Report Number: ICRR0023006

1. Project Data

Project ID	Project Name
P120517	BF:Local Government Support Project
Country	**Practice Area(Lead)**
Burkina Faso	Governance

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IDA-D2240,IDA-H7360	31-Dec-2016	115,206,026.83
Bank Approval Date	**Closing Date (Actual)**	
01-Nov-2011	01-Oct-2021	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	60,000,000.00	0.00
Revised Commitment	120,000,000.00	0.00
Actual	115,206,026.83	0.00

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2. Project Objectives and Components

a. Objectives

The Project Development Objective (PDO) for the Local Government Support Project, designed as a two-phase Adaptable Program Loan (APL; Financing Agreement, page 5), was "(1) to strengthen the capacity of the Recipient's central government for decentralization and the institutional capacities of municipalities ("*communes*") in six regions of the Recipient's territory; and (2) to improve accountability linkages between local policymakers and citizens in said municipalities." The Project Appraisal Document (page 8) substantively had the same formulation of the primary objectives. However, it added that the project aimed "to harness emerging government commitment to local government reforms by supporting the implementation of critical aspects of fiscal and administrative decentralization in six of the 13 regions of Burkina Faso." The PDO saw a minor revision during the 2017 restructuring in which "improving accountability linkages between local policymakers and citizens" was rephrased as "increasing citizen participation in local governance." While this wording might imply an expanded scope, the fact that the PDO indicator and target remained the same under this objective indicates that the objective's scope was unchanged, notwithstanding the added activities.

Parsing of the Objective: For this review, the PDO will be parsed into three objectives that will be referred to as Objectives 1, 2, and 3 as follows:

- **Objective 1:** To strengthen the capacity of the Recipient's central government for decentralization
- **Objective 2:** To strengthen the institutional capacities of municipalities ("*communes*") in six regions of the Recipient's territory
- **Objective 3:** To improve accountability linkages between local policymakers and citizens in said municipalities

Split rating: As some outcome targets under the first and second objectives were revised to be less ambitious at a 2017 Additional Financing (AF) and restructuring (the planned second phase of the APL), this ICR Review will conduct a split rating.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

Yes

Date of Board Approval

04-Aug-2017

c. Will a split evaluation be undertaken?

Yes

d. Components

Component 1 - Establishing the foundations of robust administrative and fiscal intergovernmental institutions (cost at appraisal: US$ 9.80 million, cost at AF: US$16.80 million, actual: US$ 15.82 million). This component was to support the central government agencies to develop a transparent and rule-based intergovernmental fiscal framework and robust intergovernmental administrative systems. It aimed to assist the government in making a gradual shift from existing ex-ante controls to ex-post monitoring, to reflect increasing commune capacity to exercise discretion. It intended to support a high-level policy-making process (Vision Prospective de la Decentralisation -- VPD) and assist the Ministry of Economy and Finance (MEF) and Ministry of Territorial Administration, Decentralization and Security (MATDS) to develop their coordination and managerial capacity. The 2017 AF expanded the cost with US$7 million equivalent and modified some activities to support the Parliamentary Network on Decentralization and Local Development.

Component 2 - Strengthening capacity of municipalities to manage local development, later expanded *in response to the COVID-19 and security crisis* (cost at appraisal: US$ 37.98 million, cost at AF:

US$87.48 million, actual: US$ 72.39 million). To address capacity constraints at the local government level, the project aimed to provide support to 140 local communes in six regions to address their core institutional development requirements for socio-economic development through institutional development grants. Annual grant allocations to each commune were based, in part, on the commune's performance in establishing their institutions. The 2017 AF provided an additional US$49.5 million to expand institutional capacity building to another 211 communes in the seven remaining regions, thus covering all of Burkina Faso. It added the goal of improving all 351 communes' human resource capacity as well as implementing decrees and other legislation intended to transfer competencies to local governments. The 2020 restructuring reallocated existing funds to new activities in response to the deteriorating security context and the COVID-19 pandemic. These activities were *Containing the pandemic* (US$1.7 million), which was to provide institutional development grants for the acquisition and placement of sanitary products in the principal municipal facilities to help curb the spread of COVID-19; *Supporting internally displaced persons (IDPs)* (US$6.7 million), implemented in close collaboration with the Social Safety Net project (P124015), was designed to finance the preparation and implementation of supplemental municipal institutional development plans to mitigate the impact of the security crisis on IDPs and host communities; and *Ensuring continuity of essential services* (US$1.6 million) was to finance the recurrent costs of maintaining local services and governance, including electricity, water, and phone bills, and maintenance costs.

Component 3 - Improving citizen participation in local governance (cost at appraisal: US$ 5.94 million, cost at AF: US$13.94 million, actual: US$ 15.16 million). The 2017 restructuring changed the component name to *Improving accountability linkages between local-level policymakers and citizens*. Initially, the component aimed to empower local councils and populations by strengthening their capacity to participate in local decision-making processes related to their socio-economic development and monitor local authority performance. At the same time, it aimed to support local councilors in their oversight and representative function and to strengthen the capacity of local communes to communicate with local populations and account for their performance. The 2017 restructuring provided an additional US$8 million and added activities that reflected new priorities concerning citizen engagement, namely: (a) municipal performance tracking; (b) partnerships with community-based organizations; and (c) technical assistance to the Association of Municipalities of Burkina Faso.

Component 4: Project management and evaluation (cost at appraisal: US$ 9.65 million, actual: US$ 11.29 million). This component was to provide project management support to MATDS and to support regular project evaluations, procurement and safeguards reviews, and financial reporting and auditing.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

At appraisal, the total estimated project cost was US$ 65 million, with an additional US$ 1.63 million budgeted for physical/price contingencies. The sum of component costs at the approval of the US$ 60 million AF (second phase of the APL) was US$133.72 million. The difference between this and the actual project costs (US$115.19 million) was driven by US dollar currency exchange rate fluctuations over the project's ten-year duration. At the time of the ICR, the last payment of US$400,000 was pending because of a pause on disbursements following the January 24, 2022 military coup. The disbursement rate as per the Operations Portal was 99.57 percent. At closure, a total amount of US$ 2.6 million out of US$15 million of planned government counterpart funding had not been disbursed due to the various crises faced by the government.

The project was restructured thrice, in 2016, 2017, and 2020. The 2017 restructuring was accompanied by AF.

1. **The 2016 restructuring,** approved on July 27, 2016, was formally requested by the government on July 21, 2016. The restructuring extended the project closing date from December 31, 2016, to August 31, 2017. This allowed more time for the new government, sworn in on January 6, 2016, to finalize the VPD to inform the second phase of the APL. At this moment US$ 45.07 million, or 39 percent of the total project cost, had been disbursed.
2. **The 2017 AF and restructuring,** approved on August 4, 2017, was formally requested by the government on November 21, 2016. The restructuring initiated the second phase of the APL, including a US$60 million AF, increasing the total project financing amount to US$120 million, alongside requisite: (a) revision of the PDO and components; (b) modifications to the Results Framework (RF); and (c) extension of the project closing date from August 31, 2017 to October 1, 2021 to allow for successful implementation of new and scaled-up activities. At this stage, US$ 54.35 million, or 47 percent of the total project cost, had been disbursed.
3. **The 2020 restructuring**, approved on August 3, 2020, was formally requested by the government on June 30, 2020, based on recommendations of a March 2020 implementation support mission. This restructuring sought to align activities and the RF with the deteriorating security context and the COVID-19 pandemic and to pave the way for future emergency projects. US$ 82.18 million, or 71 percent of project costs, had been disbursed when this restructuring was approved.

3. Relevance of Objectives

Rationale

The PDO of strengthening the national capacity for decentralization, the institutional capacities of communes in all Regions, and increasing citizen participation in local governance was highly relevant to the country's needs, government policy, and Bank strategy in Burkina Faso. At project design, it was apparent that strong economic growth and a stable political environment had not resulted in positive development outcomes in Burkina Faso. The education, health, and water and sanitation sectors remained adversely affected by a marked urban bias combined with regional inequalities. In 2011, discontent over these inequities had already led to civil unrest. With that came an emerging national discourse around critical issues including the unequal redistribution of resources and the rising cost of living, and political governance concerns regarding the Executive’s monopolization of power, a perceived lack of accountability, a culture of impunity, and dissatisfaction with the performance of local governments. Following the unrest, the government committed to governance reforms.

At the time of appraisal, decentralization represented a timely opportunity to address the administrative and institutional bottlenecks underlying the country’s weak development outcomes. Three major areas of weakness in the local governance system were identified: (a) the lack of basic administrative systems; (b) non-transparent intergovernmental fiscal systems; and (c) weak accountability systems. Progress in implementing the decentralization agenda, therefore, depended on strengthening public administration capacity (Objective 2), increasing financial resource flows from national to local government (Objective 1), and enhancing local participation and demand for accountability (Objective 3).

The project was a central tenet of the Bank's 2010-12 Country Assistance Strategy and was embedded in its second strategic theme of "*promoting shared growth through effective social service delivery.*" The project aligned with the Bank's 2011 Africa Strategy, particularly its pillar on governance and public sector management capacity. It remained relevant to the cross-cutting governance theme of the Burkina Faso Country Partnership Strategy (2013-2016) and its strategic stream of *"enhancing governance for more efficient social service delivery."* The project was central to the 2018-2023 CPF, directly supporting the achievement of Focus Area 3 on "strengthen(ed) governance and support(ing) citizen engagement," and its objective 3.2 on "strengthen(ed) citizen engagement and public sector accountability." The project also aligned with the 2019-2023 Africa Strategy priority objective of "making institutions more efficient and accountable" by strengthening public policy processes, effective management of resources, and reinforcement of fair and reliable delivery of public services. Finally, the project also aimed to reduce conflict. The ICR argues that the strengthening of "national and subnational governance institutions to improve the lives of poor and predominantly rural populations" would reduce regional disparities in basic services, which it identifies as a driver of social and political unrest. Indeed, the state is plagued by accusations of favoring certain regions and ethnic groups to the detriment of others (Sahel Regional Risk and Resilience Assessment).

Rating

High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

To strengthen the capacity of the Recipient's central government for decentralization (original outcome targets)

Rationale

Theory of change. To achieve the stated objective, the project was to support the central government agencies intending to establish a transparent and rule-based intergovernmental fiscal framework and robust intergovernmental administrative systems. To this end, the project intended to support a high-level policy-making process (VPD) and assist the MEF and MATDS to develop their capacity: (i) to clarify the roles of de-concentrated and decentralized agencies and shift oversight responsibilities to ex-post rather than ex-ante controls; (ii) to improve the design of intergovernmental systems; (iii) to gauge the direction, pace, and extent of decentralization; and (iv) to directly engage with local governments in the decentralization process.

Outputs and intermediate results

- Starting in 2013, notification of indicative transfers to each commune government was made by the target date (November of the preceding fiscal year) each year. To avoid deterioration of this outcome after achievement, the 2017 restructuring changed this PDO indicator into an intermediate indicator to allow further monitoring. The target continued to be met until project closure. As a result, communes had advance notice, predictability, and assurance of receiving grants earlier in the budget cycle, enabling better planning and execution of investments.

- The project introduced the practice that the central government provides each commune government with an estimate of the transfer amount they are likely to receive by November of the preceding fiscal year.
- The project raised the share of municipal civil servants who assessed the collection of the commune's taxes by MEF agencies as effective from from a 2011 baseline of 20 percent to 73.56 percent in 2021, exceeding both its original target of 70 percent and its revised target of 40 percent.
- Progress towards issuance by the government of an intergovernmental fiscal framework policy statement remained challenging. At project closing, the preliminary draft law on the programming of financial resources to be transferred to decentralized entities had been discussed by the government and was awaiting formal adoption by the Council of Ministers. This will be key to enhancing transparency and predictability of communes' financial resources, but the coup made its final adoption uncertain.

Outcomes against original outcome targets

At baseline, funds committed by the central government to communes became available to the communes by April 30, 2011. The project aimed to have these funds made available earlier in the year, by moving this date from April 30 in 2012 to February 1 in 2017. Starting in 2013, thanks to a proactive push from the project, achievement had already improved to January 15 and remained in line with annual targets up to 2017, when funds were made available by January 19. The eventual target of February 1 continued to be met each year at least until project closure in 2021.

By 2021, the percentage of central government budget transferred to communes had increased from a baseline of 5 percent in 2017 to reach 11.6 percent, short of the original 15 percent target. The progress achieved was aided by political championing by the Ministry of Education, which progressively expanded the scope of transfer coverage to school supplies, school canteens, and the construction of classrooms, triggering other ministries to follow this trend.

Rating
Modest

OBJECTIVE 1 REVISION 1

Revised Objective
To strengthen the capacity of the Recipient's central government for decentralization (revised outcome targets)

Revised Rationale
Outcomes against revised outcome targets

The share of the state budget transferred to municipalities reached 11.6 percent in 2021, exceeding the revised (reduced) target of 11 percent.

Overall

The project made strides towards establishing a transparent and rule-based intergovernmental fiscal framework and robust intergovernmental administrative systems, the objective's two short-term outcomes. The extent of their achievement was well-captured by the PDO indicators.

Revised Rating

Substantial

OBJECTIVE 2

Objective

To strengthen the institutional capacities of municipalities (communes) (original outcome targets)

Rationale

Theory of change. To achieve the stated objective, the project was to provide resources to local authorities through institutional development grants, to support them in developing the core administrative systems and capacities deemed necessary to achieve basic administration as well as effective municipal council oversight functions and functioning communication and feedback channels with communities. The institutional development grants were to be allocated to local authorities per criteria established by the Project Steering Committee and reflected in the Project Implementation Manuals. The 2017 AF added the goals of improving the communes' human resource capacity and implementing decrees and other legislation intended to transfer competencies to local governments. The 2020 restructuring added new activities dedicated to containing the spread of COVID-19, supporting IDPs, and strengthening the resilience and capacity of communes for crisis and emergency response management. Over US$1.4 million reallocated to cover municipal recurrent costs was intended to pay service providers (electricity, water, and telecom), contributing to reducing service providers' deficits and to freeing up municipal resources.

Outputs and intermediate results

- The needs of the originally targeted beneficiaries (across 140 communes) were identified based on an institutional diagnosis carried out as part of the project preparation process. Identified needs were translated into municipal institutional development plans. Institutional diagnostics were also carried out for the 209 communes in the seven additional regions introduced into the project as part of the 2017 AF and restructuring.
- All communes had local budget committees and council-validated Institutional Development Plans.
- Communes met their 80 percent target for Institutional Development Grant compliance and filling at least 70 percent of the key positions in their minimum organigram. There was, however, no measurement in place to assess whether the grants had the desired effects on municipal council oversight, functioning communication, and feedback channels with communities.
- The central government provided all commune governments with a notification of indicative allocation of transfer amounts by November of the preceding fiscal year.
- The project raised the share of IDPs with access to essential household items from 25 percent in 2020 to 50.51 percent in 2021, surpassing the final target of 40 percent.

Outcomes against original outcome targets

The project targeted a 4 percent cap in the deviation of commune-level budget implementation compared to the approved budget, relative to 40 percent at baseline. Progress remained inconsistent up to 2017, when budget deviation had improved to 20 percent, but remained short of the target. The deviation of commune-level budget implementation improved to 15 percent by 2020, and to 14.65 percent by project closure, missing the original outcome target of four percent.

Meanwhile, the execution rate of annual commune procurement plans initially did not progress beyond the baseline of 90 percent, against a target of 95 percent. This is corroborated by the overall decline of the institutional capacity performance score of municipalities during the same period. However, the execution of annual commune procurement plans improved to 97 percent in 2020, exceeding the target of 95 percent. This outcome target was not revised during the project period. The execution rate of the annual commune procurement plans was 96 percent at project closure.

The project originally targeted a 32 percent annual increase in local taxes collected for commune governments. While annual increases of 39.1, 43, and 34.9 percent were recorded in 2013, 2014, and 2015, exceeding the project's original target (in addition to the mining boom, this was aided by the introduction of two sets of taxes, namely the motor vehicle tax and taxes on built and unbuilt land), the target was not met in 2016 (11.9 percent). This can be explained by suspension of allotment operations and subsequent failure to collect tax on occupation and use of public land. The original target remained out of reach in subsequent years (18.3 percent in 2017, 15.6 percent in 2018, and 12 percent in 2020), except in 2019 (-0.3 percent). The slump in 2019 can be explained by growing insecurity, which hampered tax collection operations. At project closure, the achieved percentage increase in communes' own local taxes was 10.15 percent, short of the original 32 percent target.

Rating
Modest

OBJECTIVE 2 REVISION 1

Revised Objective
To strengthen the institutional capacities of municipalities (communes) (revised outcome targets)

Revised Rationale
Outcomes against revised outcome targets

Over the course of the project, deviation of commune-level budget implementation improved to 14.65 percent, meeting the revised outcome target of 15 percent.

At project closure, the achieved percentage increase in communes' own local taxes was 10.15 percent, exceeding the revised outcome target of 9 percent.

Overall

The project contributed to strengthening the institutional capacities of municipalities. The extent of their achievement was well captured by the PDO indicators.

Revised Rating
Substantial

OBJECTIVE 3

Objective
To improve accountability linkages between local policymakers and citizens in said municipalities / increase citizen participation in local governance

Rationale
Theory of change. To achieve the stated objective, this component aimed to strengthen local government accountability for public resource utilization by promoting the development of a culture of local council oversight and citizen engagement in decision-making at the local level. The component was envisioned to support local community representatives in developing participatory monitoring practices and using these to engage more substantively in dialogue with local authorities. The goal was to strengthen the capacity of local councils and selected representatives of civil society and the community at the local level to voice their needs and to engage in monitoring local government performance. It would also reward local governments nationwide that adopt effective participatory local governance practices in public resource utilization.

Outputs and intermediate results

By project closing, 100 percent of municipal council meetings had met meeting requirements, compared to a baseline of 53 percent and against a final target of 80 percent. These requirements are specified in the 2004 General Code for Local Government. There was an increase of 65 percent in the number of citizens participating in council meetings (compared to a baseline of 20 percent and against a final target of 50 percent); and there was an increase of 65 percent in communes that held at least two consultation framework sessions per year and complied with the meeting requirements (compared to a baseline of 0 percent and against a final target of 50 percent). The ICR further reports numerous outputs related to consultation frameworks and awareness-raising and outreach initiatives.

Outcomes

No outcome indicators for this objective were included in the project's RF. The ICR reported instead on global and regional indices to support a proxy assessment of outcomes. While Burkina Faso’s Worldwide Governance Indicators score for “voice and accountability” and its Ibrahim Index of African Governance score for “rights and inclusion” show positive trends, these could be due to a myriad of developments and cannot be attributed to the project's intervention.

Overall

Achievement of this objective is rated **modest**. Various intermediate outcomes were achieved, but their impact on overall accountability and citizen engagement are uncertain.

Rating
Modest

OVERALL EFFICACY

Rationale
The project did not achieve its original outcome targets for two of its objectives, to strengthen central government capacity for decentralization and the institutional capacities of municipalities. There is no convincing evidence of attributable outcomes on the third objective, to increase accountability and citizen participation in local governance. Efficacy under the original outcome targets is therefore rated Modest.

Overall Efficacy Rating	**Primary Reason**
Modest	Low achievement

OVERALL EFFICACY REVISION 1

Overall Efficacy Revision 1 Rationale
Under the first two objectives, the revised outcome targets were achieved or surpassed. Achievement of the third objective, for which indicators and targets were not revised, remains Modest. Efficacy under the revised outcome targets is therefore rated Substantial.

Overall Efficacy Revision 1 Rating

Substantial

5. Efficiency

Ex-ante analysis at the design stage: The project was expected to contribute to the decentralization agenda by supporting the strengthening of local government administrative and management capacity. At the design stage, the benefits of this support were found difficult to quantify. No ex-ante economic analysis was carried out. On the cost side, it was estimated that local governments in the participating six regions would receive, on average, the equivalent of US$5 per capita over the project period. On the benefit side, only qualitative benefits were mentioned. The project did aim to strengthen the capacity of the MATDS to collect data and monitor the cost effectiveness of municipal institutional development plans. However, this monitoring was not undertaken.

Ex-ante analysis at 2017 restructuring: To keep Burkina Faso’s fiscal and expenditure targets on track, the first AF carried out a financial fiscal flow analysis based on taxes collected on behalf of communes by three central level agencies. Under the AF, tax revenue was expected to increase by eight percent yearly from 2017 to 2021. The AF estimated the net present value of fiscal gains, discounted at 3 percent over 5 years (2017-2021) to offset inflation, to be about US$ 8.9 million (based on an exchange rate of US$1 = XOF600). The AF did not carry out an economic analysis but provided results of a normative analysis of the economic impact of local government expenditures on local public goods, such as education and health outcomes. This dataset included central government subsidies, tax revenues, local government total revenues and expenditures, investment revenues, and expenditures collected from the Directorate of Investments Promotion and Local Finance, a division of the MATD. A second set of data was collected from the National Statistics Council and the National Institute of Statistics and Demography for the period 2007-2015. The public school net enrollment rate and the proportion of maternal deaths were used as dependent variables at the local level. It was hypothesized that any increase in spending at the local level would improve education and health outcomes. The AF further predicted several qualitative social impacts: (a) improved social well-being from improved service delivery; (b) improved tax compliance through greater transparency of tax regulations and increased local capacity for tax collection; (c) increased trust in the public administration through improved public sector and public financial management and governance; and (d) creation of an enabling environment for more private sector investment. No economic analysis was required for the restructuring in 2020.

Ex-post analysis: The PAD suggested that investments would reach US$5 per capita for the 6 regions of Phase 1; the PAD did not include the calculations that produced this result. At the end of the project, per capita investment stood at US$4.1 when considering the total population. However, when Ouagadougou and Bobo-Dioulasso, where the project was not active, were excluded, per capita investment reached US$4.9. If inflation is not taken into account, the project invested almost the per capita amount envisioned in the PAD.

The target of increased tax collection was exceeded, from a projected US$11.5 million over 2018-21 to an actual US$20.7 million over 2017-2020. The increase reached 11 percent annually until 2020 (last available figure), exceeding the 8 percent annual increase projected by the AF. The ex-post analysis further described an improvement in local public goods, such as education and health outcomes. However, it cannot be ascertained that these gains were fully or partially attributable to project interventions. Social outcomes showed mixed trends and could similarly not be attributed to the intervention. The ICR included an analysis of the project's economic gains, which it estimated as ranging from US$83.6 million to US$419.7 million, with a midpoint of US$251.6 million. These gains, however, related only to the project's COVID and IDP support, which together accounted for 8.7 percent of project commitments.

Aspects of design and implementation that either contributed to or reduced efficiency

At project closure, actual project management and evaluation costs stood at 88 percent of the appraisal estimates. The actual administrative cost of US$11.3 million represented 9.8 percent of the total disbursed IDA funds; out of this total, US$1 million was used to support preparation of the Community-Based Recovery and Stabilization project for the Sahel (P173830). This exceeding of the 5 percent average benchmark for projects in Sub-Saharan Africa was driven by the project's all-inclusive geographical coverage, incurring additional transportation, coordination, and communication costs. There were isolated delays in carrying out certain activities that in a few instances led to the cancellation of planned activities. These instances were largely attributable to counterpart funds not being disbursed on time or in totality, caused by the various crises. At closure, a total amount of US$2.6 million out of US$15 million of planned government counterpart funding, representing 2.2 percent of the project amount, had not been disbursed. Overall, the project closed with a disbursement ratio of 99.57 percent.

Overall

The efficiency of the project is rated Substantial. The project has helped to increase fiscal space and institutional capabilities towards enabling effective decentralization at the local level. The project came close to financing US$5 per capita, the targeted amount to be decentralized at project closure, and secured additional tax collection of US$20.7 million. Given the challenging fragility, conflict, and violence (FCV) and COVID environments, it is notable that the project was implemented within the expected time frame and financial envelope.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate		0	0 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Based on the separate assessment of the project under the original and revised outcome targets (see detailed calculation in Table 1), the overall outcome rating for the project is Moderately Satisfactory. The project was highly relevant. The project made gains towards establishing a transparent and rule-based intergovernmental fiscal framework and strengthening intergovernmental administrative systems, and it improved the local service delivery capacities of municipalities. As such, it succeeded in laying a foundation for decentralization, even if various outcome targets were relaxed at the restructurings. While it is likely that COVID-19-related measures had significant impacts and preserved hard-won development gains, their impact cannot be fully assessed due to the limitations of the results framework. The project’s most ambitious and challenging goal, Objective 3, was also the weakest in design, measurement, and implementation. While a relevant goal, its results chain was unclear, the intervention’s impact on it was uncertain, and outcomes not successfully tracked, and the intermediate outcomes that were achieved lacked clear impact on accountability and citizen engagement. Given the widely acknowledged difficulty in both increasing and measuring local-level citizen engagement and accountability, and the challenges and substantial risks presented by the environment in Burkina Faso, a less ambitious objective could have been considered.

Table 1: Calculations for the Overall Outcome Ratings before and after Restructuring

	Original outcome targets	**Revised outcome targets**
Relevance of PDO	**High**	

Overall Efficacy rating	Substantial	
Overall Efficacy rating	**Modest**	**Substantial**
Objective 1	Modest	Substantial
Objective 2	Modest	Substantial
Objective 3	Modest	
Efficiency rating	**Substantial**	
Outcome rating	**Moderately Unsatisfactory**	**Satisfactory**
Numerical value of outcome rating	3	5
Disbursement	SDR 35.53 million	SDR 44.822 million
Share of disbursement	44%	56%
Weighted value of the outcome rating	1.32	2.8
Final outcome rating	**Moderately Satisfactory** (1.32+2.8=4.12)	

a. Outcome Rating
Moderately Satisfactory

7. Risk to Development Outcome

Effective decentralization is undercut by the limited discretion to exercise their mandate experienced by the communes and deconcentrated structures. Municipalities are not fully empowered, and delegation of powers/transfer of resources (human resources, finance) from central to deconcentrated and decentralized levels remains limited. To date, only 2 of 28 ministries have a deconcentration plan, and most deconcentrated structures do not completely fulfill their mission of providing support to local authorities. Further, only 4 of 11 competencies identified under the General Code for Local Government have to date been transferred to municipalities: (a) culture, youth, sports, leisure; (b) pre-schooling, primary education, literacy; (c) drinking water distribution and sanitation; and (d) health. While this was outside of the project’s scope, if they remain unaddressed the local service delivery outcomes targeted by the project are unlikely to be sustained or expanded. As the ICR suggests, this could be addressed by a second phase of support.

The project’s gains in decentralization and the chances for further decentralization are highly vulnerable and dependent on central government support. To strengthen the decentralization process, the project supported the creation of a structural framework for decentralization and created the National Agency for Local Government Support (ADCT). At project closure, ADCT was actively working towards the operationalization of its capacity-building one-stop shop. Moving forward, more progress on decentralization and transfer of competencies to municipalities is needed to anchor greater local service delivery.

Progress on decentralization and fiscal transfers is vulnerable to changes in political buy-in at the central level and these risks are especially pronounced in Burkina Faso. The 2011 protests created momentum for reform but also signaled increasing political instability, as recognized in the PAD, which noted that "the fissure exposed in the regime's control could have ongoing repercussions for political stability and economic development in the country." These protests were followed by the 2014 uprising and the 2015 coup d'état. The country has increasingly been plagued by jihadist terrorism, which contributed to the 2022 coup. Current and further progress on decentralization and accountability are at significant risk from this political volatility, as well as from other exogenous challenges such as COVID-19. If rising insecurity, political instability, and COVID reduce the central government's tax revenue, it will require substantial buy-in to maintain the fiscal transfers to the communes. The ICR did cite the previous government's launch in June 2021 of the Model Municipalities Program as indicative of continued government support despite earlier political changes, but this does not guarantee the continued engagement of the current government.

While improving decentralization and the delivery of basic services address one of Burkina Faso's drivers of conflict, decentralization carries its own conflict risk. In Burkina Faso, tensions between ethnic groups are grafted onto many territorial issues and undermine state processes, starting with decentralization and the delivery of basic services. This makes decentralization a conflict risk. As new local decision-making spaces are created, they become potential battlefields for conflict between communities. Similarly, the choice of localities for basic infrastructure investments can give rise to rivalries between communes or villages, often on a community basis. On June 2, 2015, the construction of a general education college led to deadly violence between Néguéni and Outourou in the commune of Loumana. In the province of Houet, the communes of Péni and Toussiana are in conflict over the construction of a science high school. However, during the project's design, when the security context was less volatile, and until the project's final three years, conflict concerns were not seriously considered. At design, the project was seen as a tool to address conflict drivers and not as a potential source of conflict. As a result, project documents do not identify such risks or describe mitigation measures. While no conflicts stemming from the project were recorded, this nonetheless presents a risk to project outcomes and beyond.

Implemented mitigation measures are unlikely to be sufficient. The project appropriately chose its APL structure to mitigate the risk of deteriorating government commitment and project aimed to partner with other large donors to promote reform implementation. Unfortunately, the ICR does not report on these partnerships. The ICR cited a planned follow-on Project for Results (PforR) that would build on the progress made so far to reduce risks to development outcomes. However, the January 2022 coup led to the triggering of OP7.30 – *Dealings with De Facto Governments*. This required: (i) pausing all disbursements, (ii) pausing all approved but unsigned projects, and (iii) completing legal assessment of the criteria for the resumption of lending. The PforR is therefore likely to be delayed and could be canceled altogether. The mitigation measures described were appropriate, at least during project implementation. Unfortunately, they might not be sufficient to protect outcomes after project closure. Given the worsening situation in Burkina Faso, a substantial or complete undoing of the project's outcomes is a concrete risk.

8. Assessment of Bank Performance

a. Quality-at-Entry

Much of the project was well designed, but Component 3 suffered from an unclear results chain and ill-defined goals, while overall relevant conflict risks were not sufficiently identified or

mitigated. The project design drew on strong country engagement, solid analytical underpinnings from public sector/decentralization analytical and advisory reports, and technical and fiduciary analyses of country readiness. The team appropriately used participatory techniques to design a project that would enjoy government buy-in and was relevant to the needs of beneficiaries. The results chain, from Bank funding to outputs and intended outcomes, was generally clear, while the results framework was fairly relevant and comprehensive. This assessment applies to a lesser degree, however, to Objective 3: Citizen participation in local governance. One of its three short-term outcomes was a “culture of citizen engagement and oversight in decision-making and service delivery.” This seems more ambitious than its long-term outcome. Fostering a culture is an intensive and long process and will take many decades. Similarly, Subcomponent 3.1’s output “Robust accountability and transparency” practices is a more ambitious goal than the component title, “Strengthening local council and community oversight of local government and performance,” implies. While it is clear how the related activities were to increase transparency, it is unclear how they were to increase accountability, which requires an ability to sanction. While competition for the promotion of good local governance practices was innovative and had the potential to boost commune capacity, it was unclear how it would increase citizen participation.

Implementation arrangements were satisfactory, with agreements reached on the roles and responsibilities of the Steering and Technical Committees. Yet the project was not without risks. It was complex and ambitious, especially being the first project to engage in decentralization and given Burkina Faso’s challenging context. At the time of the 2017 AF, the project had 34 activities. Of the eventual nine key PDO indicator targets, four were revised downwards during the 2017 or 2020 restructurings. While the Operational Risk Assessment Framework specified most risks that the project could face and identified adequate mitigation measures, this was not the case for conflict-related risks. The project did not foresee the escalation in insecurity. While this issue was outside of project control, it could have been at least partly anticipated given the national and regional context and cannot be labeled as "impossible to predict" to the same degree as the COVID-19 pandemic can. Nor did the project adequately assess or mitigate the substantial conflict risks stemming from the decentralization of power. The grievance redress mechanism (GRM) put in place by the project was unlikely to have been effective. Consequently, the absence of evidence noted in the ICR that these risks materialized is not evidence of absence, as insufficient monitoring was in place. Finally, insufficient built-in ability to mitigate delays in counterpart financing (discussed in the Efficiency section) also impacted Quality at Entry.

Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

Close supervision was provided throughout project implementation, and a mid-term review was conducted between October and December 2014. A gap in team leadership from July 2019 to March 2020 created delays in dealing with operational issues. However, the new TTL and co-TTL were both based in the field office, which enabled them to rapidly address pending issues and conduct the last restructuring of the project. The World Bank team played a critical role in helping the government improve its capacity for compliance with environmental and social safeguards, procurement, and financial management. People affected by the project were compensated adequately. The Bank team demonstrated responsiveness and adaptability within a fragile and evolving context. The team adapted well to the unforeseen risks posed by the rising security, COVID-19, and IDP crises by restructuring the project.

However, the team could have signaled earlier the delays in counterpart funding. In addition, it could have made additional efforts to re-evaluate the lack of progress on the indicators related to citizen satisfaction, including options to revise these indicators. The team did not identify the shortcomings of the GRM until project closure and thus did not remedy them. Finally, the team missed the opportunity to use restructuring to introduce indicators on resilience-related activities, which would have provided a fuller picture of the project's impact.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The original PAD provided a clear narrative on how the PDO was to be achieved. The ICR reconstructed a theory of change diagram. Overall, the theory of change was sound and convincingly documented how the key activities and outputs were to lead to intended outcomes. The PDO was clear, although the original PDO was more specific than the revised PDO.

However, the ambition of the PDO and components was not always reflected in the corresponding intermediate indicators, some of which were output-focused. This was especially the case for Objective 3, *Increasing accountability linkages between local-level policymakers and citizens*. The main shortcomings of the RF design were under this objective, many of which were also identified by the ICR. Notable was the shift in Objective 3 from “accountability linkages” in the original PDO to “citizen participation” in the revised PDO. Both terms lacked clear definition, which contributed to the difficulty of measuring outcomes under this objective. The chosen PDO indicator aimed to capture citizen satisfaction with commune government performance, which is not a representative proxy of accountability. The intermediate-level indicators were more relevant but did not capture outcomes. Instead, intermediate indicators measured process-oriented outputs such as the frequency of and attendance at commune meetings. Consequently, the project did not measure whether the participation was meaningful or supported accountability and did not address the issue of "token" participation already described in the PAD. In fact, while the project team did not attend any of the municipal meetings, it suspects that, while gains in frequency and attendance were made, the quality of the meetings from an accountability perspective remained low. Further investment and time are likely needed to build the capacity and understanding necessary for these meetings to achieve their full accountability purpose. Similarly, the intermediate indicator “communes with council-validated Institutional Development Plans” gave no evidence of whether the plans were ever acted upon. Significant elements of the interventions under Objective 3, such as the Good Governance Award, lacked any corresponding indicators, leaving potentially significant project outcomes unmeasured. Unfortunately, despite multiple restructurings, the weakness of the M&E design under Objective 3 was not acknowledged until project closure.

The COVID-19 and IDP emergency response deliverables introduced during the 2020 restructuring were tracked with only one intermediate indicator measuring IDPs with access to essential household items. Despite the difficult operating environment at the time, this was a missed opportunity to reflect the new activities.

In addition, an opportunity was missed to measure gender benefits. Both the PAD and the 2017 AF stated an aim to promote and track gender inclusion and female participation in local government activities. However, beyond the gender-disaggregated beneficiary indicator, the project did not measure women's participation in decision-making and monitoring of commune performance. As the ICR points out, "while not directly linked to any project activities, there could have been tracking of alignment of women's participation and representation in municipal and legislative elections with the government's affirmative action policy that set a target of at least 30 percent."

b. M&E Implementation

The PIU's M&E capacity was insufficient, and there were missed opportunities to improve implementation. The project design included the creation of a central M&E unit within the PIU, built on the successfully established structures of an earlier project (the Community-based Rural Development Project). As the project was to interact with more than 350 municipalities, an M&E team of three to four members was envisioned. However, staffing fell short of original plans. From 2012 to the end of 2014, the M&E team consisted of only one M&E expert. The perceived skill of this staff member was deemed to make further hiring unnecessary. During project implementation, this expert delivered timely and seemingly high-quality deliverables. However, at the ICR stage it became apparent that the M&E expert had not performed well leading to weak M&E work. Earlier and more thorough engagement with the M&E specialist could have helped to avoid this. Starting in 2015, the M&E expert was assisted by a local organization and a citizen engagement specialist. Further challenges were encountered. The software initially used by the team was found to be inadequate and had to be phased out. Three citizen satisfaction surveys were conducted in 2014, 2016, and 2020 but were of insufficient design quality. Had quality surveys been conducted, results would have reflected perceptions of commune government performance rather than citizen participation.

M&E implementation could have been improved through adjustment of the RF during restructuring. Instead, inconsistencies in the documentation of changes in the RF and a disconnect between the Bank and Borrower frameworks were not discovered until project closure. Finally, M&E implementation could have benefitted from a systematic cross-check with the project's SUPERMUN data. While not a viable alternative to data collection by the M&E team, it was SUPERMUN data that allowed the ICR team to identify inaccuracies in project M&E data. Given these challenges and the rising mobility restrictions due to conflict and COVID-19, it is uncertain to what extent M&E functions and processes are likely to be sustained after project closing.

c. M&E Utilization

The M&E data and progress reports informed project-related decisions, especially during the mid-term review and restructuring processes. They further informed the Presidential Initiative of Model Communes and the design of the Local Governance for Basic Services and Resilience Program (P177875). Otherwise, no evidence is presented that M&E findings were communicated to stakeholders. Although not strictly project-related, the data generated by SUPERMUN were used to organize citizen consultations on commune performance and inform research and policy decision-making.

M&E Quality Rating

This assessment rates M&E Quality as modest. primarily because many opportunities to measure existing outcomes were missed, while in other cases indicators captured only outputs. These shortcomings primarily relate to the third objective.

M&E Quality Rating

Modest

10. Other Issues

a. Safeguards

The project was classified as Category B and was compliant with safeguard policies. It triggered the following safeguard policies: OP 4.01: Environmental Assessment; OP 4.11: Physical Cultural Resources; and OP 4.12: Involuntary Resettlement. The potential negative environmental and social impacts of the project were assessed in advance of implementation and managed through an Environmental and Social Management Framework (ESMF) and a Resettlement Policy Framework (RPF). The ESMF and RPF were developed through a consultative process between Bank and borrower. They stipulated that any resettlement required under a sub-project would be identified during the appraisal of the sub-project, and a Resettlement Action Plan would be prepared, disclosed and subject to IDA approval before the award of the sub-grant, with a similar approach to environmental and social impacts. According to the ICR, nineteen such plans, as well as 297 environmental and social requirements, were effectively implemented. While the ICR records the entity responsible for monitoring the implementation of these measures after project closure, the Territorial Development General Directorate (DGDT), it does not cite a third-party impact assessment. The environmental and social assessment was not updated during the restructurings.

The project instituted a GRM that was active for the duration of the project. Nine complaints were registered, and all were resolved. However, given the ten-year duration of this project, this seems a low number of complaints, as is also noted by the ICR team. The municipal units both implemented the safeguards and managed the complaints. As the ICR suggests, the low number of complaints could be explained by a fear of citizens to register their complaints with the municipal units or by the unit’s lack of motivation to handle complaints.

The project recruited a safeguards specialist and aimed to provide an enabling environment to rectify gender imbalances and promote the participation and representation of marginalized groups in monitoring commune performance. However, due to (among other factors) cultural gender bias, a dearth of skilled women in the Burkina Faso civil service and anti-affirmative action legislation, the project found itself unable to affect the intended change, and no relevant results indicators were introduced. The national civil service law that prohibits affirmative action in recruitment within the civil service presents a hurdle for increased women's representation in the civil service.

b. Fiduciary Compliance

Assessments conducted by the World Bank team and external auditors during implementation were mostly Satisfactory. The exception was in 2018, when performance was downgraded to Moderately Satisfactory, following a qualified opinion in 2017 financial statements due to lack of documentation for large advances. Following the implementation of audit recommendations, financial management performance remained Satisfactory until the closing date. The final disbursement rate was approximately 99.57 percent. No corruption or misuse of funds associated with the project has been reported.

The project team took appropriate measures to strengthen procurement capacity. It hired six procurement assistants and organized annual training for ministries and municipalities that exercised full contracting authority. The Public Procurement Regulatory Authority (ARCOP) provided training tailored to each municipality. These measures successfully addressed the risks of the low-capacity environment (i.e., limited understanding of procurement procedures, poor collaboration among stakeholders, and high turnover and low motivation of procurement officials.). As a result of support from the project and the ARCOP, all contracts were executed as planned by the closing date.

c. Unintended impacts (Positive or Negative)

In partnership with the DIME team, the project initiated Burkina Faso’s annual Municipal Performance Survey (SUPERMUN). It tracks indicators of public service delivery and institutional capacity for all municipalities. By project close, the data was digitalized and made available on https://supermun.gov.bf. Although difficult to quantify, this is a considerable contribution to transparency and accountability that was not captured by the project’s results framework. In fact, as pointed out by the ICR, an opportunity to reinforce M&E implementation by systematically cross-checking project and SUPERMUN data was missed.

d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Moderately Satisfactory	Moderately Satisfactory	

Bank Performance	Moderately Satisfactory	Moderately Satisfactory
Quality of M&E	Modest	Modest
Quality of ICR	---	Substantial

12. Lessons

Successful decentralization in fragile environments requires long-term and sustained engagement. Two key enablers, allowing the Bank to stay the course, were a strong and consistent client dialogue and ownership across several governments, and stable Project Implementation Unit (PIU) and Bank teams that provided institutional memory and consistency and demonstrated proactivity and adaptability, helping to operationally mitigate and navigate external volatility. The PIU remained unchanged throughout the project, even as ministers frequently turned over, while the Bank TTL remained in place for five years, leading the project from preparation through triggering of its second phase (AF and restructuring). This experience can provide an example for the Bank as it considers its operational response to recent socio-political and security crises.

Increasing citizen participation in operations, especially in an FCV setting, can represent an acute M&E challenge. There is no consensus around methods and tools for measuring the success and failure of citizen participation efforts. It can be tempting for projects to focus their measurement on process-oriented and quantitative aspects that are considered easier to measure. This was the case for this project, which opted for an evaluation of processes, measuring outputs through intermediate results indicators, with a PDO indicator that did not capture the expected outcome. This leaves doubt about whether participation was meaningful.

Robust M&E in FCV environments requires adapting M&E tools and developing national M&E capacity. The project's M&E was not well adapted to the specific constraints of volatile FCV environments, such as capacity limitations, low levels of technology, or project site access restrictions. The project also did not use its M&E framework to respond to changing conditions on the ground and lacked indicators capturing potential conflict-related outcomes. In parallel, the project made only a limited investment in national M&E capacity beyond SUPERMUN. Together, adapting M&E tools and more robust investment in national M&E capacity could have helped mitigate the M&E challenges the project faced.

Decentralization and fiscal transfers in volatile FCV environments should only be undertaken with extreme caution. In Burkina Faso, existing tensions between ethnic groups risk making newly decentralized responsibilities and transfers and infrastructure investments a new source of conflict. Newly opened local decision-making spaces can devolve into new stages of contestation. This made the project a significant conflict risk, for which the project did not include sufficient mitigation measures, as the project's GRM was unlikely to be adequate. The project lacked M&E to capture inclusion or grievances. The fact that no such incidents are reported in the ICR could be due not to their absence but to insufficient monitoring mechanisms. To identify these challenges, the project could have benefitted from additional conflict analysis at the project design stage.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The quality of the ICR is rated as substantial. The ICR provides a well-written and near-complete critique of the project. The ICR aptly analyzed the achievement of intended objectives and appropriately linked the efficacy narrative, the ratings, and the evidence. When robust and credible evidence was lacking, this was candidly described by the ICR. The theory of change developed by the ICR mapped a logical chain of how project activities were linked to the outcomes of project interventions. The ICR was thorough with outstanding candor and provided more than adequate information for preparing this ICR Review and rating the project. Specific lessons were directly derived from project experience and should be useful for future FCV and governance operations. The various parts of the ICR were internally consistent and logically linked and integrated. Notwithstanding the high rating, the ICR could have been further improved. While generally providing robust evidence, the ICR states in its Safeguards section that nineteen Resettlement Action Plans and 297 environmental and social requirements were effectively implemented. It provides no evidence, however, and it is unclear how this claim was verified. Additionally, the ICR did not implement the split rating correctly, focusing on different "phases" of the project instead of assessing the project's achievement across its entire lifetime against the original and then revised outcome targets, as specified in the IEG/OPCS harmonized guidelines.

a. Quality of ICR Rating

Substantial