accorded a high level of priority to the role of strong institutions in policy reform. The integration of institutional strengthening and technical support in PBO support in Burkina has provided a workable solution to strengthening ownership and to ensuring that capacity is built and is a best practice from Burkina Faso which should be considered for other countries.
7. **Staffing of BFFO** – In Burkina Faso, AfDB has punched above its weight. Nonetheless, the staffing is severely constrained and needs to be reinforced. The current staffing level is putting considerable strain on the existing human resources and is not sustainable.

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## Annex A Evaluation Matrix Burkina Faso

<p><b>Main evaluation questions</b></p>
<p><b>C. Has AfDB developed the organisational capacity and capability to deliver PBOs efficiently and effectively?</b></p> <p>C1. Has AfDB adopted an explicit in-house capacity building programme to support delivery of PBOs? If so describe it.  C2. Has AfDB been appropriately structured and staffed to deliver PBOs? What was done?  C3. How have successive efforts to reorganise the AfDB and decentralise affected the planning and delivery of PBOs?  C4. In what ways have internal business processes helped or hindered the processing, approval and disbursement of PBOs? Specify examples.  C5. Have the AfDB's corporate systems for knowledge sharing, results monitoring and financial management support effectively contributed to PBOs delivery? Has anything been weak or missing?</p>
<p><b>Answers</b></p> <p><b>C1. Explicit in-house capacity building programme to support delivery of PBOs</b>  There is no clear capacity building strategy of the AfDB in support of PBL in the country. Capacity building around BS issues takes place internally, through meetings between AfDB economists. Also some internal processes favour capacity building such as deliberate actions to promote sharing of experience, soliciting inputs from other country staff in design and evaluation of PBOs, and documentation sharing. While there is good technical capacity at the country office, it is not sufficient to provide in-depth support on all aspects of PBO dialogue. Staffing is stretched to provide inputs into the many fora for dialogue at national and sectoral level. The existing sectoral staff of the AfDB are not able to provide adequate levels of technical input into GBS dialogue due to heavy workloads related to project management and unfilled staff vacancies, e.g. in the social sectors. In 2008, when AfDB was chairing the GBS group, a consultant was hired to help in the office organisation and the coordination of GBS activities. Recently, capacity was enhanced by the recruitment of a macroeconomist. At the time of the evaluation, only one local economist supported from time to time by a consultant was involved in the PBO dialogue and monitoring process.</p> <p><b>C2. Structuring and staffing for PBO delivery?</b>  The lack of sufficient staff leads to current staff responsible for delivering PBOs having too heavy a workload. BS support processes require a permanent dialogue with the Government and other partners at both general and sectoral levels. But the BFFO does not have sufficient technical staff to contribute effectively in several sectors especially where they don't necessarily have the expertise. The AfDB also has fewer staff compared to other multilateral partners. The World Bank has more than 30 staff members in its country office; the AfDB has only 9 persons (6 sectoral staff and 3 persons for macroeconomics and BS activities). During the joint evaluation of the CGAB-CSLP, the AfDB is usually represented by 2 or 3 members, while the World Bank has more than 20 representatives coming from the country office and the HQ and covering different sectors. In spite of this both Government and other DPs underscored the excellent professional input coming from the AfDB staff, attributable to a significant degree to their level of experience and in the case of the local professional economist staff to their prior working experience at senior level in Government offices.</p> <p><b>C3. Impact of reorganisation and decentralisation of AfDB on the planning and delivery of PBOs?</b>  Opening the office has positively affected planning and delivery of PBOs. This has influenced the manner in which PBOs are used, and the nature of the interaction of AfDB with the country and its partners. AfDB is able to engage directly with the local context, and to use PBO support much more effectively. The opening of the field office made it possible for AfDB to participate in processes at country level and to be able to influence policy decision</p>

<p><b>Main evaluation questions</b></p> <p>making. However, effectiveness of PBOs is affected by the fact that the instruments for funding are rigid and that processes for approval take a long time and are still heavily centralised. In most aspects the establishment of the office has not been accompanied by the delegation of decision-making authority and this impacts on the delivery of PBOs even though the Burkina Faso Field Office (BFFO) appears to maintain excellent relations with the regional office in Tunis. Disbursements of PBO funding also often come late(r) in the fiscal year, creating problems for the Government. The precise reasons for these delays were not clear to the evaluation team.</p> <p><b>C4. How have internal business processes helped or hindered the processing, approval and disbursement of PBOs?</b></p> <p><i>BFFO internal business processes do not hinder the processing, approval and disbursement of PBOs, and the establishment of the BFFO has contributed to streamlining the bureaucratic work.</i> Meetings are regularly held at the country office level to share information and to take major decisions. This facilitates the procedures once the PBO's approval and disbursement decisions are made at HQ. The Intranet has facilitated the flow and exchange of information related to the preparation and approval of PBOs and has been beneficial to reporting between AfDB and implementing agencies, while the presence of disbursement staff has facilitated disbursement.</p> <p><b>C5. Knowledge sharing, results monitoring and financial management?</b></p> <p><i>Knowledge sharing and results monitoring effectively contribute to PBOs' delivery.</i> Knowledge sharing takes place through meetings between professionals and through sharing documents, reports and experience from other countries. Field professionals are often members of project evaluation and appraisal missions in other countries in the region. One of the economists of BFFO was part of the evaluation mission of the Governance project in Gabon. Peer evaluation is another way of sharing experience from projects being implemented elsewhere. Over knowledge sharing, results monitoring and financial management are of good quality and contribute to the areas where PBO support has been successful.</p>
<p><b>E. How well has AfDB matched the PBO to the needs and situation of individual Regional Member Countries (RMCs)?</b></p> <p>E1. What steps did AfDB take in the PBO operation to analyse the problems and understand the political context and level of stakeholder support? Who was consulted in the appraisal and design phase?</p> <p>E2. What actions did the AfDB take to effectively appraise PBO operations to identify the key policy options and constraints on growth and poverty reduction?</p> <p>E3. Was fiduciary risk systematically assessed and compared to potential benefits of PBO? What did this involve?</p> <p>E4. Was AfDB appraisal work typically based on sufficient knowledge of recipient countries and take into account past reform experience?</p> <p>E5. How flexible has AfDB been in appraising and selecting the PBO instrument and conditions to match the local context?</p> <p>E6. Have PBL log frames provided a coherent and robust basis for tracing results and measuring outputs achieved?</p> <p>E.7. To what extent did the design of PBO impose additional reporting and accountability requirements on the partner Government? Was the design informed by prior discussions with the RMC and with development partners already contributing to the PBO?</p>
<p><b>Answers</b></p> <p><b>E1. Steps taken in PBO operation to analyse problems and understand the political context and level of stakeholder support?</b></p> <p><i>The political context and the level of stakeholder support are analysed in depth.</i> The Country Strategy Papers (CSP) are prepared using information from the local country strategy papers (CSLP) and other related documents and the PBO appraisal documents show evidence of in-depth understanding of the Burkinabe context. In Burkina Faso, the CSLP is the only reference framework for all development partners. The CSLP preparation process requires</p>

## **Main evaluation questions**

extensive consultation with all stakeholders in the country. For the preparation of the CSP, AfDB used a participatory approach that brought together those active in the country's economic life (AfDB, Government, civil society, private sector and donors). The policy dialogue also takes place during periodic meetings with Government and partners within several dialogue groups (CGAB-CSLP, PAP-CSLP, Commissions Sectorielles et Thématiques (CST)).

### **E2. Steps taken to effectively appraise PBO operations to identify policy options and constraints?**

The appraisal documents identify Burkina Faso's major economic constraints on growth and poverty reduction and its potential. The AfDB's strategy, essentially, follows the main objectives set by the Government in its development agenda and its efforts to combat poverty. The Bank also relies on existing documentation from other donors, on studies conducted in the country and on the outcomes of strategies implemented by the Government, in addition to carrying out or commissioning its own studies. Actions aimed at removing sectoral constraints are identified following the priorities set by the Government.

### **E3. Assessment of fiduciary risk?**

*Fiduciary risk is periodically assessed and seems to be under control.* Fiduciary risk was assessed using the Public Financial Expenditure Accountability (PEFA) method. This method was used in 2007 and 2010 to assess the management of public finance institutional settings and its credibility, and overall has shown there to be good progress. The ratings reveal that the quality of the management of the public finances is generally satisfactory and has improved between the two PEFA exercises. Weaknesses in particular in the field of public procurement are to be noted.

### **E4. Depth of appraisal work?**

*The appraisal documents clearly indicate an assessment based on an in-depth knowledge of the country context, taking into account lessons learned from previous reforms.* The country's context (social and economic background) is well described and documented. There is also clear evidence of a process of lesson learning from one CSP to the next, and in the latter period, of joint lesson learning by DPs in the context of the BS framework.

### **E5. Flexibility of AfDB in appraising and selecting PBO instruments and conditions?**

*PBO funding by AfDB follows priorities set by Government.* Initially (first three PBOs) disbursement of PBOs was based on a large number of conditionalities. Disbursements were often much delayed and did not take into account the calendar of Government expenditure. This has evolved to a system where PBO funding is released based on performance against a matrix of measures agreed upon by partners and the Government and is more in line with the Government planning and budgeting cycle and in line with policy achievements which are agreed upon jointly. Currently AfDB PBO funding is disbursed on the basis of a positive assessment of three general criteria and a set of limited specific ones.

### **E6. Coherence and robustness of PBL log frames for tracing results and measuring outputs achieved?**

*There is little concern with the PBL log frames used since the adoption of the joint matrixes by DPs and the GoBF in 2005.* The joint matrix provides a coherent and robust basis for tracing results and measuring outputs achieved. The indicators are jointly determined by the Government and the Development Partners. Working together makes it possible for the donors and the Government to agree on a set of realistic and reduced number of indicators which are easy to measure. There are prior negotiations among partners on the types of indicators, and the way of formulating and presenting them and these are then reflected in the PBL log frames.

### **E7. Existence of additional reporting and accountability requirements on the GoBF? *No additional reporting and accountability is required.***

## **F. How efficiently and effectively has AfDB planned and designed PBOs?**

F1. How are allocations for PBL made within the AfDB and country programmes?



<p><b>Main evaluation questions</b></p> <p>F2. What are the key design features of the PBOs used?</p> <p>F3. How does the approach to PBO design compare with other major providers such as the World Bank?</p> <p>F4. What have been the trends in the use of multiple or single tranches?</p> <p>F5. How has the approach to conditionality evolved over time and how did AfDB seek to exert policy leverage? Have current conditionalities been informed and shaped by discussions with the RMC?</p> <p>F6. How effectively has AfDB dealt with non-compliance with PBL conditions by partner countries?</p> <p>F7. What steps were taken to ensure that the monitoring and reporting requirements of PBOs were appropriate?</p> <p>F.8 Has there been an adequate M&amp;E framework in place? Is it aligned with other development partners and designed in consultation with Government? Have lessons learned been fed back into PBO design?</p>
<p><b>Answers</b></p> <p><b>F1. How allocations for PBL are made within the AfDB and the country programme</b></p> <p>In the BFFO, the AfDB portfolio consists of roughly one fifth of GBS support, and the remainder are projects (mostly in infrastructure). However, decisions are made in Tunis (by a separate department) on the specific PBO instruments, with a reported ceiling of 25% for GBS support. How the allocation is made is not clear to the BFFO.</p> <p><b>F2. Key design features of the PBO?</b></p> <p>PBOs are designed in close collaboration with the GoBF and other DPs. In the latter part of the evaluation period design has been very closely harmonised with DPs and aligned with GoBF priorities and explicit requests in terms of the manner in which the funds are managed. PBO funds are paid into a treasury account at the national agency of the Central Bank of the Member States of West Africa (BCEAO) and then transferred to the national Treasury. Once in the treasury, PBOs use national reporting and procurement procedures. To fulfil the audit requirement, Partners trace funds until they reach the Treasury.</p> <p><b>F3. Compatibility of PBO design with other major DPs?</b></p> <p><i>There has been a strong trend of harmonisation of the approaches of different donors in response to Government requests and much of the PBO design is done together. AfDB PBO mechanisms for disbursement, however, differ from the WB and the EC. AfDB disbursement decisions are based on the annual review of the Performance Criteria Matrix and the achievement of a few additional conditions taken from the matrix. These conditions act as triggers for the year n+1. The WB uses triggers for disbursement and requires that each single condition be achieved and be documented before any disbursement. In general WB has 9 triggers and the AfDB around 3 triggers. EC has moved toward a more flexible PBO conditions with a six-year time-frame for PBOs, During the first three years, there is a fixed tranche consisting of 90% of the total amount. Disbursement decisions are based on three eligibility criteria. For the remaining three years, the funding consists of one fixed tranche (50%) and one performance tranche (50%).</i></p> <p><b>F4. Trends in the use of multiple or single tranches?</b></p> <p><i>There has been a shift from single tranches to multiple tranches over the evaluation period. The number of tranches depends on the amount of the funding and the time-frame of the loan. PRSSP I involved just one tranche, but upon completion 24 of the 99 measures were in place and the Project Completion Report (PCR) concluded that: "Disbursing in a single tranche needed to be reviewed as this deprived the Bank of the means of influencing the implementation rate of reforms". PRSSP II, III and IV were two tranche operations.</i></p>

## Main evaluation questions

### F5. Extent to which approach to conditionality has evolved over time, and how AfDB seeks to exert policy leverage?

Conditionality has changed over time. Initially (first three PBOs) the disbursement of PBO funds was based on a large number of conditionalities. This has evolved to a system where the release of PBO funds is based on performance against a matrix of measures agreed upon by partners and the Government and is more in line with the Government planning and budgeting cycle. Currently AfDB PBO funding is disbursed on the basis of a positive assessment of three general criteria and a limited number of specific conditions. In PRSSP I there were seven specific conditions. For PRSSP II, the disbursement of the first tranche was subject to the Government's undertaking to continue the implementation of policy reforms, and the fulfilment of three specific conditions. The second tranche was subject to the positive appraisal of the application of the measures set out in the development policy letter as well as in the Matrix of measures, and implementation of three specific measures. The first and second tranches of PRSSP III were respectively subject to six and seven specific conditions. PRSSP IV was subject to a positive assessment of three general criteria and three specific conditions. However, the specific conditions of the AfDB (and of other DPs who chose to have specific conditions – this is not the case for the EC, for example) are still reflected in a joint Performance Assessment Framework (PAF) for BS. However, PRSSP V again used only a single tranche, reportedly because of the relatively lower financing involved. PRSSP V has two specific conditionalities. Overall therefore the trend has been to reduce the number of conditionalities but to maintain agency-specific ones.

### F6. AfDB's response to non-compliance?

*Non-compliance with conditions has sometimes delayed disbursement and has been dealt with by the AfDB.* For instance, for PRSSP I there was a "long delay in the ratification of the loan agreement, the conditions of entry into force of the loan were not fulfilled before the end of the 2001 budget cycle and the disbursement was, therefore, released in February 2002. To address its cash flow difficulties in 2001, the Government had to resort to borrowings from the BCEAO and on the financial market. The ADF resources helped mop up the debt contracted by the Government to pay off the borrowings" (PCR, 2005: p.3).

### F7. Steps related to monitoring and reporting requirements?

*Monitoring and reporting requirements of PBOs are appropriate as they are aligned and harmonised with other donors.* PBO monitoring is now jointly conducted with other partners (e.g. joint preparation mission for PRSSP IV with the WB, and in 2010 joint portfolio review). This has reduced the transaction costs for the Government.

### F8. Existence of an adequate M&E framework? Alignment with other DPs and design with Government? Feedback of lessons to PBO design?

Monitoring and evaluation framework is designed in accordance with other donors and the Government. The framework is aligned and harmonised. The AfDB and the WB plan to conduct a joint portfolio review in 2010.

## G. What has been achieved by AfDB through the provision of PBLs?

G1. What has been the disbursement record of PBL?

G2. What has been the record of achievement of policy targets set by the AfDB and agreed with RMCs?

G3. To what extent is AfDB perceived by partner Governments and donors as playing an active part in policy dialogue and adding value to the process?

G4. To what extent has AfDB demonstrated to the donor community the benefits of PBL in new and difficult environments such as fragile states?

## Answers

### G1. Disbursement Record

The disbursement record of PBLs has improved over the evaluation period and the delays have become shorter. Delays are generally related to the

## Main evaluation questions

complex kinds of reforms that are being pursued, their sensitive nature, and the fact that these require a participatory approach involving a number of different stakeholders. However, complying with AfDB procedures has also been a cause of some delays. Nonetheless, overall, delays have been reduced. Thus while PRSSP I was implemented with a delay of 34 months, this was reduced to only 3-4 months for PRSSP III. For the first tranche this was related to difficulties with respect to the fulfilment of the condition on the adoption of a national anti-corruption policy, an area in which AfDB has been particularly vocal. As regards the second tranche, the national policy for land titles in rural areas was also adopted with some delay. These conditions are complex because of the sensitive nature of the reforms which require dialogue and a participatory approach.

### **G2. Record of achievement of policy targets**

*The record of achievement of policy targets has improved over the evaluation period, in particular in the context of joint donor and Government planning and monitoring of PBOs and a strong input from the BFFO. AfDB is widely credited with having contributed to the achievement of key policy targets. However, significant challenges remain related to corruption and specific areas of financial management such as the poor alignment of the PRSSP with the budget cycle.*

The record of PRSSP I and II was not very strong in terms of achievement of policy targets and these programmes were both assessed as having made a greater contribution in terms of the additional funds provided. As a result both PBOs received only a moderately satisfactory rating upon completion. Thus at the end of PRSSP II in 2005, the PCR concluded that the achievement of the policy reform goals was unsatisfactory and also that the structural reforms and formulation of results-based sector policies had fallen short of expectations, that the public procurement system continued to suffer from fundamental weaknesses, that the country's audit and control institutions remained weak, and that the planned steps/policies to be taken to promote greater economic liberalisation and to address corruption had not been implemented. The report also drew attention to the fact that the decentralisation process had been delayed which had had an adverse effect on the implementation of the poverty reduction measures.

However, with PRSSP III, which was prepared and implemented in the context of a strong donor coordination framework, the record of achievement improved markedly. The PRSSP III programme's overall performance was rated higher than the previous two PRSSPs with an average of 2.5 points. Areas of policy influence where progress had been recorded included addressing corruption (through the establishment of the High Authority for State Control (ASCE) in 2007); the development of a Public Finance Strengthening Strategy which shapes policies in this area; the establishment of an enabling legislative and regulatory environment for private sector development; the establishment of the Burkina Inter-professional Cotton Association (AICB) to strengthen action of this important area of the economy; and increasing funding for the social sectors (health and education). With respect to public procurement, the main advances were: the creation of the Government Procurement Regulatory Authority (ARMP); the Regulation of Delegated Contracts; and the adoption of the General Government Procurement Regulations. PRSSP IV had an overall rating of 3, the best performance out of all of the PBOs.

### **G3. Extent to which AfDB is perceived by partner Governments and donors as playing an active part in policy dialogue and adding value to the process**

AfDB is seen as playing a critically important role in policy dialogue since the establishment of the BFFO in 2006. AfDB is credited with being an important and constructive partner, and as having a clear agenda. AfDB has played a key role in coordination (e.g. as chair of the donor coordination group) on public financing and has contributed to bringing to the forefront the importance of addressing corruption. DPs and the GoBF both stress the important added value of AfDB's technical studies conducted in the context of PBO and project support which have been a useful support to the development of a clear agenda in specific areas such as public financing, and support to the commercial sector. The quality of technical staff on the ground and from HQ is also much appreciated.

### **G4. Extent to which AfDB has demonstrated to the donor community the benefits of PBL in new and difficult environments such as fragile**

<b>Main evaluation questions</b>
<b>states?</b> N/a to the context of Burkina Faso
<b>H: What did AfDB set out to achieve by providing PBOs and what factors influenced the choice of modality?</b>
<p>H1. Did the country strategy provide an adequate strategic and analytical framework for choosing an appropriate mix of aid instruments?</p> <p>H2. Was there a clear link and consistency between country programme and PBOs objectives?</p> <p>H3. What was the rationale for PBOs, the type chosen and the allocations made?</p> <p>H4. What were the objectives (written and unwritten) and the expected outputs of the PBOs?</p> <p>H5. How was the overall level of PBO determined within the country budget?</p> <p>H6. How were choices between aid instruments made in practice and how was the overall level of PBOs determined within the country budget?</p> <p>H7. Was the design of PBOs shaped to the specific institutional, economic and political context? Specify how.</p> <p>H8. What other (unwritten) factors and incentives may have influenced decisions to select PBOs?</p>
<p><b>Answers</b></p> <p><b>H1. Extent to which the Country Strategy guides the choice of aid instruments</b></p> <p>The CSPs distinguish between two pillars, namely the diversification of the economy and improving the conditions of poor people in Burkina Faso. <i>Budget support operations are reserved for actions aimed at strengthening macroeconomic stability and at pursuing reforms in the area of economic and financial governance.</i> In practice this has been in the form of successive PRSSP support programmes. In the Burkina Strategic Extension of the CSP for 2010–2011 (an extension of the earlier CSP to allow for the preparation of a new phase and better alignment with the ongoing Government process of preparing a new <i>Stratégie de croissance accélérée et de développement durable</i> (SCADD)) the ceiling for Budget Support is set at UA 10 million for 2010 (against a planned UA 35 million by the Government of Burkina Faso). This is related to the overall ceiling for ADF support for the country which was revised downwards as a result of the latest analysis of debt sustainability which classified Burkina Faso as in the red (and put it in the category of permitting 100% grants).</p> <p><b>H2. Link/consistency between Country Programme and PBO objectives</b> <i>There is a clear link and consistency between country programme and PBO objectives</i> as PBO objectives are aligned with the country strategy papers. Alignment has improved over time, with greater adoption of Government priorities and with better harmonisation between partners.</p> <p><b>H3. Rationale for PBOs, type chosen, allocations?</b></p> <p>PBO support has been used exclusively for the successive PRSSP operations. <i>The rationale for PBOs was that they are more Government-owned and that they are in line with the modalities of support by other donors.</i> Programmes are designed by Government and aid modalities are defined jointly. There is more room for the GoBF to define and address priorities. PBOs are also a good mechanism for ensuring rapid disbursement of aid funds. PBO dialogue in the GBS context is credited with having improved macroeconomic and financial performance. However, the link between GBS and poverty reduction is not so evident. There is among partners no clear understanding of AfDB's overall strategy with respect to PBOs, and as to how allocations are made between PBOs and other types of financing instruments such as investment loans.</p>

<p><b>Main evaluation questions</b></p> <p><b>H4. Overview of the objectives (written and unwritten) and expected outputs</b></p> <p>Generally speaking, the objectives of PBOs are to support the objectives of the Government as outlined in its Poverty Reduction Strategy. The <i>overall objective of the PRSSP IV of Burkina Faso is to contribute to reducing poverty by fostering the return to stable pro-poor growth based on private sector development that would broaden employment opportunities and income-generating activities for the poor.</i> The unwritten objective is to comply with the Paris Declaration. The expected output of PBOs is to establish a global equitable and sustainable growth framework in order to improve the living conditions of the populations, enhance the efficiency of the services and reduce poverty.</p> <p><b>H5. How was the overall level of PBO determined in the country budget?</b></p> <p><i>There is no clear pattern of how the overall level of PBO is determined within the country budget.</i> The use of PBO funding for certain initiatives is decided by HQ during programme design and appraisal and is also guided by what other donors were doing. Staff at the BFFO are not aware of a specific ceiling on PBO funding within the country budget, but did mention the 25% ceiling generally within the AfDB.</p> <p><b>H6. How are choices between aid instruments made?</b></p> <p>AfDB employs two types of instruments in Burkina Faso, PBOs and project support, and the two are very much separate in terms of their management and engagement. Project modalities are used for investment programmes, and this is preferred by Government given the large volumes of funding involved. <i>The choice of PBO support for the successive PRSSP operations is based on the nature of the intervention (macroeconomic support), the modalities employed by other partners, and the preference of the GoBF.</i> However, the choice appears to be guided by HQ rather than the BFFO as HQ plays the lead role in programme preparation and appraisal.</p> <p><b>H7. Design of PBO in relation to specific institutional, economic and political context?</b></p> <p><i>A participatory approach that brings together Government, civil society, private sector and donors is generally used for the design of PBOs.</i> Meetings with Government and partners within the different dialogue groups (CGAB-CSLP, PAP-CSLP, Commissions Sectorielles et Thématiques (CST)) are other ways for understanding the institutional, economic and political context. <i>Support to design and appraisal is provided by HQ.</i></p> <p><b>H8. Other incentives?</b></p> <p><i>The Paris Declaration was an important factor that influenced the decision to adopt BS.</i> Since then Development Partners have decided to bring their efforts together in a harmonised framework. AfDB had to be part of this framework and has actively contributed to the harmonisation and alignment process through its technical inputs and by taking a lead role in various fora.</p> <p><b>I: How relevant was the PBOs support to partner country problems, policies and priorities and were policy reforms owned?</b></p> <p>11. Was the PBO support consistent with the national poverty reduction objectives and development plans of the Government? Explain how this was assessed</p> <p>12. How far were the policy and institutional reforms targeted by the PBO developed by and in consultation with local stakeholders (both within and outside Government) and how far did they engage in preparatory analysis?</p> <p>13. In what ways did the AfDB analyse the political economy context and the potential winners and losers from policy and institutional reforms?</p> <p>14. Were alternative policies and reform measures considered?</p> <p>15. What inputs were actually provided and to what extent did they match the plans envisaged by the Government?</p> <p>16. Explain the process by which the programme was designed to ensure it was appropriate for achieving the objectives (e.g. adequate programme logic, appropriate reform instruments, adequate tranching?)</p>
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## Main evaluation questions

### Answers

#### **11. Consistency of PBO with national poverty reduction objectives and development plans of the Government? How assessed?**

*PRSSP is consistent with the development plans of the GoBF as expressed in the Poverty Reduction Strategy Paper (CLSP) adopted by the Government of Burkina Faso in 2000 and revised in 2004 with a view to achieving the Millennium Development Goals (MDG) by 2015. The PRSSP is the reference framework for all the Development Partners (DPs). In terms of quantity, the PRSSP seeks to: (i) increase per capita GDP by at least 4% per annum as from 2004 that is a real GDP increase of 7% to 8% per annum by 2015; (ii) reduce the incidence of poverty to less than 35%; and (iii) increase life expectancy to at least 60 years. The assessments have been done through appraisal missions which have taken place jointly in the latter part of the evaluation period with other partners and which involve extensive consultations with partners and the GoBF and are based on extensive analytical work.*

#### **12. Involvement of local stakeholders (from inside and outside Government) in preparatory analysis?**

*Local stakeholders are consulted in preparatory analysis for GBS support but there is variation in the extent to which different stakeholder groups are involved and in fact the CSP highlights insufficient civil society and private sector involvement in policy formulation (together with lack of prioritisation) as an important risk to success. There has been a progression in terms of consultation and involvement of stakeholders in preparatory analysis. PRSSP V was drafted through a highly participatory process. The preparation mission held discussions on the challenges, the medium-term strategic priorities of Burkina Faso, and the contribution expected from the Bank and other donors in order to achieve the MDGs.*

*AfDB holds regular consultations with the Government during different stages of the programme cycle. Sector ministries are involved and consulted in preparation processes. However, in general, the DPs and the GoBF are privy to most of the information and decision making. Civil society is consulted at particular moments in the preparation and appraisal but is limited in its capacity to engage with the process and provide inputs. Documentation is often circulated late which exacerbates the difficulties in providing technical inputs.*

#### **13. AfDB analysis of the political economy context and the potential winners and losers from policy and institutional reforms?**

*The successive PRSSPs show a strong analysis of the political economy context, in particular in the second part of the evaluation period. This includes an extensive analysis of risks. Thus the CSP 2005–2009 highlights (i) deficiencies in formulating the PRSSP; (ii) weak institutional capacities; (iii) existence of conflicting interests of various groups in the implementation of the PRSSP; (iv) poor mobilisation and coordination of external aid; and (v) risks concerning the MTEF. In the 2010 extension document for the CSP, additional risks specified include high indebtedness and weak capacity. However, the documentation does not systematically assess the potential winners and losers from policy and institutional reforms, rather there appears to be an assumption that these work out well for everyone.*

#### **14. Were alternative policies and reform measures considered?**

*Choices of policies and reform measures are made by the GoBF, and endorsed by the DPs who jointly fund these reform processes. In the first part of the evaluation period it appears that choices of policy and reform measures were mostly guided by what the Bank perceived were areas where it could have a comparative advantage, and by its agenda for reforms. However, with increasing coordination and harmonisation from 2005 onwards there has been a move towards joint assessment of policies and reforms and therefore joint agenda setting. The GoBF has also taken a stronger role in setting the agenda for policy reform. The discussion around PRSSP IV involves extensive analysis of policies and reform measures, with technical inputs from a variety of partners, including the AfDB. Alternative policies are considered in the preparatory process leading up to the PRSSP. However, *there is no consistent discussion in the documentation about the pro's and con's of different policies and reform measures.* The stipulation of additional conditionalities to those that are jointly agreed upon is the only way that AfDB (and other partners who chose to have additional conditionalities) have of setting specific policy agendas and this choice is guided by AfDB's own policies and priorities.*

<p><b>Main evaluation questions</b></p>
<p><b>I5. What inputs were actually provided and to what extent did they match the plans envisaged by the Government?</b></p> <p><i>The inputs provided matched the expectations of the GoBF for the first three PBOs although with some delays as mentioned above. The contribution of AfDB to PRSSP I, II and III, was in the order of 25%, 28% and 10% of the total funds provided.</i></p> <p><i>However, the revision of Burkina Faso's debt sustainability status has meant that financial inputs have fallen short of the Government's expectations in 2010. The final AfDB country allocation for Burkina Faso was UA 160.8 million in 2010 against a base allocation of UA 194 million. With the commitments already in place (loans and grants from 2008 and 2009, and a newly approved electricity project) this left a support of UA 10 million for Budget Support which was far below the expectations of the Government based on 2009 commitments. The BFFO has worked with the GoBF to minimise the impact by conducting a restructuring of the portfolio.</i></p> <p>In terms of non-financial inputs, both the GoBF and DP indicate that the opening of the BFFO, and the dedication of the staff has been reflected in a very active and high quality of technical inputs into the coordination process around BS and into the specific preparation, appraisal and monitoring of the PRSSPs.</p>
<p><b>J: How efficiently and effectively did the AfDB collaborate with other donors and contribute to the harmonisation process?</b></p> <p>J1. What were the areas of focus for AfDB conditionality and did this generate any “signalling” effects and positive incentives for implementation?</p> <p>J2. In the PBO process, what steps were taken to ensure an effective dialogue with Government was established which focused on key strategic priorities of Government, for example around PFM or procurement issues or other national or sectoral policies?</p> <p>J3. Was the PBO associated with non financial forms of assistance such as economic and sector work or technical assistance or linked to other AfDB capacity building projects and programmes in areas of strategic priority for Government? If so, specify how.</p> <p>J4. Explain how the AfDB provision of PBO has contributed to harmonisation and helped reduce transaction costs for Government?</p> <p>J5. How well did AfDB systems support harmonisation in country-in particular what was the role of the HQ based task leaders, convenience of mission schedules, engagement and voice in joint donor groups, role of the Field Office, Field Office and HQ relations etc.</p> <p>J6. If there has been non-compliance, explain what happened and specify how effectively AfDB dealt with this and was action taken and the extent to which they occurred in collaboration with development partners?</p>
<p><b>Answers</b></p> <p><b>J1. Areas of focus for AfDB conditionality? “Signalling” effects/positive incentives?</b></p> <p>The PRSSP IV for 2008–2009 is based on a specific matrix comprising a certain number of reform measures drawn from the Priority Action Programme and the matrix of performance and disbursement criteria of the CGAB-PRSF 2008–2010 which is the common platform for Development Partners' assessment of Government's performance in the implementation of the PRGF.</p> <p><i>As noted above, there has been an evolution from a large number of specific conditionalities by AfDB for disbursement, which were not agreed upon with other partners, to a mixture of progress on general reforms that are agreed upon among partners and specific reforms that the AfDB has identified as priorities with the Government of Burkina Faso and that have been included in the joint monitoring matrix for BS.</i></p> <p><i>There has been a clear learning process from previous budget support operations. Disbursement conditions are chosen that can be mastered by the Government; and these conditionalities must be aligned with measures in the common matrix.</i></p> <p>However, as a result of the alignment process some partners (e.g. EC) have moved away from specific conditionalities altogether. The setting of conditionalities by the Bank is seen by the GoBF as a necessary evil that keeps DPs happy. For those DPs who have moved away from specific</p>

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conditionalities it is therefore not clear why the Bank still needs to insist on specific ones. The Bank itself explained that this is related to the fact that conditionalities are required by HQ for PBO support.

### **J2. In the PBO process what steps have been taken to ensure an effective dialogue with Government?**

*The PBO processes have all involved dialogue with the Government.* However, PRSSP I and II were prepared and implemented without coordinating with and linking into the aid coordination mechanism. In this context, the PCR for PRSSP II noted that “By not participating in the mechanism for aid coordination established by member countries of the Common Budget Support Group, the Bank denied itself an important tool for the coordination of its intervention and influence on programme implementation” (PCR). This was rectified for PRSSP IV and V which have involved dialogue with Government through joint appraisals and reviews with other partners, and through AfDB participation in aid coordination and thematic groups. PBO preparation and implementation in this context has taken place jointly with the Government and other partners.

### **J3. Was the PBO associated with non financial forms of assistance such as economic and sector work or technical assistance?**

Yes and this is one of the areas where other partners feel that AfDB has a particular added value. AfDB analytical studies in areas such as financial reform and public procurement have informed design and implementation of the PRSSP support programmes, both by the Bank and by other partners, including the GoBF.

An innovation in this respect has been the inclusion of technical assistance as part of the PBO support, rather than being provided as a separate project. This is based on experience from the early part of the evaluation period when technical support projects often only started when the intervention had already been completed. The approach of providing integrated technical assistance is highly appreciated by the GoBF which cites promotion of ownership and use (and therefore validation of Government procedures) as two important factors.

PRSSP IV also ties in with the support Project for public expenditure and control (PAI/PDC) adopted since November 2006 and which is aimed at improving public expenditure control mechanisms and their supervisory organs.

### **J4. Explain how the AfDB provision of PBO has contributed to harmonisation and helped reduce transaction costs for Government.**

Poor performance on PRSSP I and II, and the challenges of bringing about policy change, underscored the importance of providing PBO support in a coordinated manner. *Since the opening of the BFFO, the Bank has been actively involved in efforts at improving aid coordination, and harmonisation, in Burkina Faso.*

The BFFO is a member of various coordination groups including, (i) the PRSF Steering Committee, (ii) the General Budget Support Framework for the implementation of the Poverty Reduction Strategy Framework in Burkina Faso (CGAB-PRSF), (iii) the Enhanced Public Finance Strategy (SRFP) Management Committee through the Partnership Framework for Support to Public Finance Enhancement (CAPA/FP) for which it has been playing a leading role for the past eight years, as well as (iv) various sectoral thematic Commissions.

Alignment with general budget support and the concentration of efforts on Government’s priorities in the context of PBO support have contributed to improving aid efficiency. In particular, partners have moved to joint planning and appraisal, to using Government systems, and to the use of a joint monitoring matrix to assess performance. GoBF officials were clear that this has resulted in a substantial reduction in transaction costs for Government. It has also contributed to enhancing the predictability of resources as the internal rules and regulations of the CGAB stipulate that it is mandatory for each partner to indicate a (quarterly) advance timetable for support disbursement during the programming meeting held at the beginning of the year, which is taken into account when preparing the annual budget.

### **J5. How well did AfDB systems support harmonisation in country?**

*AfDB has played a lead role in the harmonisation process through its active participation and technical input into aid coordination structures and*



<p><b>Main evaluation questions</b></p> <p><i>processes (see above). The GoBF has strongly encouraged harmonisation and alignment in the spirit of the Paris Declaration.</i></p> <p>AfDB missions are coordinated with those of other donors. AfDB uses the same Government procurement and monitoring systems and financial reports, with funds being channelled through Government systems.</p> <p>The fact that PBO lending does not require specific procurement processes and/or presentation of detailed accounts/separate audits has made it much easier for AfDB activities and processes to be harmonised with those of other donors and to be better aligned with Government systems. However, the AfDB still insists on specific conditionalities and indicators for its PBOs.</p> <p>However, the existence of parallel projects supported and funded by the AfDB which do not use Government systems is seen by a number of partners as undermining the harmonisation and alignment processes. It is also argued that this weakens the effort that the GoBF has made to reform its institutions and procedures. In addition, the fact that the AfDB is unable to enter into pooled funding arrangements is seen as a drawback to harmonisation. At the very least other partners feel that the AfDB should be able to enter into pooled funding arrangements with the World Bank, given the similar nature of these institutions.</p> <p><b>J6. Has there been non-compliance, what happened, and how effectively did AfDB deal with this?</b></p> <p>Non-compliance has not been an issue.</p>
<p><b>K: How far were the immediate objectives of PBO met and what were the effects on Government?</b></p> <p>K1. Specify how AfDB contributed to an increased external resource flow into the Government budget over the period of successive PBO tranches?</p> <p>K2. Were AfDB funds disbursed as planned and in line with a timetable agreed with other donors and the Government? If not, what happened and why?</p> <p>K3. Did the PBO contribute to an increased predictability of funds going into the Government budget e.g. in year and between years as well as over the medium term budgeting cycle? If so, specify, if not explain why and what happened</p> <p>K4. To what extent did the PBO align with the Government budget cycle (financial management, accounting and procurement systems)?</p> <p>K5. Did the provision of PBO contribute to any overall reduction in transaction costs? If so, in what ways, and how was this positive outcome assessed? How did transaction costs of the Government working with the AfDB compare to those of other donors?</p> <p>K6. What did the AfDB achieve in terms of greater alignment? How did this compare with other donors?</p> <p>K7. How did AfDB systems support or limit alignment of PBOs to country systems and needs e.g. in relation to annual and multiyear budgeting, degree of AfDB flexibility to accommodate timing, and the degree to which Bank procedures support disbursement early in the financial year?</p>
<p><b>Answers</b></p> <p><b>K1 How AfDB contributed to increased external resource flow into the Government budget</b></p> <p>Development aid to Burkina Faso has grown incrementally during the period under consideration. It has increased from USD 388 million in 2001 to USD 6,931 million in 2009, which represents an average annual increase of 27%. The increase in aid was particularly important between 2003 and 2009 when its value more than doubled. In general, grants have exceeded loans. <i>Over the period from 2000 to 2009, the contribution of AfDB represented 8.5% of total ODA.</i> This places AfDB third behind two other somewhat larger partners – the World Bank’s International Development Association (IDA) with 18.9% and the European Commission with 16.5%.</p> <p><b>K2 Disbursement according to plan and in accordance with an agreed timetable?</b></p> <p><i>No, not always.</i> There were considerable disbursement delays for PRSSP I and II. However, the opening of the BFFO has greatly improved monitoring in general and has also impacted on shorter preparation and processing time for documentation (this has been cut in half), and to a much younger portfolio.</p>

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As a result PRSSP III and IV saw only a very short delay in disbursement. As noted above, the allocation for 2010 had to be revised downwards because of Burkina Faso's debt status. In spite of the effort at restructuring the portfolio and the corresponding savings this still represented a setback for the GoBF.

### **K3. Contribution to increased predictability of funds going into the Government budget?**

*Generally predictability has improved* as better planning and design of the PBO operations, including with respect to the conditionalities, has allowed disbursements to be made sooner and closer to planned dates. However, AfDB rules mean that it can only commit funds for two year periods and this means that the Bank is not able to indicate to the GOBF with any certainty know what level of funds it will be providing for PBOs more than two years ahead. Other DPs, such as the EU, have moved to much longer cycles (in the case of the EC 6 years). Between year predictability was recently affected by the change in Burkina Faso's debt status (see above), although this was partially addressed by the restructuring of the portfolio.

### **K4. Extent to which PBO aligned with the Government budget cycle (financial management, accounting and procurement systems)?**

*PBO funding in the latter part of the evaluation period has become completely aligned with Government systems for financial management, accounting and procurement.* This represents an improvement from earlier PBO funding which was not sufficiently aligned and in the case of PRSSP II disbursed so late that the GoBF had to resort to borrowing on the financial market to address the shortfall in funding. However, the singling out of specific conditionalities contradicts principles of alignment and should be reviewed – it is seen as earmarking for particular priorities. As noted above, it could be more aligned with other donors' support through sector baskets.

### **K5. Provision of PBO and how this contributed to any overall reduction in transaction costs? If so, in what ways, and how was this positive outcome assessed? How did transaction costs of the Government working with the AfDB compare to those of other donors?**

*Yes, substantially, although there are still transaction costs related to conditionalities that are specific to donors (including AfDB) and which require additional monitoring and put a burden on the GoBF.* Overall, however, Government officials at the Ministries of Finance, at the Ministry of Planning, and at sectoral ministries such as Commerce and Agriculture unilaterally underscored the important reduction in the amount of time spent managing different donor requirements, and meeting with donor missions, which are now mostly joint. Transaction costs of working with AfDB have reduced in parallel to the transaction costs of the Government in working with other DPs in the context of the PRSSP. The AfDB PBO support and the support by other BS partners compare favourably with the project interventions which still require a substantial amount of bilateral engagement with Government. This also applies to the AfDB project portfolio, although some progress has been made in reducing the number of Project Implementation Units.

### **K6. What did the AfDB achieve in terms of greater alignment? How did this compare with other donors?**

*The AfDB has made increasing use of country systems and procedures,* as have most other donors which provide BS or SBS. However, the use of specific conditionalities still detracts from progress towards better alignment, as this kind of priority setting puts an extra burden on Government in terms of accountability and transaction costs.

### **K7. How did AfDB systems support or limit alignment of PBOs to country systems and needs e.g. in relation to annual and multi-year budgeting, degree of AfDB flexibility to accommodate timing, and the degree to which Bank procedures support disbursement early in the financial year?**

Over the evaluation period, in relation to PBOs, the AfDB has moved towards better alignment. For example, the current AfDB country strategy has been extended by two years to ensure that the next country strategy is in line with the new National Development Plan which the GoBF is preparing. However, disbursements still tend to be made late in the year.

### **L: What contribution has AfDB support made to improve policy, systems or institutions in the areas where PBOs were focused?**

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- L1. What policy changes have been introduced over time in areas or sectors where the PBO conditionality was focused and why were these changes made?
- L2. In what ways did AfDB policy dialogue in specific areas such as PFM contribute to improved results in those areas?
- L3. What is the role of the AfDB field office in relation to the use of PBOs?
- L4. What were the type, role and use of pre conditions by the AfDB and what specific influence did they have?
- L5. What institutional or system changes have taken place in areas or sectors where the PBOs conditionality was concentrated?
- L6. To what extent is it able to show how far can any of these institutional or system improvements be attributed to AfDB engagement and provision of PBOs?
- L7. What do Government and donors think was the value added arising from AfDB involvement and provision of PBOs?

### Answers

#### L1. What changes have taken place in areas/sectors of focus for PBO conditionality?

Overall *social sector expenditure has increased over the evaluation period and there has been an improvement in key indicators of economic and social development*. Progress on financial management has been good, as reported in the two PEFA reports.

Specifically with respect to areas of PBO conditionality, progress has been made in supporting private sector engagement through the adoption of a decree and financing plan for micro-financing to encourage small and medium enterprise development as well as through the establishment of a one-stop shop at the Enterprise Development Agency. Other important areas have included the development of the MTEF for priority sectors, including a pilot public finance sector MTEF; public procurement has been streamlined; and a national anti-corruption policy has been adopted. Progress has also been made in decentralisation through the adoption of a framework for the transfer of competencies and human resources.

#### L2. Contribution of AfDB policy dialogue in specific areas such as PFM to improved results:

AfDB has participated in joint policy dialogue with the GoBF, and partners appreciate the quality of its technical inputs. The opening of the BFFO has strengthened the capacity of the AfDB to participate in the policy dialogue. The quality of local technical staff (recruited from the Government service) has contributed to the level and kind of inputs that AfDB has been able to provide.

AfDB has taken the lead in policy dialogue related to financial management, procurement, and private sector development. AfDB has contributed substantially to the dialogue and progress around PFM, through its lead role in the public finance group, its technical input and various technical studies.

#### L3. What is the role of the AfDB field office in relation to the use of PBOs?

The role of the BFFO is to *engage in policy dialogue for PBOs that have been approved, to monitor progress on PBOs and report back to HQ*. The field office also participates in appraisal missions and in reviews, but these are led by HQ. The BFFO has managed to develop good working relations with HQ which have facilitated and speeded up processes which in some other countries take longer. Much of this is attributed to the dynamic team, and a strong resident representative during much of the evaluation period.

#### L4. Type, role and use of pre-conditions by the AfDB and how does influence take place?

As noted above, the type, number and role of pre-conditions (or conditionalities for a first disbursement) have *changed over time*, and there has been a move towards the adoption of joint conditionalities by DPs. Overall the process has evolved from having a large number of conditionalities and linked indicators which were specific to agencies and which were often difficult to achieve and/or poorly negotiated, to one where a smaller number of more realistic and manageable conditionalities were required. Concerns however remain because of AfDB's use of specific conditionalities unique to itself.

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What is more, these conditionalities are considered by other partners not to be very relevant to the key policy issues facing the country's financial and economic systems.

### L5. Institutional/system changes in areas/sectors of PBO conditionality?

- Procedures for Public Procurement have been strengthened and are in line with international standards
- Publication of annual reports by the National Accounting Office
- Budget management and the transparency of the budget process and links between priority setting and budgeting have improved
- A supreme authority for state administration has been put in place and produces annual reports.
- A new fiscal policy has been adopted.

### L6. How far can improvements be attributed to AfDB engagement and provision of PBOs?

The GoBF and other DPs concur that AfDB has played a critical role in the improvements that are highlighted above. Thus AfDB's contribution has been instrumental to the institutional and system changes mentioned above. In this respect partners underscore that the AfDB has punched above its weight.

### L7. What do Government and donors think was the value added arising from AfDB involvement and provision of PBOs?

AfDB is an important financial partner in the context of BS.

*However, the bulk of AfDB's added value has come from its support to the identification of priorities in the context of the BS operations, from its constructive contribution to the harmonisation and alignment process, from its technical support and input into design and implementation, and from its lobbying vis-à-vis other partners. AfDB is also cited by others as very courageously and clearly having put the accent on the need to address corruption*

For example, AfDB is credited with having set the tone for harmonisation by being among the first to sign the budget support protocol, and then playing an instrumental role in getting the World Bank to join the process.. The impact of this has been seen in the rating giving to Burkina Faso by Transparency International, which has improved.

## M: Is there any evidence of a sustained improvement in pro poor spending or public services and have external donor contributions including that by AfDB, contributed to this?

M1. What has been the total financial contribution of the donor community and what proportion of this total was financed by AfDB?

M2. Has the quantity or quality of public services improved in the areas where commitments were sought by the donors and the AfDB? If so specify how.

M3. To what extent can any improvement be attributed to the external donor support including that of the AfDB? Specify.

## Answers

### M1. Total financial contribution of the donor community and proportion financed by AfDB?

ODA represented 14.5% of GDP in Burkina Faso in 2009, against 12.1% in 2006. ODA increased dramatically between 2001 and 2009, from USD 388 million to almost USD 7 billion in 2009 – representing an average annual increase of 27%.

AfDB is the third largest donor to Burkina Faso, after IDA (18.9%) and the European Commission (16.5%). AfDB's contribution represented 8.5% of ODA between 2001 and 2009.

### M2. Improvement in quantity/quality of public services in areas supported by AfDB?

The social indicators are gradually improving and are contributing to the effort in meeting the MDGs, as follows:

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- Gross enrolment rate rose from 60.7% in 2005 to 72.6% in 2007.
- Access to health also increased from 33% in 2005 to 43% in 2007.
- There have been similarly important improvements in access to drinking water.

Gender-related spending has expanded and this increased spending has been reflected in improvements in key indicators in the social sectors. Thus the rate of childbirths assisted by qualified personnel grew from 33.8% in 2005 to about 54% in 2007. In education, girls' enrolment rate rose from 55% in 2005 to 64.8% in 2007, due to measures adopted to facilitate girls' access to free education (distribution of school books and payment of parents' contributions for girls).

According to recent GoBF estimates (AfDB, 2010b) 43.2% of the population was living below the poverty line in 2009, compared to 46.3% in 2004. This represents a marginal improvement but is still far from the target rate of 35% which was established for 2015. The lack of substantial progress in this areas is likely to be due to a significant extent to the cotton and food crises and natural disasters.

**M3. Extent to which improvement be attributed to the external donor support including that of the AfDB?**

Between 2005–2009, Burkina Faso had an average annual GDP growth rate of 5%, in spite of a difficult international context. Between 2008 and 2009, the Burkinabe economy was affected by the cotton, energy, food, financial and flood crises. Government spending was affected by the food crises and floods, which have impacted negatively on the Government deficit expressed as a percentage of GDP. There is a growing risk of unsustainable levels of debt as a result of these factors.



## Annex B Country Time Line

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
1960s			<p><b>1960:</b> The Upper Volta becomes independent with Maurice Yameogo as President.</p> <p><b>1963:</b> Burkina Faso joins the IMF on May 2nd.</p> <p><b>1966:</b> President Yameogo is toppled in a military coup led by Sangoule Lamizana following unrest over a Government austerity programme.</p>
1970s	<p>An economic crisis was experienced by African economies in the 70s; this was largely attributable to endogenous factors that were embodied in inappropriate policies adopted by Governments. The first generation of Policy Based Loans (PBLs) came about partly in response to this crisis (at the end of 1970s and the 80s). The loans focused on redressing short-term macro-economic imbalances.</p>	<p><b>March 1970:</b> The AfDB provided a Line of Credit I of UA2 million. This was signed in March 1972 and became effective in November 1974.</p> <p><b>June 1974:</b> Dori-Djibo Road study was approved. The loan for UA3 million was signed in November 1974 and became effective in February 1975.</p> <p><b>December 1974:</b> The AfDB provided a second Line of Credit (II) of UA 2 million. This loan agreement was signed in February 1975 and became effective in November 1975.</p> <p><b>September 1975:</b> The Health Services Improvement Project was approved. The loan of UA 4.1 million was signed in October and became effective in October 1979.</p> <p><b>December 1975:</b> Earth Dams Operations Project was approved. The loan of UA4.1 million was signed in February 1976 and became effective in June 1977.</p> <p><b>March 1977:</b> Integrated Rural Development Project was approved. The loan of UA4.6 million became effective in</p>	<p><b>1970:</b> A new constitution was approved in a national referendum this allowed Lamizana to remain in power until 1975, when he would be replaced by an elected president. Gerard Ouedraogo was appointed Prime Minister.</p> <p><b>1974:</b> Maurice Lamizana ousts Prime Minister Ouedraogo and dissolves Parliament.</p> <p><b>1977:</b> A new multi-party constitution is promulgated.</p> <p><b>1978:</b> Maurice Lamizana chosen as President following multi-party elections.</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
		<p>May 1978.</p> <p><b>January 1978:</b> the Dori-Djibo Road Construction Project was approved. The loan agreement for UA 5.9 million was signed the following month and became effective in February 1984.</p> <p><b>December 1978:</b> Sakoince-Hounde Road Construction Project was approved. The loan of UA 7.3 million was signed in May 1979 and became effective in November 1979.</p> <p><b>March 1979:</b> Rural Youth Training Programme was approved. This aimed to provide basic functional education coupled with an appropriate vocational agricultural training. The loan agreement with AfDB was signed in May 1979 and became effective in September 1980. The AfDB provided a loan of UA 6.17 million, the World Bank contributed (IDA) UA 11.60 million, the Government also funded UA 2.39 million of the project costs. The project activities started in December 1979 and were completed in October 1992.</p> <p><b>May 1979:</b> Training of Young Farmers Project was approved. A loan agreement for UA 6.1 million was signed in the same month and became effective in September 1980.</p> <p><b>August 1979:</b> Integrated Rural Development in Thiou and Koungny project was approved. The loan of UA 5.3 million became effective in May 1981.</p>	
1980s	AfDB introduced Policy Based Loans (PBLs) in the 1980s in response to the demand by the Bank's regional member countries (RMCs) for support in balance of payments as they implemented stabilisation and structural reforms.	<p><b>March 1982:</b> Bilanga-Taparko Road Construction Project was approved. The loan agreement for UA 9.2 million was signed in June 1983 and became effective in December 1984.</p> <p><b>October 1983:</b> Comoe Rural Development Project was approved. The loan for UA 8.3 million was signed in</p>	<p><b>1980:</b> President Lamizana is ousted in coup led by Saye Zerbo.</p> <p><b>1982:</b> Zerbo is overthrown in coup led by Jean-Baptiste Ouedraogo following industrial unrest.</p> <p><b>1982:</b> Led by Zerbo, the country</p>



Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
	<p><b>1984:</b> The Board of Directors approved non-project lending to RMCs and laid down the necessary guidelines such that the Fund would support institutional and policy reforms already being undertaken by borrowing countries and in close collaboration with the WB and IDA.</p> <p><b>1986:</b> The AfDB Group decided to strengthen its intervention in the area of economic policy and policy dialogue with member states.</p> <p><b>1987:</b> Establishment of the Special Programme of Assistance to Africa (SPA).</p> <p><b>1988:</b> Publication of the AfDB's '<u>PBL Guidelines and Procedures</u>'</p>	<p>September 1984 and became effective in January 1988.</p> <p><b>October 1983:</b> the Fada-Ngourma-Tintangou Road Construction was approved. The loan for UA 4.7 million was signed in July 1984 and became effective in October 1984.</p> <p><b>February 1984:</b> Line of Credit to CNCA was approved. The loan agreement was signed in July 1984 for UA 4.6 million and became effective in January 1988.</p> <p><b>February 1984:</b> the Kompienga Hydro-electric project was approved. The loan of UA 23 million was signed in May 1984 and became effective in November 1985.</p> <p><b>October 1985:</b> A project for the Strengthening of Primary and Secondary Education was approved. The loan agreement was signed in April 1986 for UA 11.9 million; this became effective in January 1988.</p> <p><b>June 1986:</b> Soum Livestock Project was approved. The loan for UA 7.1 million was signed in September 1987 and became effective in January 1988.</p> <p><b>February 1988:</b> Banfora-Batie Road-Rural Planning and Management Project was approved. The loan agreement for UA 14.2 million was signed in April 1988 and became effective in May 1990.</p> <p><b>May 1989:</b> Ouaga-Leo-Bobo-Dedougou Road Studies were approved. The loan agreement for UA 792,000 was signed that same month and the loan became effective in April 1991.</p> <p><b>June 1989:</b> Bagre Dam Project was approved. The loan for UA 33.1 million was signed in August 1989 and</p>	<p>entered a revolutionary phase and was renamed Burkina Faso. Economic policies were modelled on Pan-African socialist theory, and included a strong emphasis on investment in human development, food self-sufficiency, equitable income distribution and nationalisation of private sector entities. Food production expanded and strong progress was made in literacy and basic education.<sup>14</sup> However, poor macroeconomic and fiscal management had negative consequences for growth.</p> <p><b>1983:</b> A coup led by Thomas Sankara topples Zerbo. Sankara adopts a policy of nonalignment and seeks close relations with Ghana and Libya.</p> <p><b>1984–1988:</b> During this period of 'self-adjustment' severe measures were taken in an attempt to bring about economic and financial recovery without the participation of the Bretton Woods institutions.</p> <p><b>1987:</b> Thomas Sankara is ousted and executed in coup led by his close aide, Blaise Campaore.</p> <p><b>1987:</b> Under Campaore there is a "rectification" of the revolution. This</p>

<sup>14</sup> The revolution also instilled a greater sense of national identity, increased country ownership of the development process, reliance on participatory approaches and an emphasis on personal responsibility and accountability that have served the country well in years since.

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
		became effective in March 1990.	includes a shift toward more market-oriented economic policies and re-engagement with the international community.
1990s	<p><b>1990:</b> Special Programme of Assistance for Africa (SPA) discussions – it was agreed that the case for earmarking of counterpart funds for specific uses should be decreased as progress was made in effective public expenditure monitoring and periodic reviews.</p> <p>From the beginning of the 1990s a second generation of PBLs began. These were focused on long-term objectives such as sustainable growth, private sector development and poverty reduction.</p> <p><b>1992:</b> SPA report on PERs – this recognised that generally agreed aims of priority spending are not easily achieved.</p> <p><b>1993–1995:</b> The Bank financed very few projects as a result of the non-availability of African Development Fund (ADF) resources.</p> <p><b>From 1999,</b> the governance component of reforms within the AfDB increased, including legal and judicial reforms, audit reform, and public expenditure reforms. Also, PBLs started addressing some aspects of regional integration.</p>	<p><b>February 1990:</b> The Health Sector Studies were approved. The loan of UA 615,263 was signed in May 1990 and became effective in June 1991.</p> <p><b>August 1990:</b> Ministry of Water Institutional Support Project was approved. The loan agreement for UA 2.2 million was signed in November and became effective in April 1991.</p> <p><b>June 1991:</b> Bilanga-Fada N'gourma Road Project was approved. The loan agreement for UA 11.4 million was signed in July 1992 and became effective in August 1992.</p> <p><b>June 1991:</b> approval of the Population Sector Study. A sum of UA 764,473 was signed for in May 1992 and became effective in August 1993.</p> <p><b>July 1991:</b> Capacity Building Project in Four Ministries was approved. A loan of UA 2.48 million was signed in December; Government contributed UA 0.15 million. The first disbursement was in August 1992 and the final disbursement in November 1999. The project was completed in November 1999, 59 months later than planned.</p> <p><b>August 1991:</b> Bilanga Fada Ngourma Road Project was approved. The loan agreement was signed in July 1992. AfDB provided UA 11.38 million and the Government put forward UA1.21 million. The first disbursement from AfDB was in November 1992 and the last in March 1997. The project finished 4 years later than planned in June 1996.</p> <p><b>August 1991:</b> approval of the Education Quality</p>	<p><b>1990:</b> President Campaore introduces limited democratic reforms.</p> <p><b>1991:</b> Campaore is re-elected without opposition under a new constitution. A democratic regime and the rule of law mark the end of the exceptional regime.</p> <p><b>1991:</b> The IMF begins an Agreed Structural Adjustment Facility (SAF) in Burkina Faso 1991–1993.</p> <p><b>1992:</b> Campaore's party the Organisation for Popular Democracy-Labour Movement wins a majority of seats in the first multi-party parliamentary elections since 1978.</p> <p><b>1994:</b> The 50% devaluation of the CFA franc led to intervention by donors. Also that year the West African Economic and Monetary Union (WAEMU) was created.</p> <p><b>1996:</b> A meningitis outbreak kills 4,000 people.</p> <p><b>1996:</b> The 20/20 Initiative is launched by Belgium, the Netherlands, UNDP and UNICEF as a framework for mobilising internal and external resources to a level of 20%.</p> <p><b>1997:</b> Burkina Faso becomes eligible</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
		<p>Improvement Project. A sum of UA 9.2 million was signed for in July 1992 and became effective in April 1993.</p> <p><b>August 1991:</b> Approval of the Structural Adjustment Programme towards which ADF contributed UA 13.8 million. The agreement was signed in December 1991 and became effective in February 1992.</p> <p><b>December 1991:</b> the Project for the Renovation of the Dori and Djibo Health Facilities was approved. The loan agreement was signed in July 1992 and became effective in August 1993. The AfDB loaned UA 10.96 million and the Government contributed UA 1.23 million. The first disbursement was in January 1995 and the final one in April 2000. Less was spent than was originally budgeted: UA 8.06 million of the AfDB loan and UA 0.84 million by the Government. Project activities were completed in December 2000, five years behind schedule.</p> <p><b>May 1992:</b> The Social Dimensions of Adjustment Institutional Support Project was approved. In April 1993, the loan agreement was signed for a loan of UA 690,000. Funding was also provided by the UNDP (UA 217,000) and the World Bank (UA 583,000). AfDB made its first disbursement in October 1994 and the last in January 1999. Project activities were completed 48 months late in June 1999.</p> <p><b>September 1993:</b> approval of the Gold Production Project Study, UA 1.2 million was provided and became effective in March 1994.</p> <p><b>November 1993:</b> Bazega Natural Resources Management Project was approved. The loan for UA 8.5 million was signed in December 1993 and became effective in February 1995.</p> <p><b>November 1993:</b> Village Water Supply Project (500 bore holes) was approved. UA 7.6 million was disbursed in</p>	<p>for the Highly Indebted Poor Countries (HIPC) initiative. Burkina receives debt relief under both the original and the enhanced HIPC Initiative to the value of US\$424 million by the end of 1999 in Net Present Value (NPV 2005) terms.</p> <p><b>1998:</b> Campaore gains a landslide victory in the presidential elections.</p> <p><b>1998:</b> The journalist, Norbert Zongo is assassinated; this leads to popular mobilisation for good governance and respect for human rights and democracy.</p> <p><b>June 1999:</b> There is a general strike over economic grievances and alleged human rights violations.</p> <p><b>1999:</b> An independent inquiry into the death of journalist Norbert Zongo concludes that he was a victim of political assassination.</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
		<p>August 1995 after the loan became effective in February.</p> <p><b>December 1993:</b> Piela-Bilanga Rural Development Project was approved. The loan of UA 9.4 million was signed in August 1994 and became effective in August 1994. It was disbursed in one disbursement in April 1996.</p> <p><b>January 1997:</b> UA 10 million was approved for a Road Maintenance programme. This was signed in February 1997 and became effective in June 1998. A supplementary loan was later provided for this project with a deadline of final disbursement in December 2010 of UA 18 million.</p> <p><b>July 1997:</b> Basic Education Strengthening Programme (Education IV). The loan agreement was signed in September 1997 and became effective in December 1998. The AfDB loaned UA 16.25 million and the Government contributed UA 2.29 million. The project completion date slipped by 79 months and the project was finally completed in July 2008.</p> <p><b>December 1997:</b> Ouagadougou Drinking Water Supply Project was approved. The loan of UA 4.7 million was signed in February 1998 and was effective in October 2000.</p> <p><b>December 1998:</b> Poverty Reduction Programme in the Communes (PRPC) was approved. A loan of UA 15.5 million was signed in February 1999 and became effective in July 2001.</p> <p><b>October 1999:</b> Health Services Strengthening Project was approved. The aim of the project was to help improve the health status of the population in Burkina. Its specific objectives were to: (i) improve access to and quality of health services in the project area: Bobo-Dioulasso, Dédougou and Gaoua; (ii) help reduce morbidity and mortality in that area; and (iii) build the</p>	

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
		institutional capacity of the Ministry of Health at national and regional level. The project started in March 2002 and was completed in December 2007. The AfDB loan of UA 10 million was signed in February 2000 and disbursed in 7 tranches over 7 years. The Government contributed UA 1.1 million to the project. There was a slippage of 16 months on the completion of the project.	
<b>2000</b>	<p><b>From 2000</b> there was a new generation of PBLs which marked a policy shift towards Budget Support and Sector-Wide Approaches (SWAs).</p> <p><b>2000:</b> The AfDB's Board Committee for Development Effectiveness (CODE) strongly endorsed the work programme of the Bank's Evaluation Department, OPEV, which included a move away from project level evaluation to the evaluation of higher-level interventions.</p>	<p><b>March 2000:</b> the Sanitation and DWS Study was approved. The loan of UA 970,000 was signed in August and became effective in May 2001.</p> <p><b>March 2000:</b> Soum Livestock and Development Project II was approved. The loan for UA 9.9 million was signed in August 2000 and became effective in April 2001. The first tranche (UA 7.2 million) was disbursed in November 2007.</p>	<p><b>2000:</b> Burkina Faso's first Poverty Reduction Strategy Paper (CSLP) is published. It was prepared in the context of the introduction of the enhanced Heavily Indebted Poor Countries (HIPC) Initiative.</p> <p><b>November 2000:</b> The Country Assistance Strategy (CAS) is developed for Burkina Faso.</p> <p><b>December 2000:</b> The Government agrees to set up a UN-run body to monitor weapons imports after allegations that it has been involved in smuggling arms to rebels in Sierra Leone and Angola.</p>
<b>2001</b>	<p><b>2001:</b> The Bank introduced Development Budget Support Lending (DBSL) as one of its PBL instruments.</p> <p><b>2001:</b> The AfDB released the 'Handbook on Stakeholders Consultation and Participation in AfDB Operations' which outlines the different tools and techniques for civil society participation in Bank operations including policy formulation.</p> <p><b>2001:</b> The AfDB adopted the evaluation</p>	<p><b>April 2001:</b> Bazéga-Kadiogo Provinces Decentralisation and Participatory Rural Development Project (PDRDP-BK) was approved. UA 15 million was approved and signed for in May 2001; the loan became effective in March 2003, and the first disbursement occurred in the same month.</p> <p><b>October 2001:</b> approval of the Poverty Reduction Strategy Support Programme I (PRSSP I). The loan agreement was signed the same month and became effective in February 2002. The loan was disbursed in a</p>	<p><b>2001:</b> A meningitis epidemic kills more than 1,500 people.</p> <p><b>2001:</b> First assessment of HIPC and the Action Plan (APP).</p> <p><b>2001:</b> Burkina qualifies for a topping-up debt relief assistance of US\$129 million in end-2001 NPV terms (2005). The total relief provided reduces the NPV of Burkina's outstanding debt by nearly 50 percent</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
	<p>standards developed by the Consortium Evaluation Groups (CEG), which include a results-oriented, development effectiveness framework for all participating agencies.</p> <p><b>2001 June:</b> OPEV led a workshop on Results-Based Management to inform and solicit viewpoints from managers and staff on the possibility of moving towards a results-based framework.</p> <p><b>2001:</b> First DBSL operations took place in Benin, Burkina Faso and Uganda.</p> <p><b>June 2001:</b> under ADF-IX Guidelines, the Bank would finance stand-alone PBLs targeting governance and regional integration for which the IMF had deemed the macroeconomic framework satisfactory. The first one was for Zambia focusing on Fiscal Transparency and Accountability in June 2001.</p>	<p>single tranche.</p> <p><b>November 2001:</b> Second Road Programme (PRII) was approved. A loan was signed in December 2001 and became effective in October 2002.</p>	<p>at the Completion Point.</p>
<p><b>2002</b></p>	<p><b>2002:</b> A new CSP format was adopted, representing a major start in improving the CSPs submitted to the Board in general.</p> <p><b>2002 June:</b> The AfDB participated in the first Global Roundtable and as a result, it moved forward on setting up and implementing a Balanced Scorecard system.</p> <p><b>November 2002:</b> The management presented to its Board the <u>Results Measurement Framework</u> (RM) that measures results at the intermediate and “bottom-line” levels of ADF operations. Three levels of measures were identified to capture country progress and institutional contributions to country progress.</p>	<p><b>February 2002:</b> Good Governance Support Programme was approved. The AfDB provided a loan of UA 1.90 million and the Government of Burkina Faso contributed UA 0.36 million. The loan agreement was signed in February 2002 and the first disbursement took place in July 2003. Activities were completed in March 2008. The project was expected to close in December 2004 but was extended four times.</p> <p><b>April 2002:</b> Decentralised Rural Electrification Feasibility Study was approved. The loan of UA 912,900 was signed in May 2002 and became effective in April 2004.</p> <p><b>November 2002:</b> The Comé, Léraba, Kéné Dougou Provinces Development Support Project (PADER/GK) was approved. A loan of UA 15 million was signed in</p>	<p><b>2002:</b> The Common Budgetary Support Group (CBS) is set up by a number of bilaterals in order to contribute to the implementation of the PRSSP through budgetary support. It is presided over by the European Union and includes France, the Netherlands, Belgium, Sweden, Denmark and Switzerland.</p> <p><b>2002:</b> A Supreme Audit Court is instituted in 2002 and begins evaluating budget execution reports for 1995–2001, which are then adopted by the National Assembly in 2003.</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
	<p><b>December 2002:</b> The Bank established the 'Development Effectiveness and Results-Based Management' (DERBM) made up of Managers, Directors or their representatives from each of the Bank's Vice-Presidencies. The DERBM is mandated to oversee the MfR aspects of HA and MfR in terms of the design, implementation and Bank-wide adoption of policies in these areas.</p>	<p>March 2003 and became effective in October 2003.</p> <p><b>December 2002:</b> Small Dams Development Project (PPB) was approved. A loan of UA 10 million was signed in March 2003 and became effective in October 2003.</p>	<p><b>2002 October:</b> the Ivory Coast accuses Burkina Faso of sheltering dissident Ivorian soldiers. Burkina Faso raises concerns about attacks on Burkinabes in Ivory Coast after September's Ivorian military uprising.</p>
<p><b>2003</b></p>	<p><b>2003:</b> the ADF Results Measurement Framework (RMF) was presented to the Board, after being prepared with the World Bank's IDA Measurement System.</p> <p><b>By 2003,</b> CSPs incorporated identified areas of reforms, which would be the focus of the Bank intervention justifying PBLs.</p>	<p><b>January 2003:</b> approval of the Poverty Reduction Strategy Support Program II (PRSSP II). The loan of UA 25 million became effective in October 2003 having already been signed in October 2001. PRSSP II was an extension of PRSSP I and aimed to help the Government continue with the reforms necessary for the PRSSP process for the 2002–2003 period. It was also financed by: the World Bank, through IDA (UA 27.27 million); the IMF, through the Poverty Reduction and Growth Facility (PRGF) (UA 5.59 million); relief resources of the Heavily Indebted Poor Countries initiative (HIPC) (UA 14.40 million) and additional contributions from the Development Partners (DPs) of the Common Budgetary Support Group (CBS).</p> <p><b>May 2003:</b> Forest Resources Sustainable Management Project (PROGEREF) was approved. The loan of UA 12 million was signed in June 2003 and became effective in November 2004, the first disbursement (UA 1.7m) was in March 2005.</p> <p><b>July 2003:</b> The Education Project V was approved. The loan of UA 12 million and a grant of UA 5 million was signed in September 2003 and became effective in May 2005.</p> <p><b>September 2003:</b> Burkina DWSS Programme was approved. The loan of UA 15 million was signed in</p>	<p><b>2003:</b> Revision of the 2000–2003 PRSSP. A new document is published: the CSLP 2004–08, This becomes a reference document for all development activities in country.</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
		<p>December 2003 and became effective in August 2005. A grant of UA 5 million was also given.</p> <p><b>November 2003:</b> Multi-Sectoral HIV/AIDS Control Plan Support Project was approved. A loan of UA 5 million was signed in December and became effective in December 2004.</p>	
<b>2004</b>	<p><b>April 2004:</b> The Board approved the '<u>Guidelines on Development Budget Support Lending (DBSL)</u>'. These are the guidelines for AfDB involvement in budgetary support operations. In line with the international agenda on aid effectiveness, DBSL aims to facilitate alignment and harmonisation and predictability of source flows.</p> <p><b>2004:</b> The Board approved the '<u>Revised Guidelines for Bank Group Operations Using Sector-Wide Approaches (SWAps)</u>'. These are guidelines on how to engage in the provision of assistance to qualifying RMCs in alignment with sister institutions.</p> <p><b>2004:</b> The Board approved the creation of a <u>Post-Conflict Country Facility (PCCF)</u> to provide support for clearing the arrears of countries emerging from conflict.</p>	<p><b>March 2004:</b> National Regional Development Plan Study (SNAT) was approved. Funding of UA 2 million was signed in April 2004 and became effective in that same month.</p> <p><b>September 2004:</b> Feeder Roads Project (PPR) was approved. UA 15.7 million was approved and signed in October; the loan became effective in July 2005.</p> <p><b>October 2004:</b> Agricultural Fertility Community Initiative Project (PICOFA) was approved. The loan of UA 6.4 million was signed in March 2005 and became effective in February 2006; a month later the first disbursement was authorised.</p>	<p><b>March 2004:</b> A revised CSLP (PRSSP) for 2004–2006 is discussed at a Donor Roundtable. It is adopted by the Government in November 2004.</p> <p><b>April 2004:</b> A military tribunal tries 13 people who are accused of plotting a coup against President Compaore in October 2003. Army captain Luther Ouali is jailed for 10 years for masterminding plot.</p> <p><b>2004:</b> HIPC Assessment and Action Plan (APP) second assessment.</p> <p><b>June 2004:</b> A Public Expenditure Review takes place.</p> <p><b>2004:</b> A Debt Sustainability Analysis (DSA) conducted by IMF staff indicates that Burkina's debt outlook at the end of 2004 is worse than the projections made at the Completion Point. While the NPV of debt to exports ratio has been projected to stand at 193 percent in 2004, it stands at 207 percent according to the updated DSA.</p>
<b>2005</b>	<b>2005:</b> The AfDB participated in the Paris	<b>March 2005:</b> Preparation of the National DWSS	<b>January 2005:</b> An agreement is



Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
	<p>Declaration meetings and signed up to the Paris Declaration on aid effectiveness.</p> <p><b>2005 May:</b> The ‘ADF-X Financing Policy Guidelines’ were published. These govern all project loans and grants; policy based lending operations; technical assistance operations; additional resources, and any other activities of the Fund during the period 2005–2007. Among the guiding principles for the ADF-X operations, the document highlights its efforts towards the principles of the Paris Declaration and its progressive involvement in Sector Wide approaches and Development Budget Support.</p> <p><b>2005 December:</b> The ADF Results Measurement Framework Paper published – this paper implies that progress achieved towards meeting the PRS priorities and MDGs will increasingly be attributed to collective HA/JAS process.</p>	<p>Programme was approved. The loan of UA 1.4 million was signed in March 2005 and became effective in April.</p> <p><b>July 2005:</b> Centre-East and North regions Health Development Support Project (PADS-CEN) was approved. The loan of UA 25 million was signed in August 2005 and became effective in April 2006.</p> <p><b>December 2005:</b> approval of the Poverty Reduction Strategy Support Program III (PRSSP III). This loan of UA 30 million from the AfDB was signed in February 2006 and became effective in June 2006. It was distributed in two tranches (in September 2006 and September 2007). There was slippage of four months on the disbursement. The programme aimed to support the economic reforms initiated by the Government since 2000 and to build upon the results of PRSSP I and II. Finance was also provided by: the World Bank, through IDA (UA 106.7 million), IMF (UA 11 million), EC (UA 89.4 million), Switzerland (UA 9.30 million), Sweden (UA 11.2 million), Germany (UA 4.70 million), Denmark (UA 10.10 million), France (UA 8.5 million), Netherlands (UA 34.8 million), and HIPC debt relief totalling UA 597.4 million.</p>	<p>signed between the Government and nine Development Partners (AfDB, World Bank, European Commission, Germany, Denmark, France, The Netherlands, Sweden and Switzerland). The objective of this agreement is to provide a General Budget Support Framework for the organisation of support to the implementation of the Poverty Reduction Strategy Framework in Burkina Faso (CGAB – PRSF). This agreement brings together two processes as the MOU for Joint Budget Support is replaced by the general framework for budget support for the implementation of the PRSSP known as CGAB-CSLP (Cadre général d’organisation des appuis budgétaires en soutien à la mise en œuvre du cadre stratégique de lutte contre la pauvreté.) This now brings together all the international partners providing budget support. Under this agreement, the role of the Government is strengthened and internal review mechanisms are greatly improved. The Government and the IPs agree on an annual calendar of joint activities, and a joint performance assessment matrix is approved by all the stakeholders in July 2005.</p> <p><b>May 2005:</b> A new Country Assistance Strategy (CAS) is developed for Burkina Faso.</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
			<p><b>November 2005:</b> President Compaore wins a third term in office in the elections.</p> <p><b>2005:</b> Promulgation of the law on the General Territorial Communities Code in Burkina Faso. Burkina Faso is organised into territorial communities bestowed with legal identity and financial autonomy. The territorial communities are the region and the commune.</p>
<p><b>2006</b></p>	<p><b>2006 April:</b> <u>'The revised Bank Group Action Plan on harmonisation, alignment, and managing for results'</u> – This paper summarises ongoing Bank activities to promote HA and MfR agenda and sets the Bank's future plans for deepening its work in this area.</p> <p><b>2006:</b> The Bank published <u>'Bank Group use of DBSL and SWAps: Issues and Challenges'</u>. This paper reviews the Bank Groups experience and the challenges faced in the use of these instruments it makes three recommendations for the way forward:</p> <ol style="list-style-type: none"> <li>i. Amendment of the procurement provision in Article 15(4)(a) of the Agreement Establishing the ADF to permit effective Fund's involvement in SWAps. This should be on the agenda of the Deputies during the Mid-term Review of the ADF-X</li> <li>ii. Enhance the Bank's Field Presence to involve effectively in BSOs and SWAps – this requires reviewing staffing levels and mix</li> <li>iii. Provide increased support to PFM capacity</li> </ol>	<p><b>April 2006:</b> Avian Flu Control Emergency Assistance was approved. A grant of UA 347,394 was given; the first disbursement was made in August 2006.</p> <p><b>July 2006:</b> The Gnagna and Kouritenga Development Support Project (PADER-GK) was approved. The loan for UA 12.5 million was signed in August 2006 and became effective in February 2007 the first disbursement was authorised the following month.</p> <p><b>October 2006:</b> Project in support of Public Expenditure Programming and Control Institutions was approved. The project aimed to improve transparency, reliability and efficiency in budget management. The ADF provided a grant of UA 2.46 million and the Government of Burkina Faso contributed UA 0.28 million.</p>	<p><b>January–April 2006:</b> Another major meningitis outbreak kills more than 600 people.</p> <p><b>December 2006:</b> Burkina Faso postpones a regional economic summit after deadly gun battles between police and soldiers in the capital.</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
	building in RMCs to strengthen the country's fiduciary system in parallel to moving to 'untied' aid assistance.		
<b>2007</b>		<b>July 2007:</b> Rural Drinking Water and Sanitation (DWSS) Programme in 4 regions was approved. A loan of UA 20 million was provided and a grant of UA 10 million.	<b>2007 May:</b> The ruling party wins a majority in parliamentary polls. <b>2006–2007:</b> Economic growth continues to slow down from 5.5 percent in 2006 to 4.0 percent in 2007 due to a fall in cotton production and adverse terms of trade shocks.
<b>2008</b>	<p><b>2008 January:</b> <u>ADF-11 Deputies Report</u> – the report states that at least 75% of funds will be allocated for specific investment projects and programs and technical assistance and no more than 25% via PBL operations</p> <p><b>March 2008:</b> approval of the Bank Group's Strategy for the Enhanced Engagement in Fragile States.</p> <p><b>2008 May:</b> Paper on '<u>Bank Group approach towards enhancing the use of country systems</u>' prepared, and approved by the Board in July.</p> <p><b>July 2008:</b> The Bank approved the <u>Operational Guidelines of Fragile States Facility (FSF)</u>. This paper sets forth the operational guidelines of the FSF. A key recommendation was the transfer of the activities of the PCCF to the FSF.</p> <p><b>2008:</b> The AfDB strategy on fragile states recommended the transfer of arrears clearance activities of the PCCF to the FSF.</p> <p><b>2008:</b> PBL type instruments were used as a fast-disbursing response to the African food</p>	<b>March 2008:</b> The project brief for the fourth Poverty Reduction Strategy Support Program IV (PRSSP IV) was approved. The AfDB provided a loan of UA 20 million and a grant of UA 25 million. This was paid in two tranches in August 2008 and August 2009. The programme was completed in October 2009. Grants were also provided by the EC, Denmark, France, Netherlands, Switzerland, Sweden and Germany. Loans were also provided by the World Bank (IDA) and the IMF.	<p><b>March–April 2008:</b> The IMF conducts a review of Burkina Faso's macroeconomic performance. This concludes with a positive assessment of the country's macroeconomic performance and emphasises the need to pursue the implementation of actions contained in the three priorities of the Enhanced Public Finance Strategy (SRFP), namely: (i) system of control, (ii) procurement, and (iii) internal revenue.</p> <p><b>February and May 2008:</b> The previous years' economic deceleration combined with a sharp increase in food prices and overall inflation, breeds discontent and causes riots over the high cost of living in some cities.</p> <p><b>April 2008:</b> Two-day general strike follows weeks of protests about high living costs and demands for wage</p>

Time period	AfDB HQ Policy Changes	AfDB Lending Instruments in Burkina Faso	Burkina Faso Country Context
	<p>crisis. 'The African food crisis response' (AFCR) was developed in July 2008 and formed a framework for AfDB accelerated support to RMCs affected by increased food prices, with short (periods of 6 months to a year) and medium to long-term measures (over 3 years and beyond) to the value of UA 472 million and UA 1.4 billion respectively. One of the short-term measures was the use of a budget support instrument for quick disbursement of resources to RMCs (UA 304 million).</p>		<p>increases.</p> <p><b>2008:</b> Official Development Assistance (ODA) is nearly 10% of GDP. Foreign budget support is estimated to have provided about CFAF120 billion in 2008. Around 85% of this comes from members of the budget support donor group (Cadre Général d'Organisation des Appuis Budgétaires – CGAB).</p>
<p><b>2009</b></p>	<p>In <b>2009</b> PBL type instruments were used to respond to the financial crisis in 2009. In March 2009, the Bank developed the '<u>Bank Response to the Economic Impact of the Financial Crisis</u>'.</p>	<p><b>March 2009:</b> approval of the Koupela Bitou Road Project. A loan of UA 31 million was provided and a grant of UA 31 million. The project started in November 2009 and is ongoing.</p> <p><b>September 2009:</b> Emergency Humanitarian Aid for victims of flooding caused by heavy rains. The project started in November 2009 and was funded by SRF (UA 640,361m) and Delta (UA 640,361m).</p>	<p><b>April 2009:</b> a law is passed by Parliament requiring at least 30% of candidates put forward for election by political parties to be women.</p> <p><b>2009:</b> The PRSSP revision period is started but is delayed for two years due to lateness of implementation.</p>
<p><b>2010</b></p>		<p><b>January 2010:</b> Repair of Electrical Infrastructure and Provision of Electricity in Rural Areas. A loan of UA25 million was given by ADF and the Government put forward UA 11 million. The project is due to start in January 2011.</p>	

## Annex C List of people met

Name	Position	Organisation
BARAT Christophe	Deputy Director / decentralisation	Agence française de développement (AFD)
BONTOGO Simeon	Executive Director	CIFOEB – Centre for Information Training and Research about the Budget.
COMPAORE, Adama	General Secretary	Ministry of Agriculture
CONDE, Sylvie	Lead Cooperation Officer,	AfDB/ Tunis
DABIRE Jean Marie Vianney	Consultant macroeconomist	AfDB / Burkina Faso
DAYO Tankien	Macroeconomist	AfDB /Burkina Faso
DINGA-DZONDO, Antoinette	Former Resident Representative, currently Director OPSC	AfDB/Burkina Faso
ISABELL ADENAUER	Resident Representative	IMF / Burkina Faso
JOSEPH Anne	Chargé de Programmes/ Macroeconomic and Social Sector	EU Delegation /Burkina Faso
KINDE Bakary	Chargé de Programmes/KfW / Ouagadougou	Coopération Allemande au Développement
MOHAMED A. CHERIF	Chargé principal de programmes-Pays	AfDB – Burkina Faso
NGUESSAN, Serge	Task Manager Burkina Faso	AfDB – Tunis
OUATTARA Bamory	Ingénieur Statisticien/Economiste	IMF
OUEDRAOGO Moïse	Chargé de Programmes/Direction Développement et Coopération	Switzerland
Ousmane Kolie M. M.	Financial Management Specialist/AFTFM	World Bank / Burkina Faso
PERRAUD Audrey	Chargé de mission/Macroeconomic and Social Sector	Agence française de développement (AFD)
SANOOU Abdoulaye	Public Financial Management NPO	Embassy of Sweden
SEBGO Léné	DG de la Coopération	Ministry of Economics and Finance
SPEELMAN Jaap Jan	Chef de Coopération/Premier Conseiller	Ambassade des Pays-Bas
Stephan A. Neu	Director of KfW field office / Ouagadougou	German Development Agency
TRAORE Karim	Permanent Secretary / Finance Policies and Programs (SPPPF)	Ministry of Economics and Finance

## Annex D Key data on PBOs

Table D.1 Total ADF Approvals Burkina: 1999–2008 (UA million)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Project Lending</b>	10.00	9.99	37.00	25.00	39.00	22.11	25.00	12.50	20.00	18.00
<i>% Project lending</i>	100%	13%	61%	46%	49%	56%	44%	84%	100%	28%
<b>Policy based lending</b>	-	-	23.00	-	25.00	15.50	30.00	-	-	20.00
<i>% Policy based lending</i>	0%	0%	38%	0%	32%	39%	53%	0%	0%	31%
<b>Grants</b>	-	0.97	-	3.26	15.00	2.00	1.49	2.46		25.00
<i>% Grants</i>	0%	1%	0%	6%	19%	5%	3%	16%	0%	39%
<b>Technical Assistance</b>	-	-	0.58	-	-	-	-	-	-	-
<i>% Technical Assistance</i>	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%
<b>Debt &amp; debt service reduction</b>	-	62.87	-	26.06	-	-	-	-	-	-
<i>% Debt Service</i>	0%		0%	48%	0%	0%	0%	0%	0%	0%
<b>Loan Reallocations</b>	-	4.2	-	-	-	-	-	-	-	-
<i>% Loan Reallocations</i>	0%	5%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Total Approvals</b>	<b>10.00</b>	<b>78.01</b>	<b>60.67</b>	<b>54.32</b>	<b>79.00</b>	<b>39.61</b>	<b>56.49</b>	<b>14.96</b>	<b>20.00</b>	<b>63.49</b>

Source: AfDB (2010 and 2009) Compendium of Statistics

Table D.2 Comparison of the Performance of PRSSP I–IV

	PRSSP I	PRSSP II	PRSSP III	PRSSP IV
<b>Performance</b>				
Year of Approval	Oct 2001	Jan 2003	Dec 2005	2008
<b>Conditions:</b> Number	10	1 <sup>st</sup> tranche = 3 2 <sup>nd</sup> tranche = 3	1 <sup>st</sup> tranche = 3 2 <sup>nd</sup> tranche = 3	2 general conditions
<b>Tranches:</b> Number	1	2	2	2
<b>Sectors:</b> Number (consistency with previous operation)	2 sectors	3 sectors (2 overlap)	4 sectors (2 overlap)	4 sectors (4 overlap)
<b>Harmonisation:</b> Number of donors with similar conditions	3 donors plus debt relief no evidence of harmonisation on conditions	3 donors plus debt relief + Common Budgetary Support (CBS) Group (7 donors) no evidence of harmonisation but assumed in CBS group	10 donors, joint appraisal mission	10 donors shared conditionality matrix
<b>Predictability:</b> Delays overall programme	34 months by completion of PCR	9 months	11 months by completion date	None completed 3 months early
<b>Predictability:</b> % of funds not disbursed in programmes fiscal year	100%	60%	0%	0%
<b>In-year Predictability:</b> Delay in fund disbursement from planned timing	Disbursement 6 months late so Government had to borrow from other sources	1 <sup>st</sup> tranche – 9 months late 2 <sup>nd</sup> tranche – 7 months early	1 <sup>st</sup> tranche – 4 months late 2 <sup>nd</sup> tranche – 4 months late	No evidence of delay
<b>Overall</b>				
<b>Ranking:</b> PCR rating	1.99 – satisfactory	2.0 – satisfactory	2.5 – satisfactory	3.0
<b>Amount:</b> UA million	23.09	25.0	30.0	45.0
<b>Volume:</b> % of ADF total approvals for that year	38%	31%	53%	71%
<b>CPIA/CPA:</b> average score <sup>15</sup>		4.03	3.75	3.75

<sup>15</sup> World Bank score on public financial management where 1.0= very weak and 6.0= very strong.

**Table D.3 Commitments and Disbursements for the PRSSP**

<b>Disbursement Date</b>	<b>Actual Disbursement Date</b>	<b>Amount Committed (million UA)</b>	<b>Amount Disbursed (million UA)</b>
October 2001	27 <sup>th</sup> February 2002	23.09	23.09
January 2003	28 <sup>th</sup> October 2003	15.0	15.0
August 2004	24 <sup>th</sup> February 2004	10.0	10.0
May 2006	4 <sup>th</sup> September 2006	15.0	15.0
May 2007	24 <sup>th</sup> September 2007	15.0	15.0
2008	19 <sup>th</sup> August 2008	25.0	25.0
2009	4 <sup>th</sup> June 2009	20.0	20.0

*Source: AfDB, PCRs and AP of programmes*



Table D.4 AfDB Completed Operations in Burkina Faso

Table 21: Summary Table of Completed National Operations

Account	Type	PROJECT	Source	Approval	Signature	Effect. Date	Disburs. Deadline	Amount Appr.	Reduction	Undisbursed bal	Disbursement	Net Commit.	Dis. Rate
1	Study	FEASIBILITY STUDY OF 35 DAMS	ADF	28/8/85	25/4/86	24/5/86	18/12/91	1 307 894,00	109 016,79	0,00	1 198 877,21	1 198 877,21	100,00%
2	Study	LERY STRUCTURAL REHABILITATION PROJECT	ADF	7/7/93	7/7/93	23/3/94	6/12/99	690 789,00	31 790,33	0,00	658 998,67	658 998,67	100,00%
3	Study	STUDY ON RURAL DEVELOPMENT POTENTIAL IN 3 PROVINCES	ADF	17/9/97	11/11/97	7/10/98	14/1/02	1 520 000,00	614 113,15	0,00	905 886,85	905 886,85	100,00%
4	Study	SMALL DAMS STUDY	ADF	11/3/98	28/5/98	3/9/99	31/7/03	710 000,00	207 603,35	0,00	502 396,65	502 396,65	100,00%
5	Study	CENTRE-WEST DECENTRALISED RURAL DEV. SUPPORT STUDY	ADF	28/11/01	15/2/02	17/4/02	14/2/05	581 000,00	82,66	0,00	580 917,34	580 917,34	100,00%
6	Project	INTEGRATED RURAL DEVELOPMENT	ADF	29/4/77	4/5/77	30/5/78	30/7/82	4 605 260,00	20 991,47	0,00	4 584 268,53	4 584 268,53	100,00%
7	Project	EARTH DAMS OPERATIONS	ADF	12/12/75	12/2/76	30/6/77	5/6/89	4 144 734,00	35 713,57	0,00	4 109 020,43	4 109 020,43	100,00%
8	Project	LINE OF CREDIT TO CNCA	ADF	9/2/84	6/7/84	21/1/88	24/7/92	4 605 260,00	0,00	0,00	4 605 260,00	4 605 260,00	100,00%
9	Project	TRAINING OF YOUNG FARMERS	ADF	22/3/79	16/5/79	29/9/80	20/1/93	6 171 048,00	18 384,36	0,00	6 152 663,64	6 152 663,64	100,00%
10	Project	INTEGRATED RURAL DEV. IN THIOU AND KOUAGNY	ADF	30/8/79	14/12/79	18/5/81	3/10/96	5 342 102,00	403 240,35	0,00	4 938 861,65	4 938 861,65	100,00%
11	Project	MINISTRY OF WATER INSTITUTIONAL SUPPORT	ADF	29/8/90	22/11/90	26/4/91	10/10/97	2 245 525,00	365,53	0,00	2 245 159,47	2 245 159,47	100,00%
12	Project	SOUTH LIVESTOCK	ADF	18/6/86	29/9/87	19/1/88	26/10/99	7 138 153,00	777 394,37	0,00	6 360 758,63	6 360 758,63	100,00%
13	Project	BAZEGA NATURAL RESOURCES MANAGEMENT	ADF	24/11/93	30/12/93	13/2/95	8/11/00	8 500 000,00	9 018,61	0,00	8 490 981,39	8 490 981,39	100,00%
14	Project	COMOF RURAL DEVELOPMENT	ADF	20/10/83	26/7/84	19/1/88	1/8/02	8 381 573,00	963 551,29	0,00	7 418 021,71	7 418 021,71	100,00%
15	Project	BAGRE DAM	ADF	15/6/89	17/8/89	15/3/90	8/7/03	33 176 293,00	5 250 000,00	73 417,63	27 852 875,37	27 926 293,00	99,74%
		<b>Agric. &amp; Rural Development Sector (A)</b>						<b>89 119 631,00</b>	<b>8 441 265,83</b>	<b>73 417,63</b>	<b>80 604 947,54</b>	<b>80 678 365,17</b>	<b>99,91%</b>
1	Study	DORI-DJIBO ROAD STUDY	ADF	28/6/74	14/11/74	20/2/75	21/11/77	368 421,00	0,20	0,00	368 420,80	368 420,80	100,00%
2	Project	SAKOINCE-HOUNDE ROAD CONSTRUCTION	ADF	19/12/78	16/5/79	14/11/79	6/10/81	7 368 416,00	2 816,79	0,00	7 365 599,21	7 365 599,21	100,00%
3	Project	FADA-NGOURMA-TINTANGOU ROAD CONST.	ADF	20/10/83	26/7/84	30/10/84	10/10/86	4 789 470,00	0,01	0,00	4 789 469,99	4 789 469,99	100,00%
4	Project	DORI-DJIBO ROAD CONSTRUCTION	ADF	24/1/78	22/1/78	16/2/84	12/6/91	5 986 838,00	135 751,70	0,00	5 851 086,30	5 851 086,30	100,00%
5	Study	OUAGA-LEO - BOBO-DEDOUGOU ROAD STUDIES	ADF	22/5/89	28/5/89	11/4/91	17/12/92	792 105,00	46 185,97	0,00	745 919,03	745 919,03	100,00%
6	Project	BILANGA-TAPARKO ROAD CONSTRUCTION	ADF	18/3/82	12/6/83	10/12/84	17/4/96	9 210 520,00	39 140,79	0,00	9 171 379,21	9 171 379,21	100,00%
7	Project	BILANGA - FADA NGOURMA ROAD	ADF	28/8/91	17/7/92	18/8/92	16/4/97	11 384 203,00	5 522,98	0,00	11 378 680,02	11 378 680,02	100,00%
8	Project	BANFORA-BATIE ROAD – RURAL PLANNING & MANAGMT	ADF	23/2/88	26/4/88	17/5/90	6/1/98	14 184 201,00	1 842,74	0,00	14 182 358,26	14 182 358,26	100,00%
		<b>Transport Sector (b1)</b>						<b>54 084 174,00</b>	<b>231 261,18</b>	<b>0,00</b>	<b>53 852 912,82</b>	<b>53 852 912,82</b>	<b>100,00%</b>
1	Project	KOMPIENGA HYDRO-ELECTRIC PROJECT	ADB	8/2/84	11/5/84	12/11/85	11/12/91	23 040 000,00	1 506,79	241 000,00	21 798 493,21	21 798 493,21	100,00%
2	Study	SANITATION AND DWS STUDY	ADF	22/3/00	28/8/00	21/5/01	18/4/05	970 000,00	0,00	2 079,17	967 920,83	970 000,00	99,79%
		<b>Public Utilities Sector (b2)</b>						<b>24 010 000,00</b>	<b>1 506,79</b>	<b>2 079,17</b>	<b>22 766 414,04</b>	<b>22 768 493,21</b>	<b>99,99%</b>
		<b>Infrastructure Sector B = (b1+b2)</b>						<b>78 094 174,00</b>	<b>1 767,97</b>	<b>2 079,17</b>	<b>76 619 326,86</b>	<b>76 621 406,03</b>	<b>100,00%</b>
1	Project	HEALTH SERVICES IMPROVEMENT	ADF	18/9/75	30/10/75	9/10/79	15/1/88	4 144 734,00	0,00	0,00	4 144 734,00	4 144 734,00	100,00%
2	Study	HEALTH SECTOR STUDIES	ADF	15/2/90	2/5/90	10/6/91	19/9/96	615 263,00	0,00	0,00	615 263,00	615 263,00	100,00%
3	Project	STRENGTHENING OF PRIM-SEC EDUCATION.	ADF	24/10/85	25/4/86	19/1/88	15/3/97	11 973 676,00	31,24	0,00	11 973 644,76	11 973 644,76	100,00%
4	Study	POPULATION SECTOR STUDY	ADF	17/6/91	12/5/92	18/8/93	30/11/98	764 473,00	19 346,73	0,00	745 126,27	745 126,27	100,00%
5	Project	RENOVATION OF DORI - DJ HEALTH INSTITUTIONS .	ADF	16/12/91	17/7/92	17/8/93	27/12/01	10 960 519,00	2 555,10	861 000,00	8 098 963,90	8 098 963,90	100,00%
6	Project	EDUCATION QUALITY IMPROVEMENT	ADF	28/8/91	17/7/92	23/4/93	21/8/02	9 210 520,00	737 737,84	0,00	8 472 782,16	8 472 782,16	100,00%
		<b>Social Sector (C)</b>						<b>37 669 185,00</b>	<b>3 670,91</b>	<b>861 000,00</b>	<b>34 050 514,09</b>	<b>34 050 514,09</b>	<b>100,00%</b>
1	Project	STRUCTURAL ADJUSTMENT PROGRAMME	ADF	28/8/91	11/12/91	28/2/92	7/11/95	13 815 780,00	61 323,80	0,00	13 754 456,20	13 754 456,20	100,00%
2	Project	SOCIAL DIMENSIONS OF STRUCTURAL ADJUSTMENT	TAF	27/5/92	29/4/93	10/2/94	4/8/99	690 789,00	19 137,26	0,00	671 651,74	671 651,74	100,00%
3	Project	INSTITUTIONAL SUPPORT TO 4 MINISTRIES	TAF	29/1/91	11/12/91	17/6/92	10/11/99	2 486 840,00	42 862,32	0,00	2 443 977,68	2 443 977,68	100,00%
4	Project	POVERTY REDUCTION STRATEGY SUPPORT PROG.	ADF	10/10/01	17/10/01	31/1/02	18/3/03	23 090 000,00	0,00	0,00	23 090 000,00	23 090 000,00	100,00%
5	Project	POVERTY REDUCTION STRATEGY SUPPORT PROG. II	ADF	15/1/03	21/3/03	3/10/03	24/2/04	25 000 000,00	0,00	0,00	25 000 000,00	25 000 000,00	100,00%
6	Project	SUPPLEMENTARY PRSP PROGRAMME II	ADF	22/9/04	27/9/04	17/5/05	14/7/05	15 500 000,00	0,00	27 256,45	15 472 743,55	15 500 000,00	99,82%
		<b>Multi-sector (D)</b>						<b>80 583 409,00</b>	<b>123 323,38</b>	<b>27 256,45</b>	<b>80 432 829,17</b>	<b>80 460 085,62</b>	<b>99,97%</b>
1	Project	LINE OF CREDIT I	ADB	26/3/70	21/3/72	30/3/72	13/11/74	2 000 000,00	0,00	0,00	2 000 000,00	2 000 000,00	100,00%
2	Project	LINE OF CREDIT II	ADB	19/11/74	5/2/75	15/11/75	22/8/78	2 000 000,00	135 639,81	0,00	1 864 360,19	1 864 360,19	100,00%
3	Study	GOLD PRODUCTION PROJECT STUDY	ADF	2/9/93	13/9/93	29/3/94	7/3/01	1 243 420,00	19 688,04	0,00	1 223 731,96	1 223 731,96	100,00%
		<b>Mines, Industries and Bank (E)</b>						<b>5 243 420,00</b>	<b>155 327,85</b>	<b>0,00</b>	<b>5 088 092,15</b>	<b>5 088 092,15</b>	<b>100,00%</b>
40		<b>Total National Projects Sector Rate G = (A+B+C+D+E)</b>						<b>290 709 819,00</b>	<b>13 355,94</b>	<b>102 753,25</b>	<b>276 795 709,81</b>	<b>276 898 463,06</b>	<b>99,96%</b>

Source: AfDB, Burkina Faso Portfolio Review (2007: p.76)