



# Program Information Document (PID)

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Concept Stage | Date Prepared/Updated: 17-Jun-2020 | Report No: PIDC29848



## BASIC INFORMATION

### A. Basic Project Data

Country Burkina Faso	Project ID P174315	Project Name Burkina Faso COVID-19 Emergency DPO (P174315)	Parent Project ID (if any)
Region AFRICA WEST	Estimated Board Date Nov 24, 2020	Practice Area (Lead) Macroeconomics, Trade and Investment	Financing Instrument Development Policy Financing
Borrower(s) REPUBLIC OF BURKINA FASO	Implementing Agency MINISTERE DE L'ECONOMIE, DES FINANCES ET DU DEVELOPPEMENT		

### Proposed Development Objective(s)

This operation aims at mitigating the impact of the COVID-19 shock on lives and livelihoods, and laying foundations for a resilient recovery.

### Financing (in US\$, Millions)

#### SUMMARY

<b>Total Financing</b>	100.00
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#### DETAILS

<b>Total World Bank Group Financing</b>	100.00
World Bank Lending	100.00

#### Decision

The review did authorize the preparation to continue

### B. Introduction and Context

#### Country Context

The proposed Development Policy Operation (DPO) supports the Government's response to the COVID-19 pandemic in the context of a deteriorating security and humanitarian situation. Burkina Faso was among the first countries in Sub-Saharan Africa hit by COVID-19 and the Government took early and decisive action to contain and mitigate the spread of the virus. Prior to COVID-19, the country has experienced a rapidly deteriorating security situation since 2018 with persistent armed violence that has severe humanitarian consequences. Against this backdrop, the COVID-19 pandemic is transmitted through external and internal channels with a substantial economic impact. The COVID-19 crisis is worsening the poverty and social conditions in the country. The proposed operation will help the Government tackle the COVID-19 crisis and address structural issues to reduce poverty and inequality in a sustainable manner to



improve the social conditions over the long term. The macroeconomic policy framework is adequate for the proposed operation with the risk of overall debt distress assessed as moderate.

#### Relationship to CPF

The Country Partnership Framework (CPF) for FY18-FY23, which is embedded in the twin goals of ending extreme poverty and promoting shared prosperity in a sustainable manner, provides the overarching framework for this operation. Policy reforms supported through this emergency operation are consistent with all three pillars of the CPF with other projects complementing the operation to achieve CPF outcomes. First, policy reforms related to public investment reprioritization (in combination with the the Emergency Recurrent Cost Financing Project ([P169486]) and access to credit (supported by the Financial Inclusion Support Project [P164786]) support the acceleration of sustainable private-sector-led growth for job creation (CPF Pillar 1). Further, policy reforms related to health (linked to Health Services Reinforcement Project [P164696]) and social protection (complemented by the Social Safety Net Project [P160371]) contribute to investing in human capital and social protection systems (CPF Pillar 2). Finally, policy reforms related to the digitalization of the public administration (supported by the Burkina Faso eGovernment Project [P155645]) and the governance of COVID funds (linked to the Economic Governance and Citizen Engagement Project [P155121]) contribute to strengthening governance and supporting citizen engagement (CPF Pillar 3).

### C. Proposed Development Objective(s)

This operation aims at mitigating the impact of the COVID-19 shock on lives and livelihoods, and laying foundations for a resilient recovery.

#### Key Results

This operation seeks to achieve results in multiple areas. In the health area, the operation seeks to improve the capacity to respond across all phases of the epidemic and to increase health system resilience. The social protection field, it seeks to facilitate access to services and strengthen the country's response to COVID-19 and other crises. Further, this operation supports also business continuity of the state and prepares the digital transformation. Moreover, the DPO is expected to improve transparency and accountability in the use of COVID-19 funds and accelerate the response to future crisis. In addition, it will help improve the efficacy and efficiency of priority spending. Finally, the DPO envisions to improve access to credit for individuals, micro, small and medium enterprises and improve debt management and transparency.

### D. Concept Description

The proposed operation is based on reforms included in the Government's COVID-19 Response Plan, enacted in the Head of State's address to the Nation. The plan is the result of recommendations from the National Pandemic Management Committee chaired by the Prime Minister and comprising a dozen sectoral ministries, technical and financial partners, and the civil society organizations. In addition, in the wake of the COVID-19 pandemic, the Bank has intensified the policy dialogue in the health, social protection, education and agriculture sectors.

The proposed operation supports the Government's Government's Emergency Response Plan through several angles. First, the DPO will strengthen the crisis response through the implementation of a national epidemiologic monitoring system. Second, the operation will help strengthen the Government's response strategy through better identification and targeting of the most vulnerable, fast, adapted and transparent PFM and procurement procedures, and better, faster and if needed, contactless public services. Third, the operation will help strengthen the resilience of MSMEs and the informal sector through easier and better access to credit. Fourth, the DPO will help speed up and complete the ongoing public spending reprioritization exercise (with a focus on investment projects). Finally, the operation will support Burkina



Faso's macroeconomic stability through two channels: a more efficient public spending, and a better management and transparency of public debt.

## **E. Poverty and Social Impacts, and Environmental, Forests, and Other Natural Resource Aspects**

### Poverty and Social Impacts

The measures related to the health sector have strongly positive poverty and social impacts. The first sub-action supports the development and implementation for the large-scale pilot phase of the development and rollout of a One Health system. Improving preparedness, notification, investigation, response, and epidemic management capacity across the actors will mitigate against risks that affect both rural (animal husbandry and crops) and urban areas (shutdown effects, risk of transmission due to at-risk living conditions). The second sub-action through its information component increases targeting and coordination of resources and enables the provision of proper inputs in a timely and cost-effective manner. Reducing the duration of the epidemic will reduce the risk to populations, particularly the poor. The third sub-action is consistent with the CPF focus to increase service availability to all, but particularly the poor. Increasing prioritization of activities and investments and the focus on results will support better health results at lower total cost.

### Environmental, Forests, and Other Natural Resource Aspects

Policy reform in the area of public investment is expected to promote climate-smart infrastructure investments. The revised Public Investment Program will include a list of prioritized investment projects resulting from a multi-criteria analysis. Impacts on and from climate change are among those criteria. Other criteria are project maturity, economic return, and the impact on growth and jobs. For example, in the area of urban roads the following criteria are taken into consideration: (i) all-weather pavement resurfacing with material that prevents water damage; (ii) construction of wider drains and culverts as well as slope stabilization to accommodate heavy rainfall; and (iii) elevation of bridges, tunnels, and roads in flood prone locations to allow for increased amounts of runoff from torrential rainfall to be transported away from vulnerable areas.

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**APPROVAL**

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17-Jul-2020