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IMPLEMENTATION COMPLETION REPORT
(IDA-24720)

ON A

CREDIT

IN THE AMOUNT OF SDR 5.1 MILLION (US\$7.0 MILLION EQUIVALENT)

TO

BURKINA FASO

FOR

A PRIVATE SECTOR ASSISTANCE PROJECT

December 21, 2000

Private Sector Group
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective June 2000)

Currency Unit = CFAF Franc (CFAF)

CFAF 697 = US\$ 1

US\$ 1 = SDR 0.752

FISCAL YEAR

January 1 December 31

ABBREVIATIONS AND ACRONYMS

BCEAO	<i>Banque Centrale des Etats d'Afrique de l'Ouest</i>
CBC	Burkinabé Shipping Council
MICM	Ministry of Industry, Commerce and Mining
ONAC	National Office for External Trade
OHADA	<i>Organisation en Afrique pour l'Harmonisation du Droit des Affaires</i>
UEMOA	West African Economic and Monetary Union

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<i>Project ID:</i> P000289	<i>Project Name:</i> PRIVATE SECTOR ASSIS
<i>Team Leader:</i> Marie-Ange Saraka-Yao	<i>TL Unit:</i> PFG
<i>ICR Type:</i> Core ICR	<i>Report Date:</i> December 21, 2000

1. Project Data

Name: PRIVATE SECTOR ASSIS *L/C/TF Number:* IDA-24720
Country/Department: BURKINA FASO *Region:* Africa Regional Office
Sector/subsector: DB - Business Environment

KEY DATES

<i>PCD:</i> 03/30/90	<i>Effective:</i> 10/13/93	<i>Original</i>	<i>Revised/Actual</i>
<i>Appraisal:</i> 06/19/92	<i>MTR:</i> 06/30/95		01/31/94
<i>Approval:</i> 03/18/93	<i>Closing:</i> 12/31/97		06/30/97
			06/30/2000

Borrower/Implementing Agency: BURKINA FASO/MINISTRY OF COMMERCE; BURKINA FASO/INDUSTRY
Other Partners:

STAFF	Current	At Appraisal
<i>Vice President:</i>	Callisto Madavo	Edward Jaycox
<i>Country Manager:</i>	Hasan A. Tuluy	Katherine Marshall
<i>Sector Manager:</i>	Demba Ba	Silvia Sagari
<i>Team Leader at ICR:</i>	Marie-Ange Saraka-Yao	
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2. Principal Performance Ratings

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HL=Highly Likely, L=Likely, UN=Unlikely, HUN=Highly Unlikely, HU=Highly Unsatisfactory, H=High, SU=Substantial, M=Modest, N=Negligible)

Outcome: S
Sustainability: L
Institutional Development Impact: M
Bank Performance: S
Borrower Performance: U

Quality at Entry: QAG (if available) ICR
U
Project at Risk at Any Time: Yes

3. Assessment of Development Objective and Design, and of Quality at Entry

3.1 Original Objective:

The objective of the project was to help create an institutional environment capable of providing support to sustainable growth of the private sector. The project was designed to help implement a Government economic reform program to respond to increased macroeconomic imbalances resulting from large expansion in public consumption and investment in the 1980s, the result of the country's socialist orientation. Increased macroeconomic imbalances led Burkina Faso to seek assistance from the Bank and the IMF. A Policy Framework Paper (PPF) was agreed in 1991 and the Bank extended a first Structural Adjustment Credit. The objectives of the adjustment credit were to improve public resource management and create incentives for private sector development. To achieve the latter, the program included actions in the areas of public enterprise divestiture, banking sector restructuring, trade and price liberalization, and regulatory reform. Two technical assistance projects were designed to help the Government carry out its reform program, the Public Institutional Development Project approved in June 1992, and the project under review.

Assessment of Project Objective. The project objective was in line with the country assistance strategy to help the Government create a policy and regulatory environment supportive of the private sector. It was also consistent with the Government's economic liberalization program. The objective was too narrowly defined, however. Focusing on institution building without clear indication of a purpose is a recipe for disappointment. The program lacked an overall private sector development strategy providing long-term objectives for the sector and the necessary tools for implementation.

3.2 Revised Objective:

The original objective of the project was not revised but project design was modified.

3.3 Original Components:

The project included three components: (i) assistance to the Ministry of Industry, Commerce and Mining (MICM) to implement the divestiture program and streamline administrative procedures related to external trade and the establishment of new enterprises; (ii) reorganization, privatization, and strengthening of the institutional support structure for private sector development; and (iii) support to the Ministry of Finance and Planning to complete the privatization of the banking sector and strengthen financial intermediation.

1. **Assistance to the MICM (US\$3.17 million).** (a) **Streamlining the Ministry's procedures relating to private sector activities.** This sub-component was designed to help the two one-stop windows established under the SAL (one for external trade and one for investment) to improve their organization and procedures. (b) **Support to the Privatization Commission** This sub-component was to finance one year of operating costs of the Privatization Commission, established in 1992 under a PPF and PHRD grant, and consulting services to assist in the implementation of the Government's divestiture program, also for one year. Government's budgetary allocations were to support the Commission's operating costs starting in mid-1994. Technical assistance was to be financed afterwards by proceeds from sale of public enterprises.

2. **Assistance to the Chamber of Commerce, the Burkinabé Shipping Council (CBC), and the National Office for External Trade (ONAC) (US\$2.75 million).** (a) **Reorganization of the institutional support structure.** This component was designed to reorganize, privatize, and strengthen the support structure of the Chamber of Commerce, CBC and ONAC. It was to transfer to the Government all tasks of an administrative nature performed by the agencies, and to the Chamber of Commerce those providing extension services to private businesses. It was to rationalize the management of warehouses and shipping equipment that was under the control of the Chamber of Commerce and CBC. (b) **Assistance to the**

Chamber of Commerce. This component was to strengthen the Chamber of Commerce's ability to assist private businesses obtain the support they needed. It was to strengthen the Chamber's capacity to evaluate private firms' needs for technical assistance, follow-up and assess results of this assistance. It was to establish a data base to record all available local and foreign sources of assistance to private enterprises' operations. It was to help private firms carry out feasibility studies and provide financial start-up support.

3. Financial sector component (US\$0.81 million). (a) **Assistance to the Ministry of Finance and Planning.** This component was to finance technical assistance to help the Ministry manage the privatization process of financial institutions and improve the management of the Agency for Debt Recovery. (b) **Strengthening of financial intermediation.** This component was to finance: audits of the commercial banks prior to their privatization; a study to convert the Postal Services Agency and the National Savings Agency into an independent financial institution within the postal system; a review of the legal system to improve bad debt recovery; and a study to create long-term financing instruments and the necessary legal and regulatory framework for their establishment.

Assessment of Components:

The project was a complex operation involving a large number of institutions (10 in total), most of which with little experience with Bank procedures. The Government was ambivalent on private sector development and reluctant to reduce its involvement in the management of the economy. Under these circumstances, providing a large package of technical assistance (a total of 400 man/months was envisaged) was not the most appropriate approach.

The strategic focus of the privatization program was short-term, targeting primarily a reduction of state subsidies to loss-making public enterprises in the public sector. The institutional arrangements of the privatization component were also deficient. The Privatization Commission was established as part of the Ministry of Commerce. This resulted in a slow and overly centralized decision-making process, with negative consequences on the Commission's decision-making ability. The combined effect of the slow and cumbersome decision-making process and lack of Government's commitment was a significant obstacle in moving forward the divestiture program. The objectives of the **institutional reforms** were relevant and consistent with the project's overall objective insofar as they sought to address bureaucratic bottlenecks to improve the business environment. However, private sector participation was not actively promoted during the design stage and remained limited during implementation. As a result, the reforms did not fully address the sector's needs. Measures under the **financial sector component** were relevant to the project's objective and supported the development of the private sector.

The project over-estimated local capacity to implement the various components and placed unrealistic expectations on the pace of the privatization program. Shortfalls in counterpart funding substantially slowed down implementation of that component. Furthermore, during project preparation, insufficient attention was given to the country's economic and social background, which was shifting from a centrally planned to a more market-oriented economy, and the time lag required for the Government to adjust to the changes and buy into the reform process. This underestimation had a negative impact on the pace of project execution—particularly the privatization program, and was reflected in the Government's initial lack of commitment. The SAR correctly identified the slow pace of the privatization program as a risk but did not recommend adequate mitigating measures.

3.4 Revised Components:

Project implementation was slow, and two months before the initial closing date of December 31, 1997, only US\$2.2 million (about 30 percent) had been disbursed under the credit. Following the project's

mid-term review of June 1997, the Government, with intensive assistance from the newly-appointed Bank resident representative, launched the preparation of a private sector workshop to discuss private sector development issues with representatives of the public and private sectors and the donor community. The workshop took place in October 1997. It gave the private sector an opportunity to make a number of concrete recommendations for improving the business environment. The Government gave encouraging signs that it was ready to follow up on them. The Government and the Bank concluded that the project could be an effective instrument for implementing these recommendations, and more generally, the reforms agreed under the highly indebted and poor countries (HIPC) initiative. The project was restructured on the basis of an action plan based on the workshop proceedings, and the credit was extended by two years to December 31, 1999. An amendment was presented to the Board in April 1998. The amendment involved changes in the project description to include a new component relating to the telecommunications sector and to modify the component on business laws. It also involved a modification of Credit allocation. Project restructuring was as follows:

The **telecommunications reform component** (US\$0.4 million) was added to open up the sector and encourage private sector participation in the development of services. The reform component was to develop policies and strategies for the sector, promote national consensus-building for the Government's policy strategy, establish a legal and regulatory framework to foster competition as well as a regulatory agency, and introduce competition in mobile telephone market.

The **business laws component** (US\$0.3 million) was designed to help disseminate the new business laws expected to become effective in January 1998 under the OHADA treaty, provide training to judges and private operators to facilitate enforcement of the laws, and revise national laws to ensure their consistency with the new framework. The OHADA treaty signed by Burkina Faso and a number of francophone countries in 1993 aimed to streamline and update business legislation for member states through a uniform set of laws, and to strengthen the legal and judicial security for enterprises through effective settlement of disputes. Another objective was the promotion of arbitration as a means of settling contractual disputes and facilitation of regional and international trade.

The matching fund within the Chamber of Commerce was canceled because of the Chamber's weak capacity to execute it and because of the existence of a number of other similar funds managed by multiple institutions. The study to review existing legislation on bad debt recovery was canceled because regulations to deal with this issue were being adopted under the West African Economic and Monetary Union (UEMOA) of which Burkina Faso is a member.

Two additional activities were added towards the end of the project: support for an **agribusiness strategy** and a **competitiveness study**. The agribusiness strategy was to help restructure the fruit and vegetable industry and identify entry points for potential sources of growth. The **competitiveness study** was the result of a joint collaboration between the Bank and the Government that started in late 1998, at a time of difficult dialogue between the Bank and the Government on the appropriate reform agenda for the country. The private sector development project was not going well because of resistance by various parties to major institutional reform, privatization and liberalization, which were perceived as World Bank dogma. As a way of moving forward and generating ideas, the Government agreed in October 1998 to carry out a comprehensive economic competitiveness study and analysis of sources of growth for Burkina Faso.

The closing date was extended a second time from December 31, 1999 to June 30, 2000 to allow the Government to complete three specific ongoing activities in the areas of telecommunications reform, privatization and support to the private sector.

Component	Cost (US\$ million)
1. Assistance to the MICM	3.17
2. Assistance to the Chamber of Commerce, CBC and ONAC	2.75
3. Financial Sector Component	0.81
4. Telecoms Reforms	0.40
5. Implementation of the OHADA Laws	<u>0.30</u>
Total	7.43

3.5 *Quality at Entry:*

Quality at entry is rated "unsatisfactory" because of poor project design and deficient risk analysis. The project was complex in view of limited implementation capacity and weak Government commitment to private sector development. When the project was approved, the adjustment program was not implemented at a satisfactory pace. Performance indicators were detailed for each sub-component in the SAR, but they were mostly to measure outputs instead of outcomes. The risk section did not provide a thorough analysis of potential problems. Two main risks were identified. The first risk-- slow progress in privatizing public enterprises and banks--was considered low because of the Government's commitment to the reform program. The second risk was the business community's slow response to play an active role in the institutional system to support private entrepreneurs. This risk was also considered low because of the active participation of the Government and the private sector during preparation. The project pre-dates the QAG review process.

4. Achievement of Objective and Outputs

4.1 *Outcome/achievement of objective:*

The project's outcome is rated satisfactory. The main achievement of the project is its contribution to a major shift in the Government's understanding of the strategic and development issues it is facing as the new century begins. This shift was initiated towards the end of the project through the highly participatory competitiveness study mentioned above. The study highlighted the need for the country to adopt a more aggressive reform program if it were to make a significant impact on poverty. The Government used the results to articulate a new development program that formed the basis for the Poverty Reduction Strategy Paper (PRSP) presented to the Board in June 2000. The project also helped the Government implement its divestiture program, thereby reducing state subsidies and increasing firms' productivity and doubling employment. Through lessons learned from the divestiture program, the Government decided to extend the privatization process to the infrastructure sectors--telecommunications, energy and air transport. The project was instrumental in initiating reforms in the telecommunications sector and opening it up to competition. Finally, the project was instrumental in strengthening the financial sector. The banking sector was restructured, leading to increased competition with the entry of five new financial institutions.

The project was less successful in restructuring the institutional support structure to private entrepreneurs and streamlining the administrative procedures for private sector activities.

4.2 *Outputs by components:*

Component 1. Assistance to the MICM.

(a) Streamlining of the Ministry's procedures relating to external trade and establishment of new private businesses. This sub-component did not achieve its objective to improve the organization and procedures of the two windows. Expected output for this sub-component was a reduction in the processing time for investment code applications. A one-stop agency was created in 1994 to screen applications for investment code benefits and register new enterprises. It became operational in 1997. Although service standards were established to speed up the approval process, procedures remain cumbersome. The project

financed a study to recommend ways to eliminate unnecessary steps in setting up new businesses and ensure that procedures are consistent with the new OHADA regulations. The FIAS study has highlighted that, despite progress in streamlining the administrative procedures to better respond to the needs of new businesses, these procedures could be further streamlined. Private enterprises still have to go through several public agencies, six in total, to register their new business, despite the existence of the one-stop agency. Since the majority of these new businesses are small enterprises, these successive administrative steps represent a high cost to them, estimated to average 17 percent of their capital base. It is the Government's intention to transfer the one-stop agency to the proposed "*Maison de l'Entrepreneur*". The concept of the "*Maison de l'Entrepreneur*" emerged during the national workshop of October 1997 as a one-stop center to provide information to entrepreneurs and streamline administrative procedures. The center will liaise with all existing agencies dealing with private entrepreneurs and provide support to their associations. The project financed a feasibility study to define the center's activities, its structure, and financing. The center is expected to become operational by the end of 2000.

This sub-component is rated unsatisfactory because its main institution-building objective was not achieved.

(b) Support to the Privatization Commission This sub-component has achieved its overall objective to complete the **divestiture program** encompassing the privatization or liquidation of 39 enterprises out of a total of 44 in the initial program. Seven laws and decrees were enacted from 1991 to 1999 to authorize the divestiture of these companies and to empower the privatization agency.

The physical targets set at appraisal have been met. In the first phase of the privatization program from 1991 to 1994, out of 22 enterprises to be privatized or liquidated, 13 were privatized and two research centers were transferred back to their line Ministries because they had no profit orientation. Of the seven remaining from the first phase, five were privatized and two liquidated. Out of 22 companies from the second phase, 12 were privatized and 10 liquidated.

In terms of impact, the program contributed significantly to the reduction of state subsidies to firms from CFAF 20 billion in 1991 to CFAF 1 billion in 1999. As of end-1999, privatization receipts and new investments amounted to CFAF 11 billion and CFAF 20 billion, or US\$16 million and US\$29 million equivalent respectively. The program also resulted in an increase in employment despite some retrenchment due to liquidations and downsizing in the railway company. Gross value added of the privatized firms increased by more than 68 percent during the period.

The program's largest impact might be assessed against the Government's decision to extend privatization to the so-called strategic infrastructure sectors (telecommunications, energy and air transport). Without the exposure and gradual learning experience gained throughout the current program execution, expansion to these sectors would not have taken place. A study to formulate a divestiture strategy for the remaining public enterprises, including the remaining utilities and a number of small-scale enterprises, has been completed. The study served as the basis for the preparation of a new privatization program in the infrastructure sector.

Implementation of the divestiture program has taken much longer than initially expected, however. The strategy formulation phase, from recruiting the advisor to Government selection of a final sale strategy, took an average of 501 days. The centralized decision-making process with frequent cabinet involvement resulted in the privatization of an average of three companies per year, compared to a regional average of seven. The length of the process was detrimental to the financial situation of some of the companies to be privatized, which needed urgent capital inflows. A new decree was enacted in 1998 to improve the process

but resulted only in marginal changes with little impact. Moreover, the privatization strategy adopted by the Government was not best practice from an economic standpoint. Bidders were guaranteed special import protections without any indication on the phasing out of such a protection. On the other hand, bidders were expected to retain all employees from firms to be privatized. Privatization of SOSUCO, the sugar company (by far the largest transaction) raised serious doubt on the integrity of the entire privatization program. The Government changed the rules of the game during the process and, eventually, selected the lowest bidder (a price difference of 11 percent with the best offer) based on the investor's promise to launch an ambitious investment program.

On the capacity building front, despite the shortcomings mentioned above, technical staff in the privatization agency and in line ministries have considerably learned from the process. They have familiarized themselves with best practices through technical assistance and study tours abroad. They are now better equipped to handle the remaining transactions to be implemented under the new program.

This sub-component is rated satisfactory because it has achieved its quantitative targets and helped develop capacity in the privatization commission. The privatization process is rated unsatisfactory, however, because of its lengthiness and the inadequate handling of the largest transaction in the program.

Component 2. Institutional support: assistance to the Chamber of Commerce, the Burkinabé Shipping Council (CBC) and the National Office for External Trade (ONAC). This component has partially realized its objective to reorganize, privatize, and strengthen the institutional support structure.

Although the Chamber of Commerce has been privatized, it has kept some of its previous functions, but more importantly it still operates as a public-sector institution. A new general assembly with representatives from the private sector and sectoral commissions were established. In 1996, a new Board of Directors was established by the general assembly, and a new general manager appointed by the Board of Directors. This new structure brought a clearer definition of responsibilities among the agencies and a disengagement from the Government. All enterprises are de facto members but do not pay membership fees. Most of the Chamber's resources originate from fees collected for the use of its warehouses and market facilities. The Chamber of Commerce provides market information to enterprises and support in preparing investment code applications. It operates three professional training institutions. The project also financed a study on reorganizing its human resources structure. Recommendations have been implemented.

ONAC and CBC have not been privatized and continue to operate as public institutions. Their statutes however were changed to allow representation of the private sector on their boards. They also continue to be funded by the Government. Both institutions still need to define their respective role and position themselves to achieve credibility with the private operators. This is particularly the case for ONAC which is now attempting to position itself in the area of establishing and monitoring quality standards. On the other hand, private operators do see a role for CBC, in particular in providing assistance in handling products for small shippers. The agency needs however to move to a more privately oriented modus operandi and improve its performance to also establish credibility with private operators.

This component is rated unsatisfactory because its main institution-building objective was not achieved.

Component 3. Financial sector component. This component has achieved its overall objective to strengthen the financial sector.

(i) Support to the Ministry of Finance

(a) Privatization of banks. The banking sector was restructured, with the privatization and recapitalization of the main banks. Final agreements for the privatization of the *Banque pour le Financement du Commerce et des Investissements au Burkina* was reached in 1997, and the bank was renamed *Société Générale des Banques au Burkina*. The *Banque Nationale de Développement* was liquidated in January 1998. The *Banque Arabe Libyenne Burkinabé* was taken over by the *Banque du Commerce du Burkina*. Two new foreign banks (Ecobank and Bank of Africa) and three non-bank financial institutions entered into operation in 1997-98. All banks are observing the capital adequacy ratio of 4 percent currently in force, and five banks are already observing the revised ratio target of 8 percent established by BCEAO, the regional central bank, in mid-1999. All banks should be in compliance with the new target by end of 2001. The restructuring of the banking sector has also led to increased competition.

(b) Restructuring of the Postal Services Agency and the National Savings Agency. The restructuring of the Postal Agency and the National Savings Agency was completed in April 2000, with separation of accounts from Treasury. Agreements have been reached on the compensation of debt between the Treasury and Sonapost.

(c) Creation of new financial instruments for long-term lending Several new institutions were created including two leasing companies.

(d) Support to Microfinance Sector. In January 1997 the Government and other micro-finance institutions adopted the PARMEC law that regulates micro credit financial institutions in the UEMOA countries. A micro-finance supervision unit was established within the Ministry of Finance. The unit was strengthened to enforce the PARMEC law. The project financed equipment and training for the microfinance unit in the Ministry of Finance. The project also financed a study to help the Government define a strategy for the sustainable development of the microfinance sector. The conclusions of the study will be discussed during a workshop which the Government will hold in the first quarter of 2001 to formulate such a strategy.

(ii) Strengthening of the Agency for Debt Recovery. The objective of this component was achieved. The Agency for Debt Recovery has so far recovered 17 percent of the total amount of bad debt transferred during the period 1991-1999, corresponding to about CFAF 10.9 billion out of CFAF 64 billion. Of the total amount of bad debt, the proportion of private debt amounted to CFAF 27 billion, of which CFAF 9.7 billion was recovered, or 36 percent, which is a commendable result. The proportion of public debt was CFAF 19 billion, of which CFAF 1.2 billion was recovered, or 6 percent. It is not expected that the remaining balance on the total amount of bad debt will be recovered. The financial audit of the Agency was completed. Training of agency staff was also completed, as was the purchase of 12 computers.

Given the Agency's positive performance, it was proposed to create a more permanent, privately oriented structure for bad debt recovery beyond the project. The Bank will assist the Government in exploring experiences with a similar agency in Cameroon to evaluate the possibility for the agency to continue operating on a private basis.

(iii) Revise laws governing bad checks and delinquent debtors. This component was dropped because of adoption of a new law at the regional level.

The overall project impact on the financial sector is considered highly positive. The project also helped establish an institutional framework that will be used to monitor the microfinance institutions and formulate

a broad policy for that sector. A note on the financial sector was prepared to define the next interventions to further develop the financial sector.

Consequently, this component is rated satisfactory.

Telecommunications Reform Component. This component has achieved its objective to initiate reforms in the telecommunications sector by implementing a sector strategy and a regulatory framework. The sector's restructuring program was successfully launched and has achieved tangible results on the ground. The Government adopted a sector policy to open up the sector to competition. To this end, two laws were also adopted by the Government: one to establish the legal and regulatory framework of the sector, the other to authorize the privatization of ONATEL, the public telephone company. The Government has agreed to transfer management control of ONATEL to a private operator. The studies on the regulatory framework were completed, and basic regulations were adopted by the Council of Ministers in February 2000. A regulatory authority was established in November 1999. Calls for bids were issued in December 1999, and two mobile telephone licenses were granted in May 2000, which brought in a total of US\$19 million in license fees for the Government, i.e. more than the proceeds of all privatizations supported by the project (US\$16 million). The privatization of ONATEL has been launched. Advisory services are currently being recruited to prepare the sale. More importantly, ONATEL has rebalanced its tariffs: a reduction of more than 50 percent on international traffic and more than 30 percent on long-distance traffic became effective on May 1, 2000. This component is rated satisfactory with respect to sectoral policies and physical targets.

Business laws. This component has achieved its objectives. After a slow start, dissemination efforts were successfully completed with the information component. The training program for judges and private operators was completed. The new court register has been set up in the two largest cities. Harmonization of national laws with OHADA laws is underway. Studies to simplify administrative procedures to set up new businesses in keeping with new OHADA laws have been completed. Consequently, this component is rated satisfactory.

Support to a new agribusiness strategy. At Government's request, the Bank has provided support to the restructuring of the fruit and vegetable industry. Given the structure of the Burkinabé economy and the identification of untapped potential in the production and export of non-traditional products, it was agreed that the analysis of the value chain for the horticultural sector could be a good entry point to analyze the sources of growth for the country. The project financed study tours for Government staff and private exporters to gain better understanding of success stories (such as in Kenya) and a workshop to disseminate findings. An action plan has been agreed with private operators to improve the sector's competitiveness.

Competitiveness study. The project financed a competitiveness study that has triggered a significant turnaround in the dialogue between the Government and the Bank on the appropriate reform agenda for the country. Since its completion in April 1999, workshops and cabinet-level meetings provided a forum for discussions between the Government, the Bank, donors and civil society that have led to heightened awareness and consensus-building on how to move forward on the country's development program. As discussed above, the study has set the stage for Burkina Faso's new development program and put in place a more participatory process between the Government and the Bank in developing a new private sector development strategy, the Poverty Reduction Strategy Paper, and the CAS under preparation. The Government is preparing a private sector development program to implement its new strategy.

Summary rating of output

In the initial program, one major component (the financial sector) is rated satisfactory, one minor component (institutional support) is rated unsatisfactory and the rating for the other component (assistance to the Ministry of Commerce, including privatization) is mixed. The three new components are rated satisfactory. Overall, the program is rated satisfactory.

4.3 Net Present Value/Economic rate of return:

n.a.

4.4 Financial rate of return:

n.a.

4.5 Institutional development impact:

The project helped develop or strengthen the following institutions, as discussed above: the privatization agency, the loan recovery agency, the postal services agency, and the national savings agency. Training under the project was substantial and helped build capacity in best practices in privatization in line ministries and technical staff of the privatization unit. The project also helped the Government move from a cautious to a more engaged position in opening up sectors to competition and divesting itself of the more critical utility sectors. On the other hand, the project was partially successful in building the capacity of the Chamber of Commerce, the CBC and ONAC to better respond to the needs of the private sector. Accordingly, the overall rating on the institutional development impact of the project is rated partially satisfactory.

5. Major Factors Affecting Implementation and Outcome

5.1 Factors outside the control of government or implementing agency:

The 1994 devaluation of the CFA franc re-established the competitiveness of the economy and triggered strong growth. The devaluation provided a more favorable environment for some of the project's activities, such as divestiture of public enterprises and restructuring of the financial sector. It also increased the initial IDA credit allocation in local currency, which allowed the Government to achieve more than initially expected. On the other hand, the availability of large donor resources for private sector development made it difficult for the Government to adequately coordinate a variety of programs that were not always consistent among themselves. Another factor was the difficulty to attract private partners willing to invest in the banking sector, which slowed down the restructuring of the financial sector. In general, it has been difficult to attract solid domestic investors with the financial capacity required to meet investment needs to rehabilitate the privatized companies.

5.2 Factors generally subject to government control:

Weak Government commitment to private sector development in the early phase delayed project implementation. A waiver on two conditions of effectiveness (to revise the statutes of the Chamber of Commerce and elections of the members of its executive bodies) had to be granted to avoid a further extension beyond the January 31, 1994 deadline, more than 10 months after Board approval. Insufficient counterpart funding was a recurrent problem throughout project implementation. Cumbersome procedures for public enterprise divestiture, requiring ministerial decisions at each step of the process, considerably delayed the divestiture program.

5.3 Factors generally subject to implementing agency control:

The project unit has provided weak leadership during most of the implementation period.

5.4 Costs and financing:

Detailed project costs and financing tables are presented in Annex 2. The disbursement profile reflects the project's slow pace of implementation, compounded by recurrent shortages of local counterpart funding. Over the period 1994-97, the project disbursed US\$2.22 million (31%) of the total credit, and US\$3.87 million (55%) between project restructuring and the end of the project, representing a total disbursement of US\$6.09 million (86%).

6. Sustainability

6.1 Rationale for sustainability rating:

Project sustainability is likely. It hinges on the broad dissemination of the analyses and conclusions of the competitiveness study. Recent Bank/Government dialogue on the country's competitiveness has demonstrated the Government's commitment to accelerating the reforms supported by the project. The Government is likely to continue implementing the divestiture program at an accelerated pace and to complete reforms in the telecommunications sector. Increased competition in the financial sector is likely to lead to improved services and lower costs. The OHADA business legislation has been disseminated, but basic weaknesses in the judiciary system remain to be corrected, including through increased funding for operating expenses. The institutional support structure for private sector development remains to be streamlined and fully privatized. Government's direct or indirect allocations to the Chamber of Commerce, ONAC and CBC should be discontinued.

6.2 Transition arrangement to regular operations:

The Bank is considering a new private sector development operation as a follow-up project in the following areas:

- **Support to divestiture program.** The Government carried out a strategic analysis of the State portfolio of some 53 PEs. Based on the analysis, it will determine which companies will be part of the divestiture program. The project will support the implementation of the additional program;
- **Telecommunications reform.** The program will build on the initial results of the telecommunications reform successfully launched under this project to continue providing assistance in: (i) building capacity of policy makers and telecommunications regulators; (ii) establishing a rural telecommunications strategy and funding mechanisms and undertaking initial implementation; and (iii) completing the privatization of ONATEL.
- **Information and new technology** to (i) establish a strategy on building an enabling environment for developing a country-wide Information Infrastructure; (ii) develop detailed policy on key building blocks of readiness of Internet and E-commerce throughout the country; and (iii) implement priority actions and applications.
- **Further reforms in the financial sector** will be executed at the regional level, under regional programs. The BCEAO project currently in preparation will strengthen the regulatory framework at the regional level and develop new payments systems. The Bank will continue assisting the Government in finalizing the **microfinance** strategy to subsequently define specific areas of intervention in the implementation phase.

7. Bank and Borrower Performance

Bank

7.1 Lending:

The Bank's performance in the identification, preparation and appraisal of the project is rated

unsatisfactory. The project was complex and poorly designed, including a large number of studies with little relevance to private sector development. The objective of the project was too narrowly focused on creating an institutional environment, and not enough on the purpose of this effort. Given the Government's weak commitment to privatization, the SAR was optimistic as to the pace of the program. Contrary to what was stated in the SAR risk section, there was insufficient dialogue between the Government and the private sector during project preparation. The project included too many conditions of credit effectiveness, resulting in a ten-month lag between approval and effectiveness. If these conditions were deemed critical for the success of the project, they should have been fulfilled before negotiations. It is not clear, however, whether these conditions were critical to justify delay in credit effectiveness: elections by private entrepreneurs or members of the Chamber of Commerce, bid issuance for the reorganization of the institutional structure, or Government adoption of appropriate legislation conferring collection privileges of tax services to the Agency for Debt Recovery.

7.2 Supervision:

During the early years of project implementation supervision was unsatisfactory. However, despite delays in meeting effectiveness conditions and difficulties with critical institutional aspects, serious problems in counterpart funding and procurement, implementation progress was consistently rated satisfactory. Follow-up letters did not raise any substantive issues. Missions did not follow up on previous recommendations and agreed actions. Moreover, the project suffered from a series of changes in the organization of the Africa Region. Project management was transferred to a small trade unit created in 1995 in the Africa Region. The unit was later dismantled during the 1996 re-organization and the project remained unsupervised for a year during the transition period.

From mid-1997 to credit closing, supervision has been highly satisfactory. During that period, the project has been supervised by the same task manager and essentially the same team members. Thorough supervision and continued commitment from the team helped the Government move on its reform agenda. The resident representative was closely involved in day-to-day problem solving. The Country Director provided the necessary resources and quality support needed to the team, which resulted in establishing a better policy dialogue with the Borrower. Approval of the two extensions enabled the Government to initiate a series of new activities that have helped create a new environment for private sector development.

7.3 Overall Bank performance:

Overall, Bank performance is rated marginally satisfactory. It was unsatisfactory in the early years because of poor quality at entry and inadequate supervision. In the past three years, however, the Bank sharply focused its supervision effort and used the project as an instrument for a significant turnaround in its policy dialogue with the Government.

Borrower

7.4 Preparation:

The Borrower's commitment to the reform program and to the project objectives was lacking. Its involvement in preparation was minimal. Government's ownership of the project was also minimal.

7.5 Government implementation performance:

Insufficient counterpart funding of project institutions and inadequate qualifications of key project staff were a perennial problem. Procedures for project implementation were slow and cumbersome. Expected changes in the institutional framework for private sector development have not taken place. Instruments for

an effective dialogue between the Government and the private sector have not been used. It is important to note that towards the end of the project, new Government leadership demonstrated strong interest to use the project to move the reform agenda, as illustrated by the approach used to implement the competitiveness study.

7.6 Implementing Agency:

Performance of the implementation unit was inadequate for most of the project's life.

7.7 Overall Borrower performance:

Overall, the Borrower's performance is rated unsatisfactory. Government commitment to private sector development has been weak until recently. Project implementation suffered from inadequate funding and lack of leadership.

8. Lessons Learned

Technical assistance is not a substitute for weak Government commitment. In the absence of a shared vision among all stakeholders on what a project is expected to achieve, little change can be expected. Other instruments than a large technical assistance project should have been used to develop this shared vision. The private sector should have been more actively involved at all stages.

The Government did not seem committed to really change the institutional framework for private sector development, and despite a number of studies financed by the project, little was achieved in this respect. Capacity building is incremental and part of a long-term process. It requires strong motivation for change in recipient institutions.

To be effective, privatization should be part of a clear strategic vision, shared by all stakeholders. Emphasis on transactions for short-term gain is not appropriate. Transactions should be embedded in clear sector policies.

Close donor coordination is essential in countries such as Burkina Faso, which are highly dependent on external assistance. The Bank, in close consultation with interested donors, should support a government program, based on a common approach.

Special conditions for credit effectiveness should be avoided as much as possible. If a condition is critical for project success, it should be a condition of negotiations.

Supervision should be systematic and issues-oriented. Continuity is essential. Close attention of Bank management is essential. The contrast between the quality of supervision during the first and second parts of project implementation is striking.

Extending the closing date when performance is unsatisfactory is a difficult call. In this case, the two extensions served Burkina Faso well, if only for the competitiveness study, which was instrumental in changing deeply entrenched mentalities, and laying the ground for a much energized reform program. The Bank team sensed that the Government was ready to provide a stronger leadership for moving the reform agenda.

9. Partner Comments

(a) Borrower/implementing agency:

This is the summarized version of the Borrower's contribution to the ICR.

DESCRIPTION DU PROJET

Titre	:	Projet d'Assistance au Secteur Privé (PASP)
Crédit IDA	:	N° 2472-BUR
Date d'entrée en vigueur	:	31 Janvier 1994
Date de clôture	:	30 juin 2000
Coût	:	neuf millions de dollars US (4 milliards FCFA) (sept millions en prêt IDA, Deux millions en contrepartie nationale)
Bailleurs de fonds	:	Banque Mondiale
Localisation du Projet	:	Envergure nationale
Organisme de tutelle	:	Ministère du Commerce, de l'Industrie et de l'Artisanat (MCIA)
Organe de mise en œuvre	:	Cellule de coordination
Personnel impliqué	:	06 agents (3 cadres + 3 agents d'exécution)
Durée	:	contractuelle 3 ans (1994-1997) 1ère prorogation accordée 2 ans (1997-1999) 2ème prorogation – 6 mois (janv. à juin 2000)

PREFACE

Le présent document constitue le rapport de fin d'exécution du Projet d'Assistance au Secteur Privé (PASP) au Burkina Faso qui a fait l'objet du crédit N° 2472-BUR du 15 juillet 1993 d'un montant équivalant à cinq millions cent mille (5.100.000) Droits de Tirages Spéciaux, soit quatre (04) milliards de F CFA. Le crédit sera clos le **30 juin 2000** au lieu du 31 décembre 1997 prévu initialement dans l'accord de crédit. Ce rapport est basé sur les différents documents du Projet et les informations fournies par les composantes et le secteur privé. C'est ici le lieu de remercier le secteur privé, la Banque Mondiale, les composantes, le Premier Ministère et les départements ministériels pour tous les appuis apportés lors de l'exécution de ce Projet.

INTRODUCTION

Dans le cadre du Programme d'Ajustement Structurel (PAS) mis en œuvre depuis 1991 avec l'appui du Fonds Monétaire International (FMI) et de la Banque Mondiale, le Burkina Faso a entrepris une série de réformes économiques visant le désengagement de l'Etat des secteurs concurrentiels et une libéralisation de l'économie nationale.

Le secteur privé est désormais reconnu comme le moteur de la croissance économique. Afin de créer un environnement propice à son développement, les autorités burkinabé et la Banque Mondiale ont élaboré le Projet d'Assistance au Secteur Privé (PASP).

L'objectif principal du Projet était de permettre le développement institutionnel des organismes d'état qui assurent des services administratifs au secteur privé et des intermédiaires financiers à travers cinq (05) composantes :

- composante secteur privé
- composante secteur financier
- composante Privatisation

- composante juridique
- composante secteur télécommunications

Au démarrage du projet, seulement trois (03) volets étaient prévus. Il s'agit des appuis au Ministère du Commerce, au secteur financier, et à la restructuration des institutions d'appui au secteur privé. Suite à la prorogation du projet deux (02) autres volets ont été ajoutés; il s'agit des secteurs juridique et des télécommunications.

EVALUATION DES OBJECTIFS PAR COMPOSANTE

4.1. Résultats acquis

4.1.1 Composante secteur privé

- La Commission de Concertation Etat Secteur Privé sur les réformes du système d'appui au secteur privé par arrêté N° 92-058/MCIM/SG du 18 septembre 1992 qui a été remplacée par une Commission Permanente de Concertation Etat / Secteur Privé a bénéficié pour son fonctionnement d'un photocopieur, d'une motocyclette YAMAHA Dame et d'équipements informatiques.
- L'élaboration d'une stratégie en faveur du secteur privé en mars 1999; ce document traduit la volonté du Gouvernement de mettre en œuvre tous les moyens dont il dispose pour favoriser le développement du secteur privé et la croissance des entreprises ;
- le financement de l'édition de quinze (15.000) dépliants publicitaires à l'intention des opérateurs économiques ; le dépliant présente le Centre des Guichets Uniques, donne ses objectifs et des informations sur les différentes prestations;
- la forte présence du privé dans les organes de décision suite à la restructuration de l'ONACet du CBC ;
- la mise en place d'un réseau informatique pour le CGU afin d'accélérer les traitements des dossiers ;
- la réduction des délais de traitement des dossiers au niveau des guichets uniques suite à la formation des agents ; les gains de temps sont principalement imputables :
 - au principe de regroupement géographique des procédures,
 - à la spécialisation plus poussée des agents,
 - au réaménagement de certaines procédures.

4.1.2 – Composante secteur financier

TRESOR

La formation des agents a permis aux différents services (le service de suivi des institutions de micro-finance et le service monnaie et crédit), d'accroître substantiellement leurs capacités d'analyse et de traitement des dossiers. Les connaissances acquises ont permis également de faciliter la préparation et l'exécution des missions d'inspections et de contrôle des institutions de micro-finance.

Depuis l'acquisition du matériel informatique, l'on note une certaine fluidité dans le traitement des dossiers et dans la confection des statistiques sur les institutions financières, les services bénéficiaires étant, avant la livraison des équipements informatiques, confrontés à un manque crucial de micro-ordinateurs.

Les audits financés par le PASP dans le cadre de la restructuration des banques ont servi de base à l'assainissement de leurs bilans.

SONAPOST

La formation a été bénéfique pour le personnel. En effet, la formation en marketing a permis la

sensibilisation de **44** agents sur leur responsabilité en ce qui concerne l'accueil de la clientèle. Ceci a eu comme résultat, une amélioration de la qualité des prestations de la SONAPOST et un accroissement du chiffre d'affaires.

L'obtention du matériel informatique a permis d'améliorer le traitement des informations et surtout de la comptabilité. Les terminaux et le nouveau serveur permettront de traiter les opérations en temps réel et donc de réduire le délai d'attente aux guichets.

La séparation effective des flux générés par les services financiers d'avec ceux des services postaux. Cette séparation devra permettre à :

- la SONAPOST et au TRESOR d'envisager leurs relations sur des bases nouvelles et plus saines,
- à la SONAPOST d'assainir sa gestion et d'améliorer la qualité des prestations offertes au public,
- au Chèque Postal de retrouver sa crédibilité avec le retour envisagé du CCP à la compensation interbancaire.

BRCB

- La mise en place d'un réseau informatique : les tâches de gestion autrefois exécutées manuellement, s'effectuent maintenant avec plus d'aisance. Cela a permis de maîtriser le volume trop important d'informations à gérer, réduisant ainsi le temps de travail lié à chaque poste. L'affectation de dix (**10**) terminaux informatiques dans les différents postes de travail a permis aux utilisateurs de consulter et de suivre l'évolution des traitements effectués sur les dossiers.
- L'acquisition de micro-ordinateurs portables : leur portabilité a permis aux différents agents d'éviter le transport des dossiers lors de leurs rencontres avec les débiteurs et les avocats. En outre, ils ont permis aux agents d'effectuer des contrôles sur le terrain pendant leurs missions en provinces.
- L'acquisition de micro-ordinateurs : la configuration mise en place (réseau Ethernet) a permis au secrétariat de faciliter certaines tâches administratives.
- La communication entre secrétaires, notamment l'échange de documents, de même que leur impression sont désormais maîtrisés.
- La formation de l'informaticien : elle a permis au technicien informaticien de prendre en charge l'administration de l'ensemble du réseau surtout au niveau du système. Cette prise en charge lui confère les aptitudes suivantes :
 - Gestion et administration du réseau ;
 - personnalisation de l'environnement,
 - maintenance des applications.

4.1.3 – Composante Privatisation

- sur **44** entreprises à privatiser :
 - **22** ont été privatisées,
 - **11** ont été liquidées ou sont en cours de liquidation,
 - **03** entreprises ont été retirées du programme (dont une restituée à son ancien propriétaire et deux affectées au Ministère des enseignement secondaire, supérieur et de la recherche scientifique (MESSR) à des fins de recherches et huit sont en cours de privatisation .
- Une étude sommaire des performances de **09** entreprises privatisées démontre que l'impact économique des privatisations est positif .
- Sur l'emploi : Les privatisations se sont traduites dans un premier temps par des compressions de personnel, puis ultérieurement par des embauches ;
 - Sur l'évolution de l'activité et des performances : la progression est modérée en termes de volume d'activités, mais nettement sensible en terme de résultat et d'investissement, donc en termes d'impôts

- perçus par l'Etat ;
- L'amélioration des performances économiques et financières des sociétés privatisées s'est traduite :
 - Par une évolution positive du résultat net de la plupart des entreprises : sur **16** entreprises, **03** seulement ont réalisé des pertes en 1997 ; les autres sociétés étaient bénéficiaires ; cette situation s'explique par l'introduction de méthodes rationnelles de gestion, toute chose qui a permis l'augmentation de la capacité de production des entreprises privatisées;
 - Une évolution positive du chiffre d'affaires : sur **16** entreprises privatisées, **15** ont enregistré une augmentation de leur chiffre d'affaires ;
 - Une évolution positive de la valeur ajoutée : la valeur ajoutée a évolué en dents de scie. Cette valeur ajoutée a surtout augmenté en 1998. Cela témoigne de la création de richesses par les entreprises privatisées dans une certaine mesure;
 - Un accroissement notable des investissements nouveaux liés à la nécessité pour les repreneurs de moderniser les outils de production (**19,8 milliards FCFA** d'investissements) ;
- La contribution des entreprises privatisées à l'assainissement des finances publiques ;
- La réduction des dépenses budgétaires : il y a lieu de souligner particulièrement la suppression de la prise en charge des salaires des subventions et des exonérations fiscales et douanières ;
- L'accroissement des recettes : l'ensemble des recettes financières liées aux transactions entre l'Etat et les repreneurs a rapporté au Trésor Public la somme de **10,5 milliards** de Francs FCFA à la date du 31 décembre 1999.
- Par ailleurs, les entreprises privatisées ont versé à l'Etat au titre de l'impôt sur le bénéfice industriel et commercial la somme de **2,5 milliards** de Francs CFA à la date du 31 décembre 1999.

4.1.4 – Composante juridique

- les séminaires se sont déroulés à la satisfaction des séminaristes tant au plan de l'organisation que du contenu des présentations. Les magistrats désormais appliquent tous le "droit OHADA" notamment en ce qui concerne les procédures de recouvrement et les voies d'exécution ;
- recrutement de contractuels pour la reprise et l'immatriculation rétroactive des déclarations effectuées depuis le 1er janvier 1998 comme si elles l'avaient été dès l'origine ; le numéro de RCCM qu'elles auraient reçu dans cette hypothèse leur sera respectivement affectée et un dossier individuel leur sera affecté ;
- la version définitive du rapport relatif à la mise en conformité des textes nationaux aux dispositions de l'OHADA permet une plus juste appréhension des questions de choix méthodologiques qui se posent dans le cadre de la problématique de la mise en conformité.

4.1.5 – Composante secteur télécommunications

- L'adoption de la loi 052/98/AN portant réforme du secteur des télécommunications ;
- L'adoption d'un document de politique sectorielle ;
- Le dossier d'appel d'offres pour l'attribution de deux licences de téléphonie mobile a été lancé le 15 décembre 1999 ;
- Les textes réglementaires comme le régime tarifaire et le régime d'interconnexion sont en cours d'adoption ;
- Les autres textes d'application de la loi sont en cours d'élaboration par le consultant ;
- L'adoption du décret portant statuts de l'Autorité de Régulation le 20 décembre 1999 ;
- La tenue du forum national sur la réforme du secteur les 28 et 29 avril 1999 ;
- La formation en régulation de trois membres de la cellule ;
- L'acquisition d'une somme d'expérience avec le voyage d'études d'une importante délégation conduite

par le Secrétaire d'Etat aux Télécommunications en Amérique du sud.

- La cellule de coordination au sein du Ministère de la Communication est maintenant pleinement fonctionnelle, les moyens matériels ayant été mis en place par le PASP.

4.2 - Insuffisances

4.2.1 Composante secteur privé (CCIA-B ; ONAC ; CBC ; CGU)

- D'une façon générale, la restructuration des structures d'appui a accusé du retard pour diverses raisons.
- L'adoption des nouveaux statuts de l'ONAC et du CBC s'est faite seulement courant 1998.
- Les dernières instances de décision ont été mises en place en septembre 1999.
- Au niveau du CGU, si des progrès ont été accomplis en matière de réduction des délais de certaines formalités administratives, les procédures administratives restent encore à simplifier. Le CGU installé à Bobo est partiellement fonctionnel.
- Une sous évaluation du projet d'informatisation du CGU n'a pas permis d'achever la mise en place du réseau informatique (logiciels et câblage non prévus dans l'appel d'offres).

4.2.2 Composante secteur financier

TRESOR

Les insuffisances que l'on peut relever à ce niveau sont :

- Le volet formation : la formation des agents a été partiellement exécutée en raison de calendriers non conformes à ceux de certaines institutions de formation. Sur 14 formations programmées, 08 ont été effectivement réalisées.
- Le volet service consultant : le résultat reste mitigé et les attentes non satisfaites au regard du champ de l'étude non totalement couvert par les consultants,
- Le volet équipement : celui-ci a connu une réalisation tardive. Ce qui ne permet pas de juger à l'heure actuelle son impact réel sur les services. Mais d'ores et déjà on note une certaine fluidité dans le traitement des dossiers et dans la confection des statistiques.

SONAPOST

On peut relever à ce niveau les insuffisances suivantes :

- Le volet équipements : la lourdeur administrative constatée dans les procédures de passation des marchés.
- Le non-respect des délais de livraison par les fournisseurs ;
- La non prise en compte de certaines préoccupations exprimées par l'institution paraissent fondamentales (équipement des centres de tri).
- Tout cela a eu pour conséquence la livraison tardive du matériel destiné à la SONAPOST.

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- La prise en charge de l'environnement réseau n'est toujours pas effective. Cela constitue un handicap pour l'institution, car la gestion des stations leur échappe.
- Il en est de même pour le transfert de fichier, la maintenance système et d'application à distance.
- De façon générale, tout le protocole de communication (TCP/IP) n'est toujours pas maîtrisé.

4.2.3 - Composante Privatisation

Le programme de privatisation a accusé un retard dans la réalisation de ses objectifs à cause des contraintes suivantes :

- Un délai extrêmement long d'exécution des différentes étapes du processus de privatisation, en grande partie dû à la lourdeur du processus de décision.
- Un manque de programme de communication pour informer le public et les investisseurs potentiels sur ses enjeux majeurs et son rôle clé dans la politique de développement économique à moyen terme.

4.2.4 - Composante juridique

- Le démarrage des séminaires de sensibilisation a accusé un grand retard. Conséquence, le dernier séminaire programmé ne pourra pas être financé par le PASP.
- Seule la formation des greffiers aux nouveaux formulaires et l'application des dispositions de l'Acte Uniforme de l'OHADA au Registre du Commerce de Ouagadougou sont effectives.

4.2.5 - Composante secteur télécommunications

- Les travaux de la réforme ont mis du temps à démarrer ;
- Le recrutement du juriste s'est fait de façon tardive.

ANALYSE CRITIQUE DE L'ACTION DE LA BANQUE MONDIALE ET DE CELLE DE LA PARTIE NATIONALE

5.1 Appréciation de l'action de la Banque Mondiale au cours de l'exécution du Projet

5.1.1 Principales décisions ayant favorisé l'exécution du Projet

- Le recrutement d'un comptable d'une secrétaire venant du privé, et aussi d'un nouvel auditeur (SOFIDEC) au profit du projet ;
- Les différentes décisions de prorogation du Projet (31 décembre 99 et juin 2000);
- La tenue de l'atelier d'octobre 1997 sur le secteur privé ;
- La tenue d'un mini atelier sur l'assistance au secteur privé (novembre 1999) ;
- La restitution de l'étude sur la compétitivité et les sources de croissance au Burkina Faso.

5.1.2 Principaux éléments ayant freiné l'exécution du Projet

- La décision de recruter un seul cabinet pour auditer les comptes du PASP et l'assister dans la gestion du système comptable. Le logiciel GESPROJ proposé par le cabinet (ARTHUR ANDERSEN) n'était pas satisfaisant ;
- La lenteur des réponses relatives aux avis de non-objection ont entraîné des retards dans l'exécution des marchés (surtout pendant la période de octobre 1996 à juillet 1997) ;
- La forte mobilité des superviseurs : en six ans, le Projet a connu cinq superviseurs ;
- Le manque de conformité des procédures de passation de marché de la Banque Mondiale avec celles nationales entraîne souvent des retards dans les passations de marchés ;
- L'absence de suivi du Projet : jusqu'en juillet 1997, aucune évaluation à mi-parcours du Projet n'avait été effectuée par la Banque Mondiale, alors que la date initiale de clôture était fixée au 31 décembre 1997.
- Mieux, d'octobre 1996 à juillet 1997, le Projet est resté sans superviseur. En effet, en septembre 1996, un superviseur était affecté au PASP et en novembre 1996, une mission de supervision fut réalisée par

ce dernier. Et depuis lors, le Projet n'a reçu ni d'aide-mémoire de ladite mission, ni de messages, malgré les efforts de la cellule de coordination d'entrer en contact avec ledit superviseur ;

- L'identification et la préparation du Projet par la Banque Mondiale a été peu satisfaisante. En effet, certains documents de base tels que le manuel de procédure, n'a jamais existé au PASP. Les bénéfices attendus du Projet étaient décrits en des termes très généraux. Ce qui rend l'évaluation difficile.
- Les relations assez difficiles avec certains superviseurs ont influé négativement sur l'exécution de ce Projet (incompréhension, jugements non fondés, manque de concertation, décision unilatérale) ;
- La décision de retenir **50%** des demandes de remboursement pour justifier l'avance initiale a bloqué les dernières activités du Projet pour insuffisance de trésorerie ;
- Le changement du cadre du Projet : initialement logé au sein de la Direction des Etudes et de la Planification du Ministère du Commerce, de l'Industrie et de l'Artisanat, le Projet a été transformé par la suite en une structure autonome, sans aucune mesure d'accompagnement, principalement pour ce qui concerne les charges de fonctionnement. Cet état de fait a été une entrave à la bonne exécution des activités du Projet.
- Les difficultés du démarrage : elles sont dues en partie à l'inadaptation des conditions suspensives liées aux versements des fonds de démarrage.

5.2- Appréciation de la partie nationale au cours de l'exécution du Projet

5.2.1 Principales décisions ayant favorisé l'exécution du Projet

- La tenue de l'Assemblée générale des Chefs de Projet en Juin 1995, d'où des décisions importantes relatives à la bonne marche des projets ont été prises. Il s'agit entre autres, du recrutement des chefs de projets ;
- Le pilotage de la réforme des structures d'appui par la Commission de Concertation Etat / Secteur Privé(CPCE/SP) nationale avec l'appui de consultants internationaux ;
- Le désengagement de l'Etat de certains secteurs jugés auparavant stratégiques tels que le secteur des télécommunications, le secteur du transport aérien, et le secteur de l'énergie...
- Les décisions prises pour alléger le processus de privatisation ; il s'agit entre autres de la simplification du dispositif institutionnel, du renforcement des capacités au sein du secrétariat permanent et du lancement de la campagne de communication sur le programme de privatisation.
- L'implication financières des composantes à certaines activités par des préfinancements pour permettre l'exécution des actions programmées
- Le financement du budget de fonctionnement de la CPCE/SP par les institutions d'appui.

5.2.2- Principaux éléments ayant freiné l'exécution du Projet

- La définition du Projet a été peu satisfaisante et les termes de la Convention étaient assez imprécis;
- La faible participation de l'Etat au budget du projet ; cette faiblesse s'est traduite par l'irrégularité et l'insuffisance de l'apport de l'Etat. Au cours de ces deux dernières années, l'absence de la contrepartie de l'Etat a entravé le bon fonctionnement du Projet ;
- Le faible effectif de la cellule de coordination (trois cadres, une secrétaire de direction) face à la gestion de dix composantes appartenant à cinq ministères ;
- La forte mobilité du personnel ; elle s'est traduite par le départ de plusieurs agents du projet. En effet, en six ans, l'on compte: trois responsables à la tête du Projet, quatre comptables, cinq chargés d'études.
- Cet état de fait s'explique par l'absence de cohérence dans le traitement des agents comparativement aux autres projets pourtant financés par le même bailleur de fonds.

5.3 - Autres appréciations

5.3.1- Evaluation de l'efficacité des cabinets, consultants ou fournisseurs ayant participé à la réalisation du Projet

Le choix des cabinets, consultants ou fournisseurs pour la réalisation de certaines prestations n'a pas toujours été judicieux. Certains consultants internationaux ont simplement abandonné l'étude sans laissé d'adresses. Au niveau de certains fournisseurs, les délais de livraison n'ont pas toujours été respectés. Ces insuffisances ont rejailli négativement dans les délais de mise en œuvre des activités, et dans certains cas, le matériel livré n'était pas conforme.

5.3.2- Evaluation des performances du Projet par les composantes

Le Projet a souffert des changements qui se sont opérés au gré des circonstances conjoncturelles. Certaines composantes ont assisté impuissantes à la suppression de certaines rubriques, pourtant inscrites dans les activités initiales du Projet. Beaucoup d'activités hors programme ont été exécutées souvent au détriment de celles programmées (Etude sur la compétitivité et sources de croissance de l'économie nationale, Relance de la filière fruits et légumes) .
Conséquences: certaines activités initialement programmées n'ont pas pu se réaliser avant la date de clôture pour insuffisance de ressources financières.

5.4 - Evaluation des performances du Projet par le secteur privé

- Le secteur privé apprécie positivement les réformes intervenues notamment à travers :
- La restructuration des institutions d'appui (ONAC ;CBC; CCIA-BF) ;
- La mise en place du CGU du CGU avec la centralisation de certaines formalités et la réduction des délais ;
- la réforme en cours du secteur télécommunications ;
- le désengagement de l'Etat de certains secteurs concurrentiels ;
- l'implication du secteur privé dans le processus de pilotage de l'économie nationale (création de la Commission de Concertation Etat/Secteur Privé, l'entrée de leurs représentants dans les instances dirigeantes des structures d'appui au secteur privé...);
- le projet de mise en place de la "Maison de l'Entrepreneur" ;
- l'adoption de la stratégie du gouvernement en faveur du développement du secteur privé.
- On déplore le fait que le Projet ait consisté en la réalisation d'études dont la pertinence n'a pas toujours été établie, cela au détriment d'une assistance concrète qui aurait mieux profité aux entrepreneurs.

Il recommande cependant :

- l'amélioration du système d'information et de formation ;
- la suppression de certaines taxes jugées arbitraires par le secteur privé ;
- l'amélioration de l'accès au crédit .

LEÇONS A TIRER

6.1 Composante secteur privé (CCIA-B, ONAC,CBC, CGU)

CCIA-B - Pour un meilleur fonctionnement de la CCIA-B, les propositions suivantes peuvent être faites :

- Assurer la représentation des différents corps de métiers à la Chambre,
- Améliorer l'attitude d'écoute et la diffusion de l'information, de la formation.

ONAC - Pour remédier à ces insuffisances, le secteur privé recommande :

- un élargissement de la sphère géographique des propositions commerciales notamment en direction des pays non encore touchés (pays nordiques, Angleterre, Asie...), des ONG et autres organisation spécialisées dans ce type de partenariat,
- une assistance aux entreprises en matière de design pour l'adaptation de leurs produits à l'évolution des marchés (goûts, label).

CGU

- Bien dimensionner les projets pour mieux satisfaire les besoins des bénéficiaires.
- Avoir nécessairement un plan de communication pour le CGU pour une information des usagers et assurer les meilleures relations publiques avec les usagers.

6.2 - Composante secteur financier

BRCB : Valoriser le savoir-faire du BRCB.

TRESOR - L'accent doit être mis sur le choix des consultants afin d'éviter non seulement les cas d'abandon d'étude (comme cela a été pour l'étude sur les nouveaux instruments financiers), mais aussi, les études peu satisfaisantes (comme l'étude sur la microfinance).

SONAPOST : Revoir la procédure de passation des marchés, et le suivi de leur exécution.

6.3 - Composante Privatisation. Pour assurer une meilleure réussite dans l'exécution de la suite du programme, il est nécessaire que les actions soient mieux coordonnées, Banque Mondiale, Gouvernement d'une part, et Commission de privatisation et autres structures ou Ministères impliqués d'autre part.

6.4 - Composante juridique. Recommandations : Un programme d'urgence devra être défini en vue de la mise en place du registre du commerce de Ouagadougou dans un premier temps et de celui des autres juridictions ensuite.

RECOMMANDATIONS

Les principales recommandations que l'on peut faire sont les suivantes :

- D'énormes besoins demeurent encore insatisfaits au niveau du secteur privé. Il serait souhaitable que la réflexion sur l'appui au privé puisse se poursuivre en vue de trouver la forme la plus efficace pour assister le secteur privé. D'où la nécessité de mettre en place un nouveau programme qui devra mettre l'accent sur un appui plutôt opérationnel qu'institutionnel au secteur privé.
- Les groupements professionnels devraient être responsabilisés et renforcés pour permettre au secteur privé de jouer un rôle plus efficace dans l'économie nationale.
- Pour cela, il est recommandé d'élaborer des programmes de formation / conseil tant pour les entreprises que pour les petites, moyennes et micro entreprises.
- La poursuite de la réflexion que le Gouvernement burkinabé a entamé avec la Banque Mondiale pour promouvoir la compétitivité de l'économie par une participation plus active du secteur privé.
- La poursuite du désengagement de l'Etat dans les secteurs concurrentiels pour cela la réalisation effective de l'étude sur le portefeuille résiduel est indispensable.
- L'appui à la relance de certaines filières, telle celles des fruits et légumes. L'atelier sur la filière fruits et légumes a pu mettre en évidence un certain nombre d'avantages comparatifs dont dispose le pays et a formulé des recommandations dont l'impact pourrait se faire sentir rapidement si le comité de concertation proposé par l'atelier était rapidement mis en place.

- L'accent doit être mis sur l'amélioration de l'environnement réglementaire d'une part, et du système judiciaire d'autre part.

CONCLUSION

L'exécution du Projet a souffert de difficultés diverses, qui n'ont pas permis d'atteindre tous les objectifs fixés initialement dans l'accord de crédit. C'est pourquoi, le Gouvernement souhaite la mise en place d'un nouveau projet qui puisse prendre en compte les aspects qui n'avaient pas pu être exécutés par la formule actuelle du PASP, notamment, L'appui direct aux entrepreneurs. L'espoir est cependant permis compte tenu du changement des mentalités constatés au cours de la période d'exécution du Projet. Le Burkina Faso dispose encore d'un certain nombre d'opportunités non encore exploitées comme il faut comme dans le domaine des fruits et légumes, du sésame, etc.

(b) Cofinanciers:

n.a.

(c) Other partners (NGOs/private sector):

n.a.

10. Additional Information

TELECOM SECTOR - SELECTED KEY INDICATORS

Increase in Telephone Lines over the Period 1994-1999

	1994	1995	1996	1997	1998	1999
Number of lines	26,328	30,043	34,055	36,258	41,700	52,000
Increase	20%	14%	13%	6%	15%	24.70%
Number of lines/100 people	0.3	0.3	0.3	0.3	0.38	0.5

Source : UIT et ONATEL (1998 - 1999)

Summary of Changes in Tariffs (as of May 2000)

	International	National	Local	Mobile
USA: -67%		-30%	20%	-17%
Asia: -50%				
Europe: -30%				
Other African -40% countries:				

Key Telecommunications Prices Amounts in US dollars (May 2000)

	Benin	Burkina	Togo	RCI	Niger	Mali
Connection fee	91.4	75.1	76.9	53.8	46.2	100.0
Monthly subscription	3.8	4.6	2.2	5.9	3.7	3.0
Local call (1 min.)	0.03	0.02	0.01	0.02	0.00	0.00
Call to UEMOA country	0.9	0.7	0.9	0.8	0.8	1.1
Call to France	2.6	1.2	1.8	1.4	2.0	2.1
Call to USA	2.7	1.2	2.5	2.1	2.8	4.6

SITUATION OF THE BANKING SECTOR, END OF 1999							
Name of Banks	BICIA-B	BIB	SGBB	BCB	COBAN	BOA	CNCA
Established	1974	1974	1973	1988	1997	1997	1981
Capital /1	5	4.8	1.6	2	1.5	1.24	3.5
No. of branches	11	21	3	2	2	2	18
Effectives	345	408	120	77	37	33	146
Deposits /1	80.4	58.7	-	8.5	15.2	3.8	14.6
Credits /1	55.5	67.6	-	6.7	11.6	2.8	23.6

/1 in millions of CFAF

SUMMARY OF THE PRIVATIZATION PROGRAM FOR THE PERIOD 1992-2000 (in FCFA)

No.	Name of Firm	State Owned	State Divest.	State Retained	Sector	Method	Date of Sale	Sale price
1	BRAKINA	9.43%	9.43%	0.00%	Beverages	Sale of shares	1992	262,487,500
2	SBCP	50.00%	50.99%	0.00%	Textiles	Sale of shares	1992	10,287,900
3	SBMC	48.99%	48.99%	0.00%	Textiles	Sale of shares	1992	37,323,456
4	SOBEBRA	100.00%	100.00%	0.00%	Beverages	Merger with Brakina	1993	
5	SIFA	32.00%	7.00%	25.00%	Manufact.	Sale of shares	1993	71,500,000
6	SONAR	52.08%	27.08%	25.00%	Insurance	Sale of shares	1993	360,875,000
7	ZAMA-PUB.	100.00%	75.00%	25.00%	Services	Sale of shares	1993	102,454,000
8	FASO-PLAST	34.60%	27.40%	7.00%	Industry	Sale of shares	1993	301,720,000
9	GMB	68.77%	43.77%	25.00%	Agroindust.	Sale of shares	1993	681,750,000
10	CIMAT	73.32%	61.77%	22.80%	Construct.		1993	1,299,120,000
11	SOBECA	100.00%	81.32%	18.68%	Leasing	Leasing	1993	
12	SONAPHARM	52.00%	43.60%	8.42%	Pharmac.	Sale of shares	1994	215,650,000
13	SCFB				Railways	Concession	1994	
14	FLEX FASO	95.00%	69.77%	25.23%	Agroindust.	Sale of shares	1995	160,000,000
15	SHSB-CITEC	43.00%	43.00%	0.00%	Agroindust.	Lease/buy	1995	Lease/buy
16	Burkina&Shell	51.00%	26.00%	25.00%	Petrol/dist.	Concession	1995	825,500,000
17	SONACAB	58.82%		58.82%	Tile industry	Liquidation	1995	0
18	RNTC-X9	100.00%	75.00%	25.00%	Transport		1996	Concession
19	CSPPA	100.00%		100.00%	Agroindust.	Liquidation	1996	0
20	FASO YAAR	98.75%		98.75%	Trade	Liquidation	1996	0
21	FASO-TOURS				Services	Sale of assets	1996	1 Franc
22	SOSUCO	82.36%	52.00%	30.36%	Agriculture	Sale of shares	1998	4,402,000,000
23	SOPAL	93.93%	86.07%	7.86%	Agriculture	Sale of shares	1998	753,000,000
24	INB	100.00%	82.00%	18.00%	Services		1999	325,000,000
25	SOCOGIB	87.85%	63.15%	24.70%	Real estate	Sale of shares	1999	
26	SNTB	46.00%	31.00%	12.00%	Transport	Sale of Shares	1999	398,970,000
27	SAVANA	82.73%	82.73%		Agroindust.	Liquidation	1999	120,000,000
28	SONACOR	90.80%	0.00%	90.80%	Agriculture		1999	0
29	AIR BURKINA	99.75%	71.00%	23.75%	Transport	Ongoing	ongoing	
30	SLM	100.00%	95.00%	5.00%	Services	Ongoing	ongoing	1,084,019,200
31	ONATEL	100.00%			Telecoms	Ongoing	ongoing	
32	SHG	100.00%	100.00%	0.00%	Hotel	Ongoing	ongoing	
33	CNEA	100.00%			Agroindust.	Ongoing	ongoing	
34	FASO FANI	71.27%	67.00%	4.27%	Textiles	Ongoing	ongoing	
35	SOFIVAR	76.76%	51.76%	25.00%	Agroindust.	Liquidation		0
36	SOBEMA	50.00%		50.00%		Liquidation		0
37	ONAVET	100.00%		100.00%	Pharmac.	Liquidation		0
38	SONACIB	80.49%		80.49%	Entertainment	Sale of assets		0
39	SINAC	100.00%		100.00%	Industry	Liquidation		0
40	COMIKI	100.00%		100.00%	Mining	Liquidation		0
41	CNA	100.00%			Agriculture	Liquidation		0
42	MACEOU	100.00%	100.00%	0.00%	Agriculture	Sale to former owner		
43	Feedlot	100.00%	0.00%	100.00%	Ag. Research	Back to Ministry		0
44	Fruicema	100.00%	0.00%	100.00%	Ag. Research	Back to Ministry		0

Annex 1. Key Performance Indicators/Log Frame Matrix

Outcome / Impact Indicators:

Indicator/Matrix	Projected in last PSR	Actual/Latest Estimate
<p>1. Assistance to MICM</p> <ul style="list-style-type: none"> - Streamlining of procedures required by importers - streamlining procedures to administer requests to benefit from the investment code - simplify procedures to set up businesses <p>- Privatization program</p> <ul style="list-style-type: none"> (a) privatize 15 enterprises by 1993 (b) privatize 22 additional enterprises by 1996 		<ul style="list-style-type: none"> - Services have improved, reducing time required to set up a new business. Additional improvements are still needed to eliminate remaining unnecessary administrative steps. - State subsidies were reduced from CFAF 20 bn in 1991 to CFAF 1 bn in 1999. In 1999, privatization receipts and new investments totaled CFAF 11 bn. and 20 bn respectively. Employment doubled. Gross value added of privatized firms increased by more than 68%.
<p>2. Institutional support</p> <ul style="list-style-type: none"> - privatize CCIA, CBC and ONAC to improve efficiency of services provided to entrepreneurs 		Limited impact since full privatization did not occur.
<p>3. Financial Sector</p> <ul style="list-style-type: none"> (a) remove the state from the management of commercial banks (b) improve overall financial intermediation 		<ul style="list-style-type: none"> - Restructuring/privatization of the banking sector has led to increased competition with the entry of five new financial institutions. Financial sector is now sound and meets prudential ratio requirements. Capacity built in agency for debt recovery.
<p>4. Telecoms reforms</p> <ul style="list-style-type: none"> a) build consensus on sector reform b) formulate sector policy 		<ul style="list-style-type: none"> - Opening up of sector to competition. Entry of two new mobile licenses. Reduction of more than 50% on ONATEL's int'l traffic and more than 30% on long distance traffic. - Regulator set up.
<p>5. Reforms of business laws (OHADA)</p> <ul style="list-style-type: none"> a) judges fully aware of new laws b) adjust national laws c) set up registry of court 		<ul style="list-style-type: none"> - Harmonization of national laws with OHADA laws in process.
<p>6. Competitiveness study</p> <ul style="list-style-type: none"> a) identify and measure impact of main competitiveness constraints b) identify sources of growth and articulate strategy 		<ul style="list-style-type: none"> - Renewed policy dialogue between Bank/Government. Major shift in Gov't's understanding of the strategic and development issues in new environment for PSD development.

Output Indicators:

Indicator/Matrix	Projected in last PSR	Actual/Latest Estimate
<p>1. Assistance to MICM:</p> <ul style="list-style-type: none"> - Creation of a single window for all business authorizations and formalities including agreement to the investment code. 		A single window was created in 1994 and was operational in 1997.

<p>- Support to Privatization program</p> <p>2. Institutional support</p> <ul style="list-style-type: none"> - Privatization of CCIA: Elected representatives of private enterprises have taken over CCIA, all support to private entrepreneurs concentrated in CCIA - Reorganize CBC and ONAC: rationalize their activities, transfer admin. tasks to state - Matching fund to help private firms carry out feasibility studies and provide financial start-up support <p>3. Financial Sector</p> <ul style="list-style-type: none"> - Privatization of banks - Restructuring of postal services - Creation of new financial instruments for long-term lending - Support to microfinance sector - Strengthening agency for debt recovery - Revision of laws governing bad checks and delinquent debtors <p>4. Telecoms reforms</p> <p>5. Reforms of business laws (OHADA)</p> <p>6. Competitiveness study</p>	<p>Of 44 enterprises, 25 were privatized, 12 liquidated, 2 were transferred back to their Ministries, 5 still ongoing.</p> <p>CBC and ONAC have been restructured but not privatized. Activity was dropped because of the existence of a large number of similar funds.</p> <p>All banks (5) were privatized. Restructuring was completed in April 2000, with separation from accounts from the Treasury. Several new institutions were created including two new leasing companies. Adoption of PARMEC law by Government. Microfinance Unit within the Ministry of Finance was strengthened. Preparation of a sectoral strategy. Of a total amount of CFAF 64 bn of bad debt, CFAF 10.9 bn. was transferred, or 17% during 1991-99. Proportion of private debt recovered was CFAF 9.7 bn, or 36%, out of CFAF 27 bn. Proportion of public debt recovered was CFAF 1.2 bn, or 6%, out of CFAF 19 bn. Remaining balance is not expected to be recovered. This activity was dropped because of adoption of new regulations at regional level.</p> <p>Adoption by the Government of sectoral policy to promote competition. Adoption of two laws to set up legal/regulatory framework and to privatize ONATEL. Competition in the sector achieved with two mobile telephone licenses, bringing in US\$19 million equiv., in license fees to Govt.</p> <p>Training for judges and private operations was completed. New court register was set up in the two largest cities.</p> <p>The study was completed in April 2000. Its results were used to develop a new PSD strategy, the PRSP, and the CAS.</p>
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End of project

Annex 2. Project Costs and Financing

Project Cost by Component (in US\$ million equivalent)

Project Cost By Component	Appraisal Estimate US\$ million	Actual/Latest Estimate US\$ million	Percentage of Appraisal
Support to Privatization Commission	3.17	4.14	131
Institutional Support to Private Sector	2.75	0.97	35
Financial Support Component	0.81	1.11	137
Telecoms Reforms	0.00	0.91	0
Implementation of the OHADA Laws	0.00	0.24	0
Coordination Unit	0.72	1.02	142
PPF	0.51	0.18	35
Total Baseline Cost	7.96	8.57	
Physical Contingencies	0.52	0.00	
Price Contingencies	0.52	0.00	
Total Project Costs	9.00	8.57	
Total Financing Required	9.00	8.57	

Source: Project Files.

Project Costs by Procurement Arrangements (Appraisal Estimate) (US\$ million equivalent)

Expenditure Category	ICB	Procurement Method¹			N.B.F.	Total Cost
		NCB	Other²			
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		0.00 (0.00)	0.00 (0.00)
2. Goods	0.81 (0.81)	0.00 (0.00)	0.00 (0.00)		0.00 (0.00)	0.81 (0.81)
3. Services	0.00	0.00	5.63		0.00	5.63
Studies, TA, training	(0.00)	(0.00)	(5.03)		(0.00)	(5.03)
4. Inc. Operatings Costs	0.00 (0.00)	0.00 (0.00)	2.05 (0.65)		0.00 (0.00)	2.05 (0.65)
5. PPF Refinancing	0.00 (0.00)	0.00 (0.00)	0.51 (0.51)		 ()	0.51 (0.51)
Total	0.81 (0.81)	0.00 (0.00)	8.19 (6.19)		0.00 (0.00)	9.00 (7.00)

Source: Memorandum of the President

Project Costs by Procurement Arrangements (Actual/Latest Estimate) (US\$ million equivalent)

Expenditure Category	ICB	Procurement Method¹			N.B.F.	Total Cost
		NCB	Other²			
1. Works	0.00 (0.00)	0.00 (0.00)	0.00 (0.00)		0.00 (0.00)	0.00 (0.00)
2. Goods	0.00 (0.00)	0.45 (0.45)	1.01 (0.51)		0.00 (0.00)	1.46 (0.96)
3. Services	3.28	0.04	2.02		0.00	5.34
Studies, TA, training	(3.28)	(0.04)	(1.55)		(0.00)	(4.87)

4. Inc. Operatings Costs	0.00 (0.00)	0.00 (0.00)	1.60 (0.08)	0.00 (0.00)	1.60 (0.08)
5. PPF Refinancing	0.00 (0.00)	0.00 (0.00)	0.18 (0.18)	0.00 (0.00)	0.18 (0.18)
Total	3.28 (3.28)	0.49 (0.49)	4.81 (2.32)	0.00 (0.00)	8.58 (6.09)

Source: Project Files

^{1/} Figures in parenthesis are the amounts to be financed by the IDA Credit. All costs include contingencies.

^{2/} Includes civil works and goods to be procured through national shopping, consulting services, services of contracted staff of the project management office, training, technical assistance services, and incremental operating costs related to (i) managing the project, and (ii) re-lending project funds to local government units.

Project Financing by Component (in US\$ million equivalent)

Component	Appraisal Estimate			Actual/Latest Estimate			Percentage of Appraisal		
	IDA	Govt.	CoF.	IDA	Govt.	CoF.	IDA	Govt.	CoF.
Assistance to MICM	1.17	2.00		1.96	2.18		167.5	109.0	
Institutional Support	2.75	0.00		0.97	0.00		35.3	0.0	
Financial Sector	0.81	0.00		1.11	0.00		137.0	0.0	
Project Management	0.70	0.30		0.71	0.31		101.4	103.3	
Telecoms Reform	0.00	0.00		0.91	0.00		0.0	0.0	
OHADA laws	0.00	0.00		0.24	0.00		0.0	0.0	
PPF Refinancing	0.51	0.00		0.18	0.00		35.3	0.0	

Sources: Project Files. Disbursement Dept.

Annex 3: Economic Costs and Benefits

n.a.

Annex 4. Bank Inputs

(a) Missions:

Stage of Project Cycle Month/Year	No. of Persons and Specialty (e.g. 2 Economists, 1 FMS, etc.)		Performance Rating	
	Count	Specialty	Implementation Progress	Development Objective
Identification/Preparation March 1992				
Appraisal/Negotiation Appraisal - June 1992 Negotiations-Feb. 1993	7	TTL, 1 PSD, 1 Op. Off., 4 Consultants		
Supervision April 1993 January 1994 June 1994 December 1994 March 1995 July 1995 November 1995 June 1996 July 1997 Oct. 1997-Nov. 1997 March 1998 July 1998 April 1999 August 1999 November 1999	1 2 4 3 3 3 6 5 5 7 4 7 5 2 7	Sr. Operations Officer Sr. Op. Officer, Op. Officer TTL, 1 PS, 1 PSD, 1 Op. Off. TTL, 1 Op. Analyst, 1 PSD TTL, 1 Op. Analyst, 1 PSD TTL, 1 PSD, 1 Op. Officer TTL, 2 PSD, 1 FS Spec., 1 Fin. Analyst, 1 Consultant TTL, 1 PSD, 1 FS, 1 Fin. Analyst, 1 Consultant TTL, 1 FS, 1 PSD, 1 Fin. Analyst, 1 Consultant TTL, 2 PSD, 1 Telecom, 1 Consultant, 1 FS, 1 Fin. Analyst TTL, 1 PSD, 1 Fin. Analyst, 1 PF TTL, 1 FS, 1 Telecom, 1 PSD, 2 Legal/Reg., 1 Consultant TTL, 1 PSD, 1 Telecom, 1 PSF, 1 Consultant TTL, 1 Fin. Analyst TTL, 1 FS, 1 PSD, 2 Legal, 1 Fin. Analyst, 1 Consultant	S S S S S S S S U U U U U S	S S S S S S S S U U U U U
ICR November 1999 * May 2000	7 4	TTL, 1 FS, 1 PSD, 2 Legal, 1 Fin. Analyst, 1 Consultant TTL, 1 FS, 1 PSD, Fin. Analyst	S S	U S

* The first ICR mission took place in November 1999. However, because the closing date was extended to June 2000, a closing mission took place in May 2000. This mission was also an identification mission for the follow-up project.

(b) Staff:

Stage of Project Cycle	Actual/Latest Estimate	
	No. Staff weeks	US\$ (,000)
Identification/Preparation	78.3	201.6
Appraisal/Negotiation	46.3	126.4
Supervision	298.8	852.0
ICR	10.0	8.9
Total	433.4	1,188.9

Annex 5. Ratings for Achievement of Objectives/Outputs of Components

(H=High, SU=Substantial, M=Modest, N=Negligible, NA=Not Applicable)

	<i>Rating</i>
<input checked="" type="checkbox"/> <i>Macro policies</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Sector Policies</i>	<input type="radio"/> H <input checked="" type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Physical</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Financial</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Institutional Development</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Environmental</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<i>Social</i>	
<input checked="" type="checkbox"/> <i>Poverty Reduction</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Gender</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA
<input checked="" type="checkbox"/> <i>Private sector development</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Public sector management</i>	<input type="radio"/> H <input type="radio"/> SU <input checked="" type="radio"/> M <input type="radio"/> N <input type="radio"/> NA
<input checked="" type="checkbox"/> <i>Other (Please specify)</i>	<input type="radio"/> H <input type="radio"/> SU <input type="radio"/> M <input type="radio"/> N <input checked="" type="radio"/> NA

Annex 6. Ratings of Bank and Borrower Performance

(HS=Highly Satisfactory, S=Satisfactory, U=Unsatisfactory, HU=Highly Unsatisfactory)

6.1 Bank performance

Rating

- Lending
- Supervision
- Overall

- HS S U HU
- HS S U HU
- HS S U HU

6.2 Borrower performance

Rating

- Preparation
- Government implementation performance
- Implementation agency performance
- Overall

- HS S U HU
- HS S U HU
- HS S U HU
- HS S U HU

Annex 7. List of Supporting Documents

1. Staff Appraisal Report
2. Aide-Memoires
3. "Atelier de Reflexion sur la Creation de la Maison de l'Entrepreneur, Compte rendu des Travaux", Ouagadougou, Burkina Faso, Juillet 1998.
4. "Burkina Faso - Competitivite et Croissance Economique: Orientations, Strategies et Actions", Ministere de l'Economie et des Finances-Banque Mondiale, Avril 2000.
5. Burkina Faso - "Note sur le Secteur Financier, 3 juin 1999".
6. Burkina Faso - Completion Point Document of the Original HIPC Initiative and Second Decision Point for the Enhanced HIPC Initiative. Prepared by the Staffs of the World Bank and the IMF, May 2000.