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COUNTRY ASSISTANCE STRATEGY PROGRESS REPORT

FOR BURKINA FASO

FOR THE PERIOD FY 2006-2009

June 13, 2007

West Africa I Country Management Unit
Africa Region

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BURKINA FASO - FISCAL YEAR

January 1 – December 31

CURRENCY EQUIVALENTS (Exchange Rate as of April 1, 2007)

Currency Unit = CFA franc (CFAF)
US\$1.00 = CFAF 535.75

Weights and Measures
Metric System

ABBREVIATION AND ACRONYMS

AFD	French Development Agency	MTEF	Medium-Term Expenditure Framework
ARTEL	Telecommunication Regulatory Agency	ONATEL	National Telecommunication Company
BCEAO	Central Bank of West African States	PAP	Priority Action Plan
CAS	Country Assistance Strategy	PDDEB	Ten-year Basic Education Development Plan
CEM	Country Economic Memorandum	PER	Public Expenditure Review
CFAA	Country Financial Accountability Assessment	PNDSA	National Program for the Development of Agricultural Services
CFAF	Franc of the African Financial Community	PNGT	National Program for the Management of Territory
CID	Computerized Expenditure Circuit	PRGB	Budget Management Reform Plan
CPAR	Country Procurement Assessment Report	PRGF	Poverty Reduction and Growth Facility
DSA	Debt Sustainability Analysis	PRSC	Poverty Reduction Support Credit
EU	European Union	PRSP	Poverty Reduction Strategy Paper
GDP	Gross Domestic Product	PRSP-APR	Poverty Reduction Strategy Paper Annual Progress Report
GTZ	German Cooperation for Technical Cooperation	SDR	Special Drawing Rights
HIPC	Heavily Indebted Poor Countries	SIGASPE	Budget Payroll Management System
ICA	Investment Climate Assessment	SOCOMA	Cotton Company
ICR	Implementation Completion Report	SOFITEX	Textile Fiber Company
ICT	Information, Communication and Telecommunications	SONABEL	National Electricity Company
IDA	International Development Association	SONABHY	National Petroleum Product Distribution Company
IFC	International Finance Corporation	TOD	Decentralization Laws
IMF	International Monetary Fund	UNDP	United Nations Development Program
MDGs	Millennium Development Goals	WAEMU	West African Economic and Monetary Union

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**COUNTRY ASSISTANCE STRATEGY PROGRESS REPORT
FOR BURKINA FASO**

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COUNTRY ASSISTANCE STRATEGY PROGRESS REPORT FOR BURKINA FASO

I. INTRODUCTION

1. Landlocked and resource-poor, Burkina Faso has nonetheless made substantial progress on structural reforms and sustained a real growth rate of nearly six percent per annum over the past decade, within a stable macroeconomic and political context. Despite recent progress, the country remains poor, with per capita income of only \$430 in 2005 and low levels of human development. Since 2000, development efforts have been guided by a national poverty reduction strategy (the *Cadre Stratégique de Lutte contre la Pauvreté* or CSLP) to which aid programs are aligned. The World Bank is among the most prominent partners in Burkina, with a results-based Country Assistance Strategy (CAS) for FY06-09 proposing an annual average of \$140 million in new IDA commitments. This progress report assesses the continuing relevance and implementation effectiveness of the CAS at its mid-point.

2. The multisectoral 'results teams' responsible for carrying out this mid-term review found that delivery of the lending and analytic work programs was strong in the first two years of CAS implementation. Portfolio performance was also good, despite persistent implementation weaknesses in transport and public administration capacity building. Looking ahead to the second half of the CAS period, the review team calls for an intensified response to the on-going crisis in the cotton sector, as well as a restructuring of support for private sector development and accelerated investment climate reform. Laying a better foundation to promote good governance and greater decentralization (the fourth pillar of the CAS) is also recommended through the completion of analytic work on decentralization in FY07, and the launching of more thorough governance and anti-corruption diagnostics and fiduciary assessments in FY08-09. These and other recommendations are discussed below in order to enhance strategic relevance and implementation effectiveness during the remainder of this CAS period and beyond.

II. RECENT DEVELOPMENTS

3. At the time of CAS preparation in late 2004, Burkina could point to a strong track record of reform and economic growth. Poverty declined from an estimated 54 percent in 1998 to 45 percent in 2003, led by growth in rural areas. Economic growth was driven by expansion of cotton and cereal production to record levels, making Burkina the number one cotton exporter in Sub-Saharan Africa. However, this tendency heightened the country's overdependence on cotton, which continues to provide a livelihood for around 2.5 million Burkinabé and generate about two-thirds of the country's export earnings. Burkina has maintained macroeconomic stability, aided by fiscal discipline and aid inflows equivalent to 10-14 percent of GDP, but the macroeconomic situation remains fragile due to weak domestic revenue mobilization and vulnerability to exogenous shocks. While the underlying country context has not changed since CAS preparation,

three points merit special attention at mid-term: i) political evolution; ii) debt sustainability; and, iii) the cotton sector.

4. ***Political stability has remained high.*** President Blaise Compaoré won a third term for five years in late 2005, followed by municipal elections in 2006 and parliamentary elections in 2007. All were deemed free and fair by international observers, although opposition to the ruling party remains weak and fragmented. The ruling party now controls two-thirds of parliamentary seats, with the remaining seats divided among thirteen small parties. The unsettled situation in neighboring Côte d'Ivoire has negatively impacted Burkina's economy since 2002, although the country already has adjusted to this shock. Improved prospects for peace in recent months will bring an eventual economic dividend for Burkina.

5. ***Debt sustainability is fragile.*** Based on the country's overall satisfactory macroeconomic performance, progress in poverty reduction, and improved public expenditure management, Burkina was made eligible for the Multilateral Debt Relief Initiative (MDRI) in March 2006. IDA relief was provided on debt service falling due on the end-2003 debt stock, such that by 2044, accumulated debt service savings for Burkina Faso would amount to around \$734 million.¹ In 2006, debt relief amounted to about 17 percent of GDP (calculated as stock of debt relief). This reduced Burkina's debt service-to-exports ratio from 8 to 5 percent, the net present value (NPV) of debt-to-GDP ratio from 19 to 11 percent, and the NPV of debt-to-exports ratio from 182 to 86 percent (2005-2006). But beyond the impact of MDRI, Burkina Faso's debt ratios increase again over the medium term. With stress tests on export growth or on public borrowing on less favorable terms, Burkina Faso's debt ratios become unsustainable over the long-term. The sensitivity of the ratios to domestic revenue performance and the vulnerability of export earnings have led Bank and Fund staff to raise Burkina's rating for risk of debt distress from low to moderate this year.

6. ***Cumulative losses have provoked a crisis in the cotton sector.*** At the time of CAS preparation, it was already evident that declining international cotton prices and strong appreciation of the Franc CFA relative to the dollar were generating losses in the domestic industry that would require adjustment if exogenous conditions did not change. This situation was identified as the biggest risk to growth and poverty reduction during the CAS period. Since then, exchange rate movement has countered some recovery in world market prices, while insufficient adjustment in the domestic industry (which was majority privately-owned) brought the sector to the brink of crisis in late 2006 (see Annex 1). Given the severe growth and poverty implications of cotton sector collapse, government has stepped in with emergency measures and has made a request to external partners like the Bank to intensify support for adjustment and productivity improvement in the sector.

¹ The IMF provides 100 percent debt relief on all debt incurred by Burkina Faso to the IMF before January 1, 2005 that remains outstanding. This amounts to approximately US\$89 million, or US\$82 million excluding remaining assistance under the Heavily Indebted Poor Countries Initiative. The ADF provides debt relief on as-of-end-2004 debt stock amounting to 18.1 percent of Burkina Faso's external debt stock net of HIPC debt relief, equivalent to US\$317 million.

III. CAS IMPLEMENTATION

7. The FY06-09 Country Assistance Strategy is aligned to Burkina's revised poverty reduction strategy, or *Cadre Strategique de Lutte contre la Pauvreté (CSLP)*. A results-based methodology has been applied to identify a sub-set of country priorities to which the CAS would contribute within the four main pillars: i) accelerated and shared growth; ii) improved access to basic social services; iii) increased employment and income opportunities for the poor; and iv) better governance with greater decentralization. The CAS results framework is summarized in Annex 2, and the results matrix is provided in Annex 3. At mid-term, some of the expected benefits of a results-based CAS are evident, including greater coherence of the country program, more multi-sectoral approaches and teamwork, and better use of operations to support sector monitoring and evaluation that contribute to national assessment of the CSLP.

8. ***Strong country program delivery in FY06-07.*** Initial indicative CAS planning called for US\$ 140 million per annum in lending commitments and a rich program of analytic work in FY06-07 (Annexes B3 and B4). Despite growing uncertainty about IDA availability, all operations have been delivered as planned, with only marginal shifts in timing. The multilateral debt relief initiative, while freeing up general budgetary resources, has reduced IDA availability commensurately, affecting programming decisions relative to the initial CAS. Nonetheless, the country team was encouraged to take advantage of Burkina's strong performance and potential to scale up, targeting areas with additional absorptive capacity. For this reason, two planned FY09 operations—post-primary education and a follow-on agricultural diversification—were advanced into FY06, while two operations (Health and HIV/AIDS Sector Support and the Second Community-based Rural Development Project) were scaled up by frontloading a large portion of the three-year IDA envelope into the first two years of the CAS. Indeed, one month into FY08, the entire FY06-08 indicative allocation of \$ 420 million will likely be committed. Availability of additional IDA resources for Burkina in FY08, which is the final year of IDA14, is unclear, as is the outcome of the IDA15 replenishment for FY09 and beyond. All commitments shown as planned for FY08 and FY09 in this document are indicative only and will depend on country performance and IDA availability.

9. ***Good portfolio performance despite areas of concern.*** As of March 1 2007, the Burkina Faso IDA and GEF portfolio included 16 projects, with total commitments of US\$ 685 million (of which US\$ 400 million was undisbursed).² Over the long run, the Burkina portfolio has performed well, with independent evaluation finding satisfactory development outcomes, likely sustainability and substantial institutional development equaling or exceeding Bank-wide averages. The quality of the current portfolio is also good, with 94 percent rated moderately satisfactory or better on development outcomes and 82 percent similarly rated for implementation progress, surpassing regional averages (Annex B2). The FY07 deterioration in implementation progress reflects two areas of particular concern: i) effectiveness delays and poor ownership of the second transport

² The GEF portfolio consists of two projects with net commitments of US\$ 11.0 million.

sector program (recently restructured); and ii) weak implementation of small operations related to public administration, statistics and capacity building.

IV. PROGRESS AND MID-TERM MODIFICATIONS

10. An important aspect of a results-based CAS is the introduction of a structured monitoring and evaluation cycle similar to that of a project, with a feedback loop for mid-course modification and correction. The participative methodology used for CAS preparation was maintained for the mid-term review, relying on multi-sectoral ‘results teams’ to conduct the review and discuss their findings with a range of stakeholders during Strategy Week, February 26-March 2, 2007. The results framework provided the blue print for evaluating progress and identifying mid-course modifications across the four strategic objectives.

A. Strategic Objective 1: Accelerated and Shared Growth

11. The CAS seeks to contribute to the following results aimed at accelerating broadly-shared growth: i) increased regional integration; ii) expanded and diversified export earnings; iii) improved investment climate; and iv) more efficient economic infrastructure. Country progress towards these results and the contribution of IDA can be summarized as follows:

12. ***Faster growth and poverty reduction.*** With stable macroeconomic management, real GDP growth in Burkina averaged 6.7 percent per annum in 2005-2006, accelerating the positive trend of the past twelve years. Poverty was further reduced, particularly in rural areas where the majority of the poor are found thanks to record cotton and cereal production. Private, dry-season irrigation also expanded rapidly from a small base. The country reaped the benefits of earlier reforms to mining regulations, with a strong increase in mining investments for export in coming years. Progress is also evident with respect to infrastructure, where liberalization and privatization of the telecommunications sector expanded networks and lowered costs. The quality of the road network has improved, although implementation of works has been slower than expected. Investments were launched for regional interconnections to import electricity at half the cost of domestic generation—alleviating one of Burkina’s greatest obstacles to growth.

13. ***Inadequate diversification and investment climate reform.*** Growth through expansion of cotton production has been a successful—albeit risky and ultimately unsustainable—strategy for Burkina. Economic diversification has been less successful thus far, with non-cotton exports growing at only around 4.2 percent per annum, well below the 8 percent target for the CAS period. Investments in mining and private irrigation should translate into faster growth for non-cotton exports in the next few years, especially if real effective exchange rate movement enhances Burkina’s overall competitiveness. Despite substantial progress on the regulatory framework for mining, reform of the overall investment climate has not moved as swiftly or as decisively as warranted given Burkina’s poor global standing in this area. Some encouraging progress has been made in streamlining business start-up and accelerating property titling,

although deeper reform is needed in these and other areas. Legal and regulatory reform to liberalize and increase private participation in the energy sector has also lagged following inadequate legal reform in 2005 which is now being revised.

14. ***IDA support for growth-enhancing investment and reform.*** IDA's contribution to policy dialogue, reform and investment in this area has been significant during the CAS period. Of particular note is the FY06-07 analytic work program, which included an Investment Climate Evaluation, Financial Sector Review, Labor Market Study and Diagnostic Trade Integration Study aimed at bringing investment climate constraints to the top of the policy agenda and recommending a clear path for reform. The annual Strategy Week and other fora have been used for maximum dissemination and dialogue, resulting in establishment of an interministerial working group to pilot reforms and setting up of a Presidential Investors Council to advise top leadership on reforms. The PRSC series has supported liberalization and privatization/private entry in cotton, telecommunications, energy and water, with technical input from the Competitiveness and Enterprise Development Project (PACDE). An important FY06 contribution was the Agricultural Diversification and Market Development Project which will scale up positive results from earlier pilots to promote private, small-scale irrigation and value chain development. IDA has also financed a new power plant inaugurated in late 2006 and a regional interconnection launched in early 2007 in order to keep pace with growth in energy demand.

15. ***Strengthening the IDA response.*** The PACDE operation has provided critical technical support for private sector reforms/privatization and has financed establishment of a dynamic enterprise promotion agency. Nonetheless, as the operation undergoes its mid-term review, it needs to be partially restructured to provide increased support for investment climate reforms and accelerated implementation efforts (in collaboration with the IFC), offer services to micro- and small-scale entrepreneurs, and fill a gap in support to the mining sector since FY05 closure of an IDA-financed technical assistance operation. Equally important is the recent strengthening of the task team with a field-based staff member to help overcome supervision deficiencies, particularly slow response time and inadequate implementation support. Complexity of Bank procedures and slow response times are often cited across the private sector and infrastructure portfolios, and merit better tracking by the country team. Finally, the risk of deterioration in the cotton sector has materialized, posing a threat to growth and poverty reduction. An intensified response will be necessary in the second half of the CAS period, both to provide emergency support and to help Burkina better identify a medium-term strategy within an uncertain global context.

B. Strategic Objective 2: Improved Access to Basic Social Services

16. The results to which the CAS seeks to contribute in this area include: i) improved access to, and quality of, basic education; ii) improved access of the poor to health and HIV/AIDS services; iii) increased access to potable water and sanitation services; and iv) better targeted social protection. Progress has been quite good in the past few years, with strong support from IDA.

17. ***Faster progress in human development.*** Years of economic stagnation and mismanagement in the decades following independence have left Burkina near the bottom of the UN Human Development Index. With the resumption of growth in the mid-1990s and improved sector governance, social welfare indicators began to improve. These positive trends have accelerated in the past few years. Between 2004 and 2006, the gross primary enrolment rate rose from 51 to 61 percent, and lower secondary enrolment from 19 to 21 percent. The primary completion rate—the most relevant results indicator—rose from 26 to 34 percent. In health, infant and child mortality rates declined between 1998 and 2003, and recent efforts have measurably increased assisted births, lowered the cost of prenatal care, raised immunization rates and enhanced malaria prevention and treatment. Treatment of people living with HIV/AIDS has exceeded Government and CAS targets. Government adopted new strategies on social protection and support for orphans and vulnerable children. Finally, through large-scale investments in urban areas and increased emphasis on village water management and social water connection programs, access to potable water has risen to 80 percent in urban areas and 60 percent in rural areas—putting Burkina in position to meet the Millennium Development Goal in this area.

18. ***The challenge of decentralization.*** Administrative deconcentration and political decentralization have been adopted as a means for more effective service delivery in Burkina. With the legal framework in place and municipal elections in mid-2006, the challenge of implementing deconcentration and decentralization in a way that improves social service delivery remains. The next two years will be a critical time for social service ministries to work more closely together and with central ministries to implement a consistent approach to deconcentration and decentralization of social infrastructure, personnel and budget resources. IDA will rely on the PRSC series to support cross-cutting reforms in this area, while also bringing the decentralization dialogue into the sector-wide consultation frameworks in health and education.

19. ***Harmonized delivery of IDA resources.*** The content of IDA's human development portfolio was highly relevant at the outset of the CAS, but delivery mechanisms were not as effective as they should have been. In the past two years, emphasis has been put on simplifying and harmonizing delivery mechanisms to support agreed sector strategies and country systems. Progress has been encouraging: the basic education operation was restructured into a fully-harmonized and pooled sub-sector-wide approach, and an innovative silent partnership was instituted with the Netherlands on basic education, with IDA taking the lead on policy dialogue at the secondary and advanced level. The parallel HIV/AIDS Disaster Management project was superseded by a pooled sector-wide approach. IDA complemented a successful health policy dialogue within the PRSCs with engagement in a pooled fund to channel resources directly to health districts for decentralized service delivery. The Bank is now positioned to work with other external partners in supporting national strategies and strengthening country capacities and systems to deliver basic social services. Within these operations, IDA supports targeting of orphans and vulnerable children for affordable education, school feeding and school-based health care. IDA support for the Ouagadougou water supply program (a government-led partnership of a dozen donors) has focused on secondary and

tertiary networks that have doubled household connections (adding 50,000) and tripled community standpipes in poor neighborhoods.

20. ***Strengthening tools for sector management.*** IDA's contribution to social service delivery is already quite significant, but could be further strengthened through more technical support on sector management tools, including medium-term planning and expenditure frameworks, program budgeting, human resource planning, and cost-effectiveness analysis. The FY07 Education Sector Review will be helpful in this respect. Continuing to support management reforms in the social sectors through the PRSC series will also be critical, as will the link to PRSC support for the overall decentralization process.

C. Strategic Objective 3: Increased Employment and Income Opportunities for the Poor

21. This pillar of the Government's CSLP includes urban employment issues, but focuses most heavily on economic opportunity for the rural poor. The CAS seeks to contribute to the following results: i) enhanced labor market flexibility; ii) increased economic opportunities for women; iii) reduced risk and increased revenues for rural households; iv) community-based natural resource management; and v) expanded access to rural infrastructure.

22. ***Rural development through community empowerment and entrepreneurship.*** Government has demonstrated an outstanding commitment to private sector-led agricultural diversification and community-based rural development. Burkinabé authorities have pursued nationwide scaling up of community-driven development mechanisms which have registered impressive results. Impact evaluation of the National Community-based Rural Development Project (PNGT2) showed that community-based natural resource and water management projects had high rates of return (e.g. 39% for bore holes, 50% for wells and rock lines, 265% for composting pits), while social infrastructure projects resulted in higher school enrolment and utilization of health services. PNGT2 has also supported an ambitious revision of land tenure policy and the adoption and implementation of national decentralization policy. Risks have been reduced for rural households not only through land tenure reforms and promotion of small-scale irrigation, but through efficient national response to exogenous shocks, including regional locust infestation and avian flu. While promoting dry season irrigation for agricultural diversification, Government has also taken the lead in West Africa in testing new technologies to raise productivity in the dominant cotton sector.

23. ***Labor market rigidity disfavors women and youth.*** Recent progress on labor market reform and women's opportunities include revision of the national employment strategy, translation of women's rights into local languages and improved women's literacy in rural areas. Burkina's legal framework also guarantees gender equality, and a number of special funds target women's entrepreneurship. However, a more aggressive approach is needed to improve Burkina's last-place standing in global rankings for labor market rigidity and to improve women's access to land, credit and other economic assets.

A more flexible labor market will favor job creation for all, rather than protecting a small cadre of formal sector (and majority male) workers.

24. ***IDA as a privileged partner for rural development.*** IDA's technical and financial contribution to rural development in Burkina has been considerable. The Agricultural Diversification and Market Development Project is building on positive results of a pilot operation, which established a 35,000-member association for private irrigation farmers and disseminated irrigation equipment which doubled vegetable cropping surfaces and raised producers' income by 50 percent in project zones. The new project will go beyond irrigated production, to support private transport, agro-processing, marketing and exporting. IDA's Community-based Rural Development Project (now entering its second phase) is the main source of funding for Government's community-driven development mechanism, and has provided technical and financial support to implement the national decentralization policy. IDA has also responded quickly to exogenous shocks, developing a regional response to locust infestation in record time. The PRSC series has long supported cotton sector reform, and will now be the main instrument to address the crisis and facilitate medium-term adjustment of the sector. This will be complemented by a regional biosafety project aimed at ensuring the regulatory framework for productivity-enhancing biotechnology.

25. ***Building on success.*** IDA involvement in expanding employment and income opportunities in rural areas has been largely positive. Several areas merit further attention in the second half of the CAS implementation period. First, labor market reforms should be accelerated, building on the dialogue launched by the Labor Market Study completed in FY06. Second, while many aspects of the agriculture and rural development portfolio benefit women as well as men, more disaggregated gender analysis would be useful to better address remaining inequities in access to resources. Finally, the second phase of the Natural Eco-systems Management Project should continue the successful community-based natural resource management model, adding a new focus on cross-border opportunities and on eco-tourism, as a means to conserve natural resources and generate revenues for the country.

D. Strategic Objective 4: Better Governance with Greater Decentralization

26. The results to which the CAS aims to contribute in this area are: i) a more efficient judiciary for commercial cases; ii) improved public resource management in a decentralized context; and iii) increased local capacity and participation in public policy decisions. Progress has been better in some areas (e.g. public resource management, decentralization and local capacity building) than in others (e.g. commercial justice).

27. ***Forging ahead with decentralized public resource management.*** The 2002 national *Program to Strengthen Budget Management* was superseded in 2007 by the adoption of a broader *Strategy to Strengthen Public Finances*. Strong progress has been made in recent years, and includes, *inter alia*: i) introduction of a computerized expenditure management system with functional and social classification of expenditures; ii) establishment of a global medium-term expenditure framework; ii) adoption of program budgets and medium-term expenditure frameworks in key sector ministries; iii)

preparation of timely reports on budget execution; iv) establishment of an independent Audit Court (*Cour des Comptes*); v) carrying out of a large taxpayer survey; and vi) capacity building in public administration. Commitment to decentralization as a means of enhancing accountability and improving public services has also been evident. Adoption of the Law on Local Government was followed by the first nation-wide municipal elections in April 2006 and establishment of a Municipal Development Fund in April 2007. The transfer of responsibilities and resources to local government will, of necessity, be progressive. Texts for the transfer of physical assets, civil servants and fiscal revenues are being refined. Progress to support decentralization includes the deconcentration of payment authority to regional centers, establishment of regional civil service offices, the extension to sector ministries of a computerized civil service administration information system, training of elected local officials and scaling up of Village Development Committees as a means for public participation at the local level.

28. ***Insufficient response to rising corruption.*** In the past five years, Government has adopted a national policy and action plan for good governance, established a High Authority to Combat Corruption, reorganized and expanded the judiciary, and, in May 2006, adopted a national policy to fight corruption. Most recently, Government has agreed to review the institutional framework for the supreme audit institutions and other oversight bodies to ensure sufficient independence and authority. Despite these efforts, a perception of rising corruption in Burkina is pervasive, and has led to a 9-point decline in the country's ranking on Transparency International's Corruption Perception Index between 2005 and 2006. Ranked 79th out of 163 countries, Burkina nonetheless remains among the better-ranked countries in Africa, but this status is at risk. Evidence from the IDA-funded investment climate assessment shows bribes and informal payments to be very high, while rules governing civil service ethics are weakly enforced, the judicial system is inefficient and oversight bodies are timid. Stronger political will and leadership are needed to send clear signals and visibly sanction offenders. An anti-corruption action plan is a work-in-progress for Government, which would benefit from more systematic analysis and clearer identification of the most effective actions in key areas.

29. ***IDA leadership on public financial management.*** The PRSC series has been an effective instrument for advancing the public financial management agenda in Burkina, in areas such as, expenditure management, budget deconcentration, budget control and procurement reform. The Bank serves as lead donor for the public finance commission, one of six commissions in place for PRSP monitoring. The country has one of the highest scores in Africa (9 out of 16 points) on the HIPC public financial management tracking indicator. Most recently, IDA has worked with other donors in the common budget support framework to introduce PEFA (Public Expenditure and Financial Assessment) as the preferred monitoring tool. The Public Administration Capacity Building Project complements the PRSC series, providing technical support to central ministries responsible for implementing public sector reform and decentralization policy. IDA recently approved an Institutional Development Fund grant to strengthen government oversight agencies engaged in the fight against corruption. With respect to the judiciary, IDA's contribution is limited, but has supported measurable progress in harmonizing Burkina's business laws according to OHADA standards, training legal professionals in commercial law and setting up an arbitration center to reduce the judicial caseload.

30. **Broadening IDA support for governance and anti-corruption.** As part of the mid-term review of the CAS, multi-stakeholder consultations were held in Burkina on the Bank's global strategy for governance and anti-corruption. Within Burkina, it was recommended that Government needs to signal a stronger commitment in this area, particularly by: i) ensuring *de jure* and *de facto* independence of oversight bodies; ii) enforcing accountability mechanisms set up to sanction offenders and/or protect individual rights; iii) enhancing rights and access to information; and iv) engaging civil society more in decision-making processes and efforts to fight corruption. In support of this, the Bank was asked to focus on strengthening country systems to ensure transparency and accountability, go beyond the executive branch to support checks and balances in government, and promote civic education and a broader engagement with civil society. Finally, the Bank was urged to increase its own disclosure and streamline procedures which may create opportunities for corruption within the portfolio. To this end, a comprehensive governance and anti-corruption diagnostic is recommended for more systematic analysis of constraints and recommendations for sequenced reforms.

V. IMPROVING AID EFFECTIVENESS

31. The CAS supports Burkina's implementation of the Paris Declaration on Aid Effectiveness through a country program that adheres to the principles of alignment, harmonization and a focus on results. More specifically, the CAS has supported the establishment of a Technical Secretariat on Aid Effectiveness, a multi-donor team located in the Bank's Country Office with a mandate to assist Government and donors to implement the Paris Declaration and monitor country-level progress. IDA aims to improve its effectiveness through decentralization of decision-making, as well. Over two thirds of IDA's investment portfolio in Burkina (in net commitment terms) is now led from the field, largely as a result of shifting leadership responsibilities to local staff.

32. **Increasing the focus on results.** In the past two years, Government has strengthened the results framework and institutional arrangements for CSLP monitoring by focusing on a manageable set of results indicators for the Priority Action Plan and by increasing the role of sector ministries and other actors in the six commissions responsible for the annual performance review. The CAS results framework derives from the CSLP, and has served as the foundation for the Bank's annual Strategy Week (*Semaine de Réflexion*). Strategy Week is used, *inter alia*, to monitor country progress towards CAS results and assess the contribution of the Bank toward these results. Open to all stakeholders, Strategy Week creates the necessary feedback loop to manage for results. The results framework for each operation is then defined within the broader CAS framework, with each operation supporting sector-level monitoring and evaluation to underpin national CSLP monitoring.

33. **Adopting harmonized and programmatic approaches.** The CAS calls for greater movement toward programmatic approaches, through development policy lending (budget support) and harmonized sector-wide approaches. Relative to the preceding two years, the first two years of CAS implementation saw development policy lending rise

from around 30 percent of IDA commitments to around 45 percent, and pooled sector-wide approaches rose from 0 to 13 percent of commitments. These trends resulted from an effort to integrate new sectors into the budget support framework (particularly decentralized urban development and water supply), as well as shift support for health and education services into pooled sector-wide approaches. At the mid-point of the CAS, forty percent of investment operations rely on joint sector reviews rather than Bank-specific supervision missions, as well as unified, sector-based reporting systems. These elements are often present in the infrastructure sectors (road transport, water supply, energy), where they can—and should—pave the way for increased harmonization of fiduciary procedures and pooling of funds in future. Harmonization is least advanced with respect to private sector development and agriculture/environment, although a new consultation framework for rural development is encouraging. Annex 6 provides a summary assessment of harmonization progress by sector.

34. ***Strengthening core country systems and capacity for governance.*** Virtually all sector operations contain elements of capacity building and systems strengthening. In the area of core governance, the common budget support framework—including the Bank’s PRSC series—has emerged as the dominant donor instrument to promote public financial management. Progress in public financial management is one of three key disbursement criteria, and Government has responded through adoption of a multi-year Strategy to Strengthen Public Finances. The PRSC series has supported, in particular, reform of budget information systems, deconcentration of budgetary processes, preparation of medium-term expenditure frameworks, public procurement reform and strengthening of tax administration. PRSC reforms are complemented by the IDA-funded Public Administration Capacity Building program, which focuses on central ministries with cross-cutting responsibility for public resource management and decentralization.

35. ***Building capacity and systems beyond central government.*** Of particular importance during this CAS period has been local capacity building supported by the IDA-funded Community-based Rural Development (CBRD) Program. CBRD has built the foundation for political decentralization adopted at end-2004 and implemented with the first municipal elections in May 2006. With support from CBRD, nearly half of Burkina’s rural communities established Village Development Committees and strengthened local capacity for planning, executing and monitoring development projects. A second phase of IDA support will begin in 2007, integrating new local government structures into the community empowerment model. Building on results at the central government and community level, IDA could do more to strengthen systems and capacity in other branches of government and among other stakeholders in order to enhance good governance. More comprehensive diagnostics in this area during the second half of the CAS period are warranted.

VI. LOOKING AHEAD

36. The CAS for FY06-09 remains highly relevant for Burkina and is being effectively implemented to deliver results in areas such as public resource management, community development, private irrigation, water supply, education access and

combating HIV/AIDS. The combined impact of debt relief, IDA front-loading and future IDA replenishment have made IDA availability in FY08-09 uncertain. Highest priorities for FY08-09 include the continuation of the PRSC series (with stronger focus on cotton sector and investment climate reform, as well as decentralization) and greater emphasis on regional infrastructure networks, through Burkina's participation in the Regional Transit Facilitation Project and the West Africa Power Pool. Within the global envelope, IDA availability for Burkina will depend on faster progress on policy reforms—particularly structural reforms in areas such as investment climate, energy sector, property rights and governance. In addition to their inherent development benefits, these reforms will enhance Burkina's standing on the Country Policy and Institutional Assessment (CPIA) which is the key element of IDA's performance-based allocation system. A more structured discussion of the annual CPIA assessment in Burkina is recommended.

37. **Managing cotton risk.** The CAS identified the following key risks for growth and poverty reduction: a) uncertain evolution of the world market price for cotton and the dollar exchange rate; b) insufficient transparency and accountability in public resource management and public procurement; c) continued sub-regional political instability; and d) inadequate progress on administrative deconcentration and political decentralization. Of these, the first two remain the most challenging, with the first materializing as a full-blown crisis in the cotton sector. The CAS identified an IDA response to avoid catastrophic collapse of the cotton sector. First, PRSC 7 has been scaled up to support short-term Government recapitalization of the largest cotton company and implementation of a new producer pricing mechanism. Cotton will remain at the center of the reform agenda supported by this PRSC series, including definition of a medium-term strategy to restore competitiveness, refinement of pricing mechanisms and bringing of new private investors into the sector. Second, the IDA-funded private sector development project will provide technical and financial support for the re-privatization process. Finally, the rural development portfolio will focus on farm-level productivity improvements for cotton, as well as agricultural diversification. Nonetheless, the medium-term outlook for cotton in West Africa remains uncertain, posing a long-run risk that will be studied in greater depth in the FY08 Country Economic Memorandum.

38. **Managing fiduciary risk.** Through the public financial management focus of the PRSC series and associated capacity building operations, IDA has sought to address the risk of insufficient transparency in resource management and public procurement. As consultations on governance and anti-corruption (GAC) made clear, however, a broader approach is needed to strengthen country systems, focusing particularly on checks and balances in government and involvement of civil society and mediating institutions. The CAS will be modified to include comprehensive GAC diagnostics aimed at better defining IDA strategy for the future. Despite considerable progress, country systems remain weak, posing fiduciary risk for the IDA portfolio itself. In the second half of the CAS period, the response to this risk will be strengthened by conducting an integrated fiduciary assessment of selected operations in order to strengthen the transparency of transactions and make recommendations for improved data gathering and analysis.

39. **Summary recommendations.** This mid-term progress report has identified a set of recommendations to heighten the relevance and strengthen the effectiveness of CAS implementation. These include:

- ***Fine-tuning for greater effectiveness.*** While the relevance and effectiveness of the CAS are broadly satisfactory, efforts should focus on areas where implementation has been weaker such as road transport, private sector development and public administration reform and capacity building.
- ***Intensifying cotton sector response.*** Accumulated losses in the sector have provoked a crisis requiring a stronger government and donor response. Existing CAS instruments—including the PRSC series and agriculture operations—are well-positioned to respond, focusing in particular on liberalization and privatization of the sector, as well as productivity gains at the farm and factory levels. Greater synergy among the Bank’s macroeconomic, agricultural and private sector teams will be necessary to ensure appropriate skill mix and technical support for cotton reforms.
- ***Restructuring private sector support.*** Continuing to advocate at the highest political levels for investment climate reform is recommended. The Competitiveness and Enterprise Development Project should also be restructured at mid-term to support acceleration of: a) cross-cutting investment climate reform; b) reform and private entry in the energy sector; c) mining investments and exports; and d) micro- and small-scale enterprise development.
- ***Pursuing the harmonization agenda.*** Measurable progress has been made over the past two years in harmonizing approaches in education, health, HIV/AIDS and water supply. Further progress needs to be made by the Bank in the second half of the CAS period to deepen harmonization in the social sectors, and begin the process where donor interventions remain fragmented, such as transport, energy and agriculture.
- ***Systematically integrating gender focus.*** Many operations have positive benefits for women and women’s groups. However, gender-disaggregated monitoring and evaluation are rare, and systematic gender assessment would allow for better targeting of interventions to overcome discrimination in women’s access to resources.
- ***Monitoring fiduciary processes.*** Better tracking of procurement and contracting processes is advised to strengthen transparency and competitiveness in public actions as well as improve efficiency and responsiveness of Bank task teams. An integrated fiduciary assessment of selected operations is recommended for FY08-09, as well as tracking of Bank response times for non-objections.
- ***Launching governance diagnostics.*** Bank strategy in support of the fourth CSLP pillar should be enhanced through more systematic analysis of governance and anti-corruption challenges and opportunities, complementing the current focus on

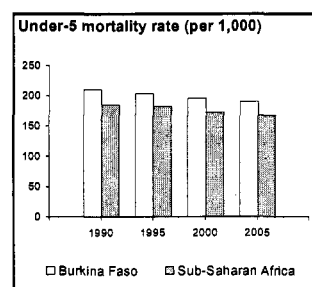
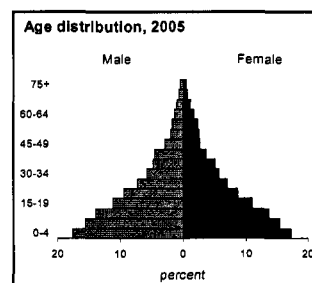
public financial management. Addition of a comprehensive diagnostic in the second half of the CAS period is recommended.

STANDARD CAS ANNEXES

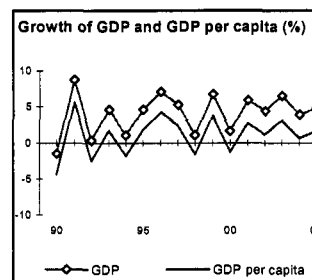
ANNEX A2: COUNTRY AT A GLANCE

Burkina Faso at a glance

Key Development Indicators (2005)	Burkina Faso	Sub-Saharan Africa	Low income
Population, mid-year (millions)	13.2	741	2,353
Surface area (thousand sq. km)	274	24,265	29,265
Population growth (%)	3.1	2.1	1.8
Urban population (% of total population)	18	35	30
GNI (Atlas method, US\$ billions)	5.2	552	1,364
GNI per capita (Atlas method, US\$)	400	745	580
GNI per capita (PPP, international \$)	1,220	1,981	2,486
GDP growth (%)	7.1	5.3	7.5
GDP per capita growth (%)	3.8	3.1	5.6
<i>(most recent estimate, 2000–2005)</i>			
Poverty headcount ratio at \$1 a day (PPP, %)	29	44	..
Poverty headcount ratio at \$2 a day (PPP, %)	71	75	..
Life expectancy at birth (years)	48	46	59
Infant mortality (per 1,000 live births)	96	100	80
Child malnutrition (% of children under 5)	38	29	39
Adult literacy, male (% of ages 15 and older)	29	..	73
Adult literacy, female (% of ages 15 and older)	15	..	50
Gross primary enrollment, male (% of age group)	64	99	110
Gross primary enrollment, female (% of age group)	51	87	99
Access to an improved water source (% of population)	61	56	75
Access to improved sanitation facilities (% of population)	13	37	38



Net Aid Flows	1980	1990	2000	2005
<i>(US\$ millions)</i>				
Net ODA and official aid	210	327	335	660
<i>Top 3 donors (in 2005):</i>				
France	56	85	82	80
Netherlands	18	35	16	54
Denmark	3	10	24	49
Aid (% of GNI)	10.9	10.5	12.9	12.8
Aid per capita (US\$)	32	38	30	50



Long-Term Economic Trends	1980	1990	2000	2005
Consumer prices (annual % change)	3.9	1.6	-0.3	5.7
GDP implicit deflator (annual % change)	8.7	1.4	5.3	2.1
Exchange rate (annual average, local per US\$)	211.3	272.3	712.0	526.6
Terms of trade index (2000 = 100)	..	113	100	82
Population, mid-year (millions)	6.6	8.5	11.3	13.2
GDP (US\$ millions)	1,929	3,120	2,611	5,624
<i>(% of GDP)</i>				
Agriculture	28.4	27.8	37.5	39.0
Industry	19.8	20.2	18.8	20.4
Manufacturing	14.7	14.7	10.8	13.5
Services	51.7	52.0	43.9	40.6
Household final consumption expenditure	98.0	81.6	80.9	83.4
General gov't final consumption expenditure	9.2	13.2	12.6	11.0
Gross capital formation	15.1	18.2	22.7	22.4
Exports of goods and services	9.0	11.3	9.1	10.1
Imports of goods and services	31.3	24.3	25.3	25.1
Gross savings	..	13.4	6.6	7.4

1980–90	1990–2000	2000–05
<i>(average annual growth %)</i>		
2.6	2.8	3.2
3.6	4.0	5.1

Note: Figures in italics are for years other than those specified. 2005 data are preliminary estimates. .. indicates data are not available.

Development Economics, Development Data Group (DECDG).

Balance of Payments and Trade*(US\$ millions)*

	2000	2005
Total merchandise exports (fob)	206	466
Total merchandise imports (cif)	417	791
Net trade in goods and services	-435	-747

Workers' remittances and compensation of employees (receipts)

67	50
----	----

Current account balance as a % of GDP

-352	-591
-13.5	-11.8

Reserves, including gold

244	463
-----	-----

Central Government Finance*(% of GDP)*

Revenue	..	12.3
Tax revenue	..	11.4
Expense	..	..

Cash surplus/deficit

..	..
----	----

Highest marginal tax rate (%)

Individual	..	..
Corporate	..	..

External Debt and Resource Flows*(US\$ millions)*

Total debt outstanding and disbursed	1,456	2,115
Total debt service	47	46
HIPC and MDRI debt relief (expected; flow)	930	..

Total debt (% of GDP)

54.8	39.5
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Total debt service (% of exports)

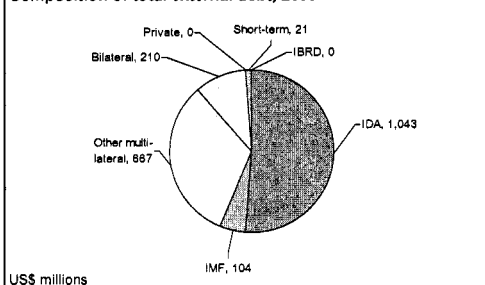
14.9	7.6
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Foreign direct investment (net inflows)

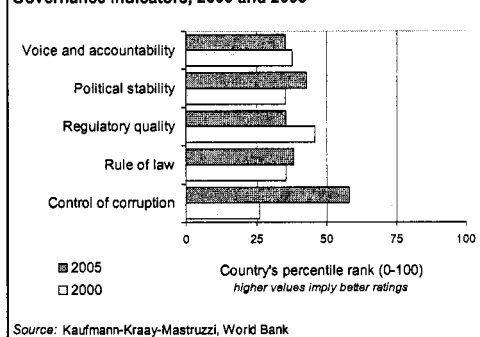
23	19
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Portfolio equity (net inflows)

-3	..
----	----

Composition of total external debt, 2005**Private Sector Development**

	2000	2006
Time required to start a business (days)	..	34
Cost to start a business (% of GNI per capita)	..	120.8
Time required to register property (days)	..	107
Ranked as a major constraint to business (% of managers surveyed who agreed)
n.a.
n.a.
Stock market capitalization (% of GDP)
Bank branches (per 100,000 people)

Governance Indicators, 2000 and 2005**Technology and Infrastructure**

	2000	2005
Paved roads (% of total)	16.0	31.2
Fixed line and mobile phone subscribers (per 1,000 people)	7	51
High technology exports (% of manufactured exports)	3.1	9.8

Environment

Agricultural land (% of land area)	37	40
Forest area (% of land area)	25.3	24.8
Nationally protected areas (% of land area)	..	15.4
Freshwater resources per capita (cu. meters)	..	945
Freshwater withdrawal (% of internal resources)	..	6.4
CO2 emissions per capita (mt)	0.09	0.08
GDP per unit of energy use (2000 PPP \$ per kg of oil equivalent)	..	..
Energy use per capita (kg of oil equivalent)	..	..

World Bank Group portfolio

	2000	2005
<i>(US\$ millions)</i>		
IBRD		
Total debt outstanding and disbursed	-	-
Disbursements	-	-
Principal repayments	-	-
Interest payments	-	-
IDA		
Total debt outstanding and disbursed	593	1,043
Disbursements	38	107
Total debt service	5	12
IFC (fiscal year)		
Total disbursed and outstanding portfolio of which IFC own account	1	0
Disbursements for IFC own account	1	0
Portfolio sales, prepayments and repayments for IFC own account	0	0
MIGA		
Gross exposure	0	35
New guarantees	0	38

Note: Figures in italics are for years other than those specified. 2005 data are preliminary estimates.

.. indicates data are not available. - indicates observation is not applicable.

Development Economics, Development Data Group (DECDG).

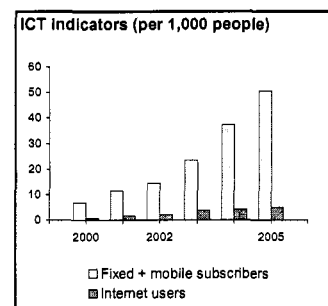
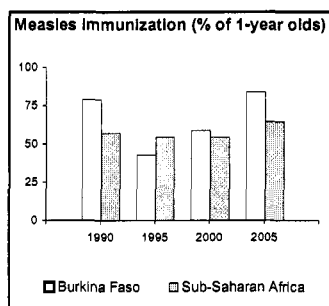
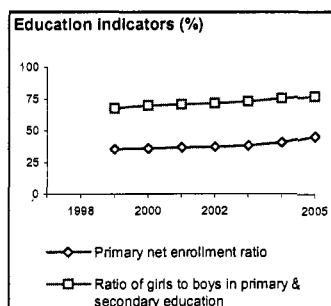
Millennium Development Goals

Burkina Faso

With selected targets to achieve between 1990 and 2015
(estimate closest to date shown, +/- 2 years)

Burkina Faso

	1990	1995	2000	2005
Goal 1: halve the rates for \$1 a day poverty and malnutrition				
Poverty headcount ratio at \$1 a day (PPP, % of population)	..	62.7	44.9	28.7
Poverty headcount ratio at national poverty line (% of population)	..	..	54.6	46.4
Share of income or consumption to the poorest quintile (%)	..	..	..	6.9
Prevalence of malnutrition (% of children under 5)	..	33	34	38
Goal 2: ensure that children are able to complete primary schooling				
Primary school enrollment (net, %)	29	..	36	45
Primary completion rate (% of relevant age group)	20	20	25	34
Secondary school enrollment (gross, %)	7	..	11	14
Youth literacy rate (% of people ages 15-24)	..	..	..	31
Goal 3: eliminate gender disparity in education and empower women				
Ratio of girls to boys in primary and secondary education (%)	62	..	70	77
Women employed in the nonagricultural sector (% of nonagricultural employment)	13	13	14	15
Proportion of seats held by women in national parliament (%)	..	4	8	12
Goal 4: reduce under-5 mortality by two-thirds				
Under-5 mortality rate (per 1,000)	210	204	196	191
Infant mortality rate (per 1,000 live births)	113	107	100	96
Measles immunization (proportion of one-year olds immunized, %)	79	43	59	84
Goal 5: reduce maternal mortality by three-fourths				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	1,000	..
Births attended by skilled health staff (% of total)	..	42	31	38
Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases				
Prevalence of HIV (% of population ages 15-49)	..	..	..	2.0
Contraceptive prevalence (% of women ages 15-49)	..	8	12	14
Incidence of tuberculosis (per 100,000 people)	158	155	182	223
Tuberculosis cases detected under DOTS (%)	..	11	17	18
Goal 7: halve the proportion of people without sustainable access to basic needs				
Access to an improved water source (% of population)	38	..	..	61
Access to improved sanitation facilities (% of population)	7	..	..	13
Forest area (% of total land area)	26.1	..	25.3	24.8
Nationally protected areas (% of total land area)	..	..	..	15.4
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	0.1
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	..	..	..	..
Goal 8: develop a global partnership for development				
Fixed line and mobile phone subscribers (per 1,000 people)	2	3	7	51
Internet users (per 1,000 people)	0	0	1	5
Personal computers (per 1,000 people)	0	0	1	2
Youth unemployment (% of total labor force ages 15-24)	..	..	..	..



Note: Figures in italics are for years other than those specified. .. indicates data are not available.

Development Economics, Development Data Group (DECDG).

ANNEX B2: SUMMARY OF PORTFOLIO PERFORMANCE

1. As of March 1, 2007, the Burkina Faso active IDA and GEF portfolio included 16 projects, with a net commitment amounting to US\$ 624.58 million. The GEF portfolio consists of two projects with net commitments of US\$ 11.0 million. Total undisbursed balance is of US\$ 400.3 million (see Tables B2.1-B2.2).
2. Over the long run, the Burkina portfolio has performed well, with independent evaluation finding satisfactory development outcomes, likely sustainability and substantial institutional development equaling or exceeding Bank-wide averages. The overall quality of the portfolio is good: 94% and 82% of the rated projects have been rated at least moderately satisfactory on development objective and implementation progress respectively. Although there has been an increase in projects and commitments at risk during this period, these are still lower than the regional averages.
3. The disbursement ratio was lower in FY05 at 18.4% (lower than the regional average of 25.0%), but then picked up in FY06 to 25.2% dropping again to 17.9% in FY07. Nonetheless, these rates are at or better than regional performance. The FY07 deterioration in implementation progress reflects two areas of particular concern: i) effectiveness delays and poor ownership of the second transport sector program (recently restructured); and ii) weak implementation of small operations related to public administration reform and capacity building.
4. While Burkina Faso's core public financial system works reasonably well, and has significantly improved over the past few years, it still needs further strengthening. Based on regular fiduciary supervision activities and the audit on 2005 accounts, the key fiduciary risks in the portfolio have been identified as follows: (i) a substantial risk of absorption of funds, (ii) a substantial risk of pre-financing, (iii) a modest risk of transparency, and (iv) a modest risk of misuse of funds. Their main impacts on Bank operations have been the slowness and non reliable physical realizations.
5. During this CAS period, the Government of Burkina Faso and the Bank have worked together to address systemic implementation issues of the portfolio, including simplification of project design and implementation arrangements, continuous effort to build capacity in implementing agencies (e.g., IDF on public sector control institutions, the administrative capacity building project, as well as Bank supervision missions) , increased use of country systems for procurement and financial management (education, health and HIV/AIDS projects), and donor harmonization. The Bank further shifted its strategic approach to strong emphasis on the use of budget support (e.g., use of PRSCs) and sector wide support (e.g., SWAps in education, health, and HIV/AIDS).
6. Key characteristics of the portfolio include:
 - New Commitments: As of April 1, 2007, six new projects were approved by the Board, for a total of US\$ 277.1 million. The pipeline includes three other projects totaling US\$ 138.8 million;
 - Fluctuating disbursements: the disbursement ratio fell down from 20.0% in FY04 to 18.4 in FY05, then picked up to 25.2% in FY06, ending up at a current 17.9% (as of April 6, 2007);
 - Current average project age is 3.3 years old;

- Projects at risk constitute about 18.8% of the portfolio (3 projects);
- Commitments at risk represent 20.0% of the portfolio (US\$ 125.1million).

7. **Challenges and Objectives.** The Bank will continue to work closely with the Government of Burkina Faso and increasingly with other Donors to remedy systemic issues that adversely impact the implementation of the portfolio. Specifically, the Bank plans to:

- Continue simplification of fiduciary procedures and increased reliance on country systems;
- Continue building administrative capacity;
- Continue reliance on budget support and increase the use of SWAps, along with further harmonization with other Donors;
- Intensify IDA field presence.

Table B2.1: Burkina Faso Selected Indicators of Bank Portfolio Performance and Management, FY04-07

<i>Indicator</i>	<i>FY04</i>	<i>FY05</i>	<i>FY06</i>	<i>FY07</i>
Number of Projects under Implementation	15	13	16	16
Commitment Amount (US\$M)	601.3	655.9	670.6	684.6
Net Commitment Amount (US\$M)	525.3	469	610.6	624.6
Average Implementation Period (years)	3.2	1.3	1.6	3.3
Total Disbursed (US\$M)	171.6	114.2	198.1	268.8
Total Undisbursed Balance (US\$M)	380.9	383	450.4	400.3
Undisbursed Balance at FY (US\$M)	391.8	381.4	391.4	458.1
Disbursement Ratio (%)	20.0	18.4	25.2	17.9
M&E (%)	7.0	23.0	6.0	13.0
Projects at Risk (%)	6.7	15.4	11.5	18.8
Commitments at Risk (%)	7.9	9.1	15.5	20.0
Realism (%)	100	100	100	100
Proactivity (%)	50	100	100	n/a
Field Managed (%)	26.7	23.1	31.3	31.3

Source: BW

Data updated on: 04/05/2007

Table B2.2: Burkina Faso Selected IEG Indicators, FY00-FY05

<i>IEG Indicator</i>	<i>FY00-FY05</i>	<i>FY05</i>
Net Disconnect	6.3	0
Outcome % Satisfactory	81.3	80
Sustainability % Likely	93.8	80
Inst Dev Impact % Substantial	61.5	60
Number of Projects Evaluated	16	5
Bank Performance at Entry	61.5	80
Bank Performance at Supervision % Satisfactory	76.9	75
Bank Overall Performance % Satisfactory	81.3	80
Borrower Performance at Preparation % Satisfactory	85.7	n/a
Borrower Performance at Implementation % Satisfactory	78.6	80
Borrower Performance at Compliance % Satisfactory	87.5	80
Borrower Overall Performance % Satisfactory	81.3	80
ICR Quality % Satisfactory	80	100

Source: BW

Data updated on: 04/05/2007

ANNEX B3: IBRD/IDA PROGRAM SUMMARY

Proposed IBRD/IDA Base-Case Lending Program^a				
<i>Fiscal year</i>	<i>Proj ID</i>	<i>US\$(M)</i>	<i>Strategic Rewards^b (H/M/L)</i>	<i>Implementation Risks (H/M/L)</i>
2006	Health/HIV/AIDS Sector-Wide Program	37.7	H	H
	PRSC 6	60.0	H	M
	Agricultural Intensification & Marketing	45.0	H	M
	Decentralization Capacity Building	10.0	H	M
	Regional Aviation	2.3	H	H
	Result Country	155.0		
	Regional Aviation	4.6		
	Result Indicative Program	159.6		
2007	Rural Energy	40.0	H	M
	PRSC 7	70.0	H	M
	Community Based Rural Devt. II	50.0	H	M
	Result Country	160.0		
2008	PRSC 8	80.0	H	M
	Regional Transit Facilitation	15.0	H	H
	West Africa Power Pool	10.0	H	H
	Result Country	105.0		
	Regional Transit Facilitation	30.0		
	West Africa Power Pool	20.0		
	Result Indicative Program	155.0		
2009	PRSC 9	90.0	H	M
	Education Sector-Wide Program	30.0	H	M
	Agricultural Intensification II/ West African Agricultural Productivity Program	20.0	H	M
	Result Country	140.0		
	Agricultural Intensification II/ West African Agricultural Productivity Program	40.0		
	Result Indicative Program	180.0		
	Overall Result Country	560.0		
	Overall Result Indicative Program	654.6		

^a Initial program from CAS dated May 12, 2005 (Report No. 32187)

^b H: High ; M: Moderate ; L: Low

ANNEX B3: IFC/MIGA PROGRAM SUMMARY

Burkina Faso - IFC and MIGA Program, FY 2004-2007

	2004	2005	2006	2007
IFC approvals (US\$m)	0.0	1.6	0.0	10.3
Sector (%)				
Finance & Insurance				77.7
Transport & Warehousing				21.3
Accommodation & Tourism Services		100		
Investment instrument (%)				
MIGA guarantees (US\$m)	0.0	38.3	6.1	1.9

ANNEX B4: SUMMARY OF NON-LENDING SERVICES

Burkina Faso As of Date 05/015/07

<i>Product</i>	<i>Completion FY</i>	<i>Cost (US\$000)</i>	<i>Audience^{a/}</i>	<i>Objective^{b/}</i>
Recent completions				
Investment Climate Assessment	FY06	76	G, D, B	K, P
Labor Market Study	FY06	158	G, D, B	K, P
Trade - Diagnostic Trade Integration Study	FY07	204	G, D, B	K, P
Decentralization Study	FY07	52	G, D, B	K, P
Financial Sector Assessment	FY07	166	G, D, B	K, P
Underway				
PEFA / CFAA	FY07	24	G, D, B	K, D, P
Labor Market Study (dissemination)	FY07			
Export Diver. & Cluster Development	FY08			
Planned				
Decen. Study (Dissemination)	FY08			
Country Economic Memorandum (CEM)	FY08	--	G, D, B	K, P
Education Sector Review	FY08		G, D, B, P	K, P
Public Expenditure Review	FY09	--	G, D, B, P	K, D, P
Poverty Assessment	FY09	--	G, D, B, P	K, D, P
Country Integrated Fiduciary Update	FY09	--	G, D, B, P	K, D, P

^{a/} Government, donor, Bank, public dissemination.

^{b/} Knowledge generation, public debate, problem-solving.

ANNEX B5: BURKINA FASO SOCIAL INDICATORS

	Latest single year			Same region/income group	
	1980-85	1990-95	1999-2005	Sub-Saharan Africa	Low-income
POPULATION					
Total population, mid-year (millions)	7.4	9.8	13.2	741.4	2,353.0
Growth rate (% annual average for period)	2.3	2.8	3.1	2.3	1.9
Urban population (% of population)	12.3	15.1	18.3	35.2	30.0
Total fertility rate (births per woman)	7.5	7.0	6.5	5.5	3.7
POVERTY (% of population)					
National headcount index	..	..	46.4	..	..
Urban headcount index	..	..	19.2	..	..
Rural headcount index	..	..	52.4	..	..
INCOME					
GNI per capita (US\$)	220	240	400	745	580
Consumer price index (2000=100)	67	89	116	127	128
Food price index (2000=100)	79	86	109	..	..
INCOME/CONSUMPTION DISTRIBUTION					
Gini index	..	50.7	39.6	..	..
Lowest quintile (% of income or consumption)	..	..	6.9	..	..
Highest quintile (% of income or consumption)	..	..	47.2	..	..
SOCIAL INDICATORS					
Public expenditure					
Health (% of GDP)	..	..	2.6	2.4	1.3
Education (% of GDP)	..	2.6	..	3.4	3.1
Net primary school enrollment rate (% of age group)					
Total	..	29	40	..	80
Male	..	35	46	..	83
Female	..	23	35	..	77
Access to an improved water source (% of population)					
Total	..	38	61	56	75
Urban	..	61	94	80	88
Rural	..	34	54	43	70
Immunization rate (% of children ages 12-23 months)					
Measles	38	43	78	64	63
DPT	9	34	88	64	67
Child malnutrition (% under 5 years)	..	33	38	29	39
Life expectancy at birth (years)					
Total	48	46	48	47	58
Male	47	45	48	47	58
Female	50	47	49	48	59
Mortality					
Infant (per 1,000 live births)	123	107	97	100	80
Under 5 (per 1,000)	220	204	192	168	122
Adult (15-59)					
Male (per 1,000 population)	467	429	427	489	298
Female (per 1,000 population)	362	338	400	467	244
Maternal (modeled, per 100,000 live births)	..	..	1,000	921	684
Births attended by skilled health staff (%)	..	42	38	42	41

Note: 0 or 0.0 means zero or less than half the unit shown. Net enrollment rate: break in series between 1997 and 1998 due to change from ISCED76 to ISCED97. Immunization: refers to children ages 12-23 months who received vaccinations before one year of age or at any time before the survey.

World Development Indicators database, World Bank - 25 September 2006.

ANNEX B6: BURKINA FASO KEY ECONOMIC INDICATORS

Indicator	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
National accounts										
(as % GDP at current market prices)										
Gross domestic product	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Agriculture ^a	37.5	40.2	39.4	40.4	38.4	39.8	39.0	38.4	37.8	37.3
Industry ^a	18.6	17.6	19.1	18.6	19.7	19.3	20.4	20.9	21.6	22.2
Services ^a	43.9	42.2	41.5	41.0	41.9	40.9	40.6	40.6	40.6	40.6
Total Consumption	97.6	96.0	95.9	96.1	93.5	94.8	95.7	93.6	92.7	91.9
Gross domestic fixed investment	18.9	18.6	17.4	16.5	18.7	18.5	17.4	18.1	18.4	18.3
Government investment	8.4	8.0	7.1	6.2	7.7	7.5	7.4	7.6	7.6	7.9
Private investment (includes increase in stocks)	10.1	10.4	10.3	10.3	11.0	11.0	10.0	10.5	10.8	10.5
Exports (GNFS) ^b	9.1	9.1	8.9	8.4	10.5	9.8	10.7	11.1	11.2	11.3
Imports (GNFS)	25.2	23.6	22.2	21.0	22.6	23.1	23.9	22.9	22.2	21.5
Gross domestic savings	2.4	4.0	4.1	3.9	6.5	5.2	4.3	6.4	7.3	8.1
Gross national savings ^c	4611.6	4335.7	3943.0	4846.0	3723.9	3648.5	3151.6	3161.4	2769.7	1233.0
<i>Memorandum items</i>										
Gross domestic product (US\$ million at current prices)	2615	2862	3292	4355	5152	5708	6184	6883	7503	8192
Real annual growth rates										
(%, calculated from 1985 prices)										
Gross domestic product at market prices	2.7%	6.8%	5.1%	6.3%	4.6%	7.1%	6.4%	6.5%	6.3%	6.1%
Gross Domestic Income	-0.9%	7.8%	3.8%	8.3%	6.0%	4.3%	5.1%	6.6%	6.3%	6.6%
Real annual per capita growth rates										
(%, calculated from 1985 prices)										
Gross domestic product at market prices	-0.3%	3.6%	1.8%	2.9%	1.4%	3.8%	2.5%	2.9%	3.1%	3.2%
Total consumption	-1.7%	3.7%	0.7%	5.8%	0.0%	2.6%	2.8%	1.5%	2.2%	2.7%
Private consumption	-5.6%	4.2%	0.1%	7.2%	-1.1%	2.4%	2.5%	1.9%	1.9%	2.7%
Balance of Payments										
(US\$m)										
Exports (GNFS) ^b	237.0	260.2	293.8	366.0	539.4	560.1	663.8	764.1	842.7	926.8
Merchandise FOB	205.6	223.6	245.9	320.3	470.7	466.2	560.7	647.7	714.5	786.7
Imports (GNFS) ^b	672.6	693.1	749.4	938.4	1190.5	1355.8	1518.5	1616.6	1714.1	1812.1
Merchandise FOB	517.7	534.5	577.8	686.6	869.0	996.7	1121.3	1190.9	1262.0	1331.0
Resource balance	-435.6	-432.9	-455.6	-572.4	-651.1	-795.7	-854.7	-852.5	-871.4	-885.3
Net current transfers (including official current transfers)	120.5	124.0	129.7	210.9	191.5	208.0	194.6	217.2	207.3	100.3
Current account balance (after official capital grants)	-287.9	-278.0	-160.2	-213.8	-264.7	-353.1	954.8	-365.5	-384.8	-499.4
Net private foreign direct investment	23.6	11.7	14.7	28.7	23.2	22.8	24.4	34.6	43.8	48.1
Change in reserves ^d	27.1	4.9	-5.5	-321.4	114.7	208.7	-42.0	-22.1	-27.2	-33.7
<i>Memorandum items</i>										
Resource balance (% of GDP at current market)	-16.7%	-15.1%	-13.8%	-13.1%	-12.6%	-13.9%	-13.8%	-12.4%	-11.6%	-10.8%

ANNEX B7: KEY EXPOSURE INDICATORS

<i>Indicator</i>	<i>Actual</i>								<i>Estimate</i>	<i>Projected</i>	
	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999</i>	<i>2000</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>
Total debt outstanding and disbursed (TDO) (US\$m) ^{a/}	1302	1304	1464	1588	1426	1496	1548	1736	1967	..	..
Net disbursements (US\$m) ^{a/}	81	73	69	131	47	117	70	100	189	..	..
Total debt service (TDS) (US\$m) ^{a/}	49	51	54	65	47	38	45	48	66	..	..
Debt and debt service indicators (%)											
TDO/XGS ^{b/}	314.1	351.1	311.4	416.3	455.5	469.0	425.2	399.7	326.9	..	..
TDO/GDP	45.1	48.0	47.3	53.3	54.5	51.3	47.0	39.9	38.2	..	..
TDS/XGS	11.7	13.8	11.5	16.9	15.0	11.9	11.4	11.0	10.9	..	..
Concessional/TDO	83.9	83.1	83.6	81.5	81.3	84.1	87.3	89.3	91.2	..	..
IBRD exposure indicators (%)											
IBRD DS/public DS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..	..
Preferred creditor DS/public DS (%) ^{c/}	84.8	81.1	83.4	79.7	81.8	78.4	85.8	75.1	68.4	..	..
IBRD DS/XGS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	..	..
IBRD TDO (US\$m) ^{d/}	0	0	0	0	0	0	0	0	0	..	..
Of which present value of guarantees (US\$m)											
Share of IBRD portfolio (%)	..	..	..	..	..	..	..	..	..	..	..
IDA TDO (US\$m) ^{d/}	636	636	710	753	592	636	745	861	1027	..	..
IFC (US\$m)											
Loans											
Equity and quasi-equity ^{e/}											
MIGA											
MIGA guarantees (US\$m)											

^{a/} Includes public and publicly guaranteed debt, private nonguaranteed, use of IMF credits and net short-term capital.

^{b/} "XGS" denotes exports of goods and services, including workers' remittances.

^{c/} Preferred creditors are defined as IBRD, IDA, the regional multilateral development banks, the IMF, and the Bank for International Settlements.

^{d/} Includes present value of guarantees.

^{e/} Includes equity and quasi-equity types of both loan and equity instruments.

ANNEX B8: IBRD/IDA OPERATIONS PORTFOLIO (IBRD/IDA AND GRANTS)
AS OF DATE 06/06/2007

CAS Annex B8 - Burkina Faso
 Operations Portfolio (IBRD/IDA and Grants)
 As Of Date 06/06/2007

Closed Projects 57

IBRD/IDA *	
Total Disbursed (Active)	272,91
of which has been repaid	0,00
Total Disbursed (Closed)	1 249,66
of which has been repaid	261,11
Total Disbursed (Active + Closed)	1 522,58
of which has been repaid	261,11
Total Undisbursed (Active)	392,33
Total Undisbursed (Closed)	0,00
Total Undisbursed (Active + Closed)	392,33

Project ID	Project Name	Fiscal Year	Supervision Rating		Original Amount in US\$ Millions			Difference Between Expected and Actual Disbursements *
			Development Objectives	Implementation Progress	IBRD	IDA	GRANT	
P093987	BF Health Sector Sup. & AI S	2006	S	S	47,7			46,08261 10,907658
P098378	BF-APL 2 Com Based Rur I #	2007	#	S	74			75,36011
P078596	BF-Admin CB (FY05) MS	2005	MS	S	7			5,615769 4,4970601
P081567	BF-Ag. Diversification & Me S	2006	S	S	66			65,78588 -3,206154
P000309	BF-Basic Edu Sec SIL (FYC MS	2002	MS	S	32,6			8,358108 3,0486417 -2,2051
P035673	BF-Com Based Rur Dev (F' HS	2001	HS	S	66,7			0,606172 -6,060812 -6,06081
P071443	BF-Compet & Enterprise De MS	2003	MU	S	30,7			25,70756 17,40705
P084027	BF-Decentralized Urban Ca #	2007	#	S	10			10,13864
P076159	BF-Dev Learning Center LI MU	2003	MU	S	2,3			0,188299 -0,306585 -0,30659
P052400	BF-GEF Nat Res Mgmt Pnr S	2002	S	S		7,5		0,603041 0,6030412
P070871	BF-GEF Sahel Lowland Eco S	2004	MS	S		4,5		2,643512 0,5935121
P071433	BF-HIV/AIDS Disaster Resp S	2002	S	S	27			1,167837 -6,749437 -6,74944
P000306	BF-Ouaga Water Supply (FY S	2001	S	S	70			12,69318 -1,979595
P098956	BF-Post Primary Education S	2006	S	S	22,9			17,13586 2,1443407
P069126	BF-Power Sec Dev (FY05) S	2005	S	S	63,58			45,57146 41,957942
P085230	BF-STATCAP SIL (FY04) MS	2004	MS	S	10			4,633234 2,9656683
P074030	BF-Transp Sec SIM (FY03) MS	2003	MU	S	92,1			73,28211 53,006992 21,85375
Overall Result					622,58	12		395,5734 118,82932 6,53182

B8 (IFC) for Burkina Faso

Burkina Faso
 Committed and Disbursed Outstanding Investment Portfolio
 As of 02/27/2007
 (In USD Millions)

FY Approval	Company	Committed				Disbursed Outstanding				
		Loan	Equity	**Quasi Equity *GT/RM	Participi pant	Loan	Equity	**Quasi Equity *GT/RM	Participi pant	
1998	Aef scbfi	0	0	0	0,44	0	0	0	0,23	0
2005	Hotel Independan	2,58	0	0	0	0	2,58	0	0	0
Total Portfolio:		2,58	0	0	0,44	0	2,58	0	0,23	0

* Denotes Guarantee and Risk Management Products.

** Quasi Equity includes both loan and equity types.

CAS PROGRESS REPORT ANNEXES

ANNEX 1: THE COTTON SECTOR IN BURKINA FASO: CURRENT SITUATION AND PROSPECTS

1. Over the past decade, cotton production has increased by an average of 17 percent p.a. making Burkina the largest producer of cotton in sub-Saharan Africa with a total production of 730,000 tons of seed cotton in 2005/2006. There are about 250,000 households and 1.5 million people who depend, either directly or indirectly, on cotton production for their livelihood. This performance was the result of important sector reforms aimed at improving competitiveness, notably: (i) the privatization in 1999 of the state owned cotton monopoly SOFITEX which reduced the state holding in the company to 35 percent; (ii) the abolition in 2004 of the exclusive rights (monopoly) for SOFITEX to service the sector, thus allowing the entry of 2 new cotton companies (SOCOMA and FASO COTON hold 15 percent of the market); and (iii) creation in 2005 of an institutional set-up for self-governance of the sector by its stakeholders (producers and ginning companies) without participation of the state.

2. At the end of this reform process, the role of the state in the cotton sector was reduced to a minority shareholding in SOFITEX, compared to the period prior to 1999 when SOFITEX was a state owned monopoly. However, these reforms took place against increasingly difficult international market conditions for cotton, triggered by a sharp decline of international cotton prices in 2002 and compounded by a cumulative appreciation of the Franc CFA vis-à-vis the US dollar of about 12 percent since 2001. This resulted in a gradual decline of the export price for 1 kg of ginned cotton from Franc FCFA847 in 2001 to Franc FCFA637 in 2006. The absence of an adequate price setting mechanism to more closely align the producer price with the international cotton price trend caused substantial financial difficulties for the cotton companies and put the sector under financial stress. As a result, the three ginning companies assumed most of the adjustment costs and accumulated deficits over 2004 to 2006, amounting to about US\$93 million. In a privatized and liberalized sector, the state took a principled stance against Government price supports, expecting private stakeholders to make necessary adjustments in the sector. The Government's stance on this question underscores its commitment to the sector's privatization strategy and its overall objective to minimize state intervention in the sector.

3. In late 2006, the banking sector, which typically pre-finances the cotton season, refused to finance the 2007-2008 campaign unless the sector was put back on a better financial footing. Three sets of actions are currently being implemented by sector operators to restore the financial viability of the sector: (1) all three cotton companies have announced their recapitalization plans; (2) the domestic producer price setting mechanism is being reformed to more closely align the producer price with the international cotton price trend, and to broker a better commercial risk sharing between producers and cotton companies; and (3) efforts continue to improve the productivity of cotton production.

4. To avoid a collapse of the sector over the short-term, the Government decided to provide a guarantee of US\$100 million to the commercial banks to facilitate adequate financing of the 2007 season and allow for time to settle the recapitalization negotiations. Also, the largest cotton company, the ex-parastatal SOFITEX, launched its recapitalization effort in late 2006. In early

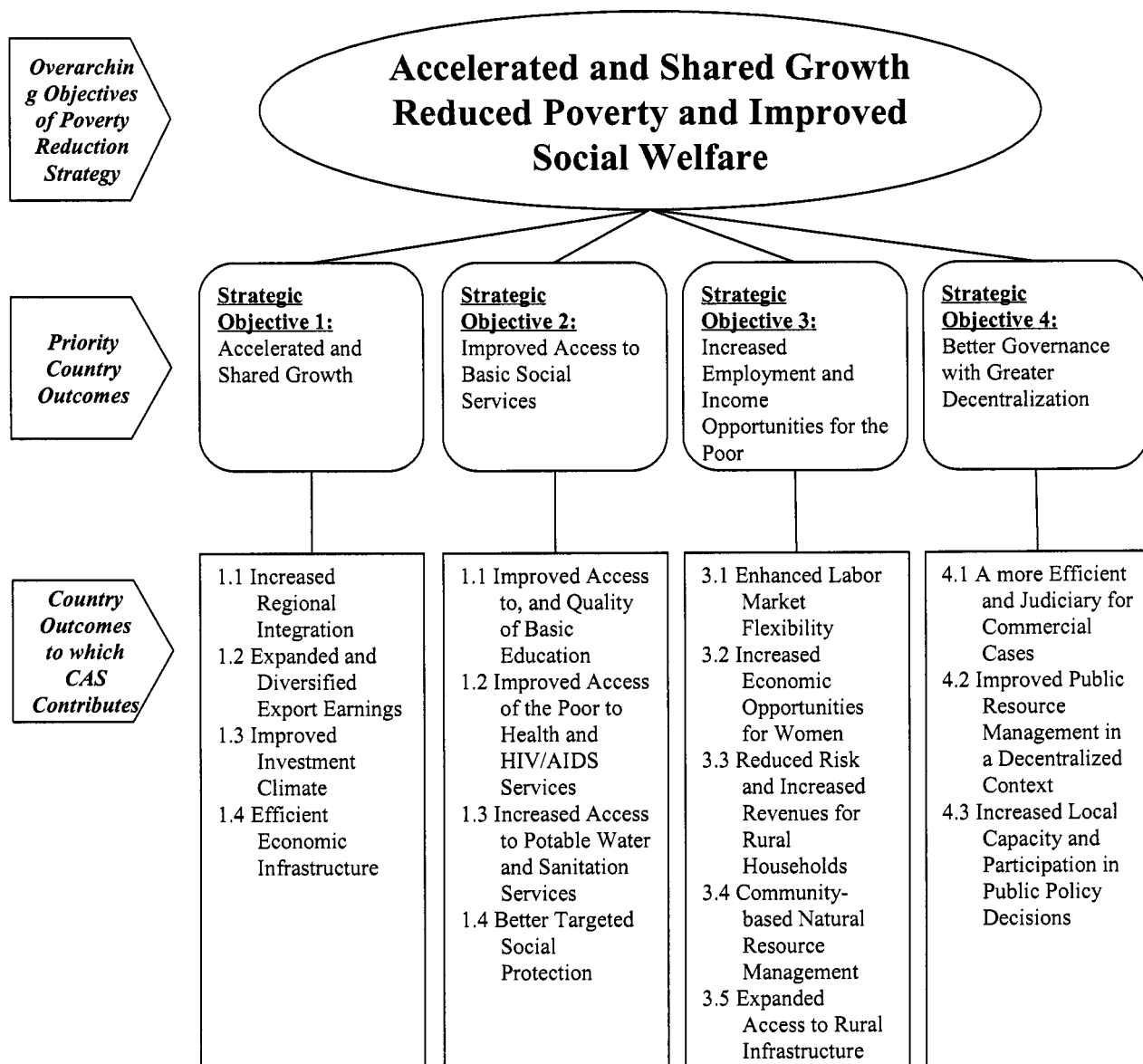
2007, its largest private investor DAGRIS decided not to participate in the recapitalization, the main reason being that DAGRIS, a company held by the French State, is in the process of being privatized and could therefore not commit at this stage to avoid prejudicing its potential buyer. The Government agreed to refinance SOFITEX by covering its shares (35 percent) and an additional 26 percent to make up for the non-subscription of DAGRIS, in order to meet the 75 percent of minimum capital subscription mandated by the OHADA law.⁵ The direct costs to the Government amount to a maximum of US\$46 million (or 0.7 percent of GDP), of which US\$ 24 million have already been advanced by the Government in early 2007. After the recapitalization, the Government share in SOFITEX would amount to 58 percent.

5. The evolving status of DAGRIS has not allowed for an adequate entrepreneurial response to the sector's financial problems, forcing the Government to step in on a transitory basis. Increased Government ownership of SOFITEX, following its recapitalization, does not affect the vision the Government has for the sector, nor does it imply a reversal of the sectoral reforms implemented since 1999. The take-over became necessary to stabilize the sector in the face of the current financial crisis, while the sector's long term financial viability is restored through a revision of the cotton price setting mechanism to align the producer price more closely with the international cotton price trend and productivity gains in cotton companies. Such a mechanism should allow better risk sharing between producers and ginning companies and reduce the financial liabilities on the Government budget of further international cotton price changes. The Government of Burkina Faso continues to be convinced that private sector participation in the sector is best to enhance the sector's growth potential and competitiveness. Thus, the Government has confirmed its commitment to maintain a minority involvement in the sector and to transfer shares back to the private sector as soon as private investors can be found.

6. The price mechanism is envisaged to be complemented by a stabilization fund, whose prime objective is to balance out volatility in international cotton prices for the benefit of cotton growing farmers. The Government expects the national stabilization fund will be a farmer-ginner operated instrument without recourse to Government finance so as not to increase Government's contingent liabilities.

⁵ One percent of the shares is owned by a private domestic investor and will be maintained.

ANNEX 2: SUMMARY CAS RESULTS FRAMEWORK



ANNEX 3: CAS RESULTS MATRIX

Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes		
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term progress indicators	World Bank support
OVERARCHING OBJECTIVES OF THE STRATEGIC FRAMEWORK FOR POVERTY REDUCTION				
<p>Pro-poor growth sustained</p> <p><i>Real per capita income rises by 4% per annum from 2004 onwards</i></p> <p><i>Real per capita income of the poorest quintile rises as fast or faster than average income</i></p> <p>Poverty reduced and social welfare improved</p> <p><i>Poverty headcount reduced from 46% in 2003 to 41% in 2006 and 35% in 2015</i></p> <p><i>Life expectancy at birth increases from 46 years in 1990-93 to at least 60 years in 2015</i></p> <p>Macroeconomic stability maintained</p> <p><i>Average annual inflation rate remains below 3% per annum through 2006</i></p> <p><i>External and internal payment arrears do not accumulate</i></p>				
<p><i>Through multiple channels, the CAS will seek to contribute to these overarching country outcomes which will be included in the CAS monitoring and evaluation framework.</i></p>				

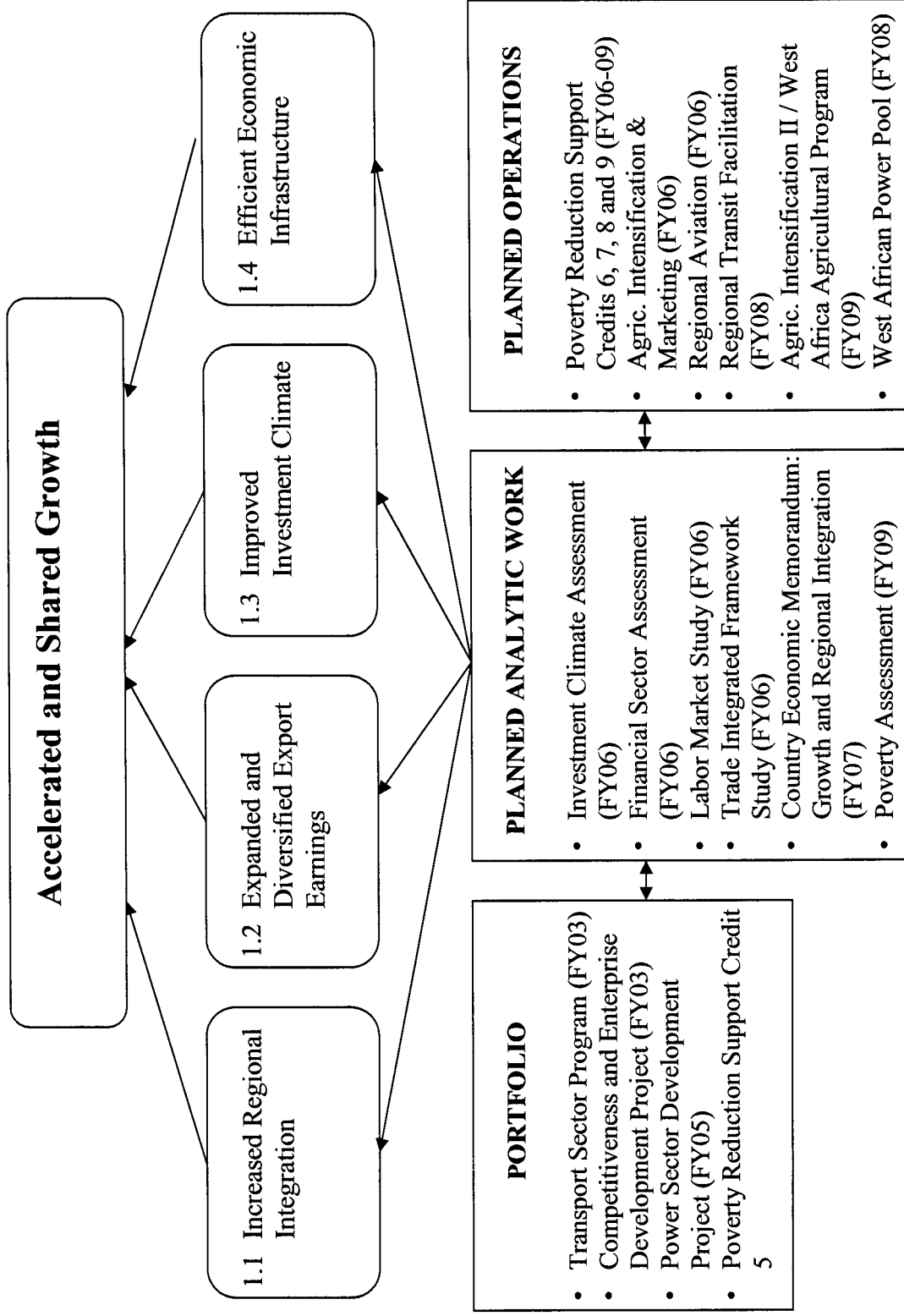
Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			World Bank support
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Progress at mid-term	
I. STRATEGIC OBJECTIVE I: ACCELERATED AND SHARED GROWTH					
Regional integration is accelerated	Playing field is not level in regional market Access to global markets is limited	1.a. Increased regional integration <ul style="list-style-type: none"> Trade to sub-region increases as share of Burkinabè GDP Imports rise as a share of total electricity supply 	<ul style="list-style-type: none"> Electricity transmission line from RCI to Ouaga is completed 	<ul style="list-style-type: none"> Works began in early 2007 due to procurement delay-Completion in 2009. 	
Competitiveness and diversification enhanced Share of exports in GDP rises from 7.5% in 2004 to at least 10 percent in 2006 Livestock, cotton, fruit, vegetable and food crop production is increased and intensified Gold exports increase from 1 ton in 2003 to 10 tons in 2006	Agricultural productivity needs improvement Risk is high in the agriculture sector Farmers' access to credit, equipment and inputs is limited Livestock diseases pose a continuous threat	1.b. Expanded and diversified export earnings <ul style="list-style-type: none"> Non-cotton export earnings increase by an average of 8% or more per annum 2006-2009 Cotton yield of 1.050 Kg per hectare in 2004 increase by 15% by 2009 Production of major non-cotton crops increases by at least 5% per year Gold exports increase to at least 10 MT by 2009 	<ul style="list-style-type: none"> Non-cotton export earnings increase by an average of 8% or more per annum in 2006-2007 Gold exports increase to at least 4 MT by 2007 	<ul style="list-style-type: none"> Growth of non-cotton exports averaged only 4.2% in 2004-2005 Three mining investments near completion, large-scale exports to begin in late 2007. 	<p>Portfolio</p> <ul style="list-style-type: none"> Competitiveness and Enterprise Development Project (PACDE) Second Transport Sector Program (PST2) Power Sector Development Project (PSDP) <p>Analytic work</p> <ul style="list-style-type: none"> Financial Sector Assessment (FY06) Investment Climate Assessment (FY06) Integrated Trade Framework (FY06) Country Economic Memorandum (FY07) Poverty Assessment (FY09)

Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes				
Strategic Framework for Poverty Reduction	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Progress at mid-term	World Bank support
<p>Country Outcomes (key indicators)</p> <p>Investment climate improved and factor costs reduced</p> <p>Tax burden for firms is reduced and harmonized, the tax base widened and collection rates improved</p> <p>Investment code revised to provide stronger incentives, particularly for SMEs</p> <p>Formal steps needed for business startup decline from 8 in 2003 to 4 in 2006</p>	<p>Major challenges</p> <p>Administrative obstacles discourage investment</p> <p>Access to the banking sector is constrained</p> <p>Financing mechanisms are poorly adapted, short-term</p> <p>Access to financing is difficult for micro-enterprises and SMEs</p> <p>Fiscal pressure on formal sector entities is high</p> <p>Privatization process should be more transparent</p> <p>Entrepreneurs need stronger capacity to manage existing resources</p> <p>Poor flow of information on economic opportunities</p> <p>Widespread illiteracy undermines labor productivity</p>	<p>Outcomes to which the CAS will contribute (key indicators)</p> <p>1.c. Improved investment climate</p> <ul style="list-style-type: none"> Financial intermediation: time to transfer funds abroad reduced from 10 days to 3 days in 2009 Administrative procedures: days needed to register an enterprise reduced from 45 in 2004 to 15 or less by 2009 Labor market: Index on Rigidity of Employment declines from 90 in 2004 to 50 or less by 2009 Privatization: private management is in place for SONABEL and at least 30% of SONABHY shares are privately held. 	<ul style="list-style-type: none"> Administrative procedures: days needed to register an enterprise reduced to 30 or less by 2007 Privatization: at least 51% of ONATEL shares are privately held 	<p>World Bank support</p> <p><u>New operations</u></p> <ul style="list-style-type: none"> Poverty Reduction Support Credits 6 to 9 (growth and private sector development components) Agricultural Intensification and Marketing Project (FY06) Regional Transit Facilitation Program (FY08) Regional Aviation (FY06) West Africa Power Pool (FY08) Agricultural Intensification II/West African Agricultural Productivity Program (FY09)

Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Progress at mid-term	World Bank support
<p>Improved effectiveness of economic infrastructure</p> <p>Legal and regulatory framework improved to encourage private sector and donors participation in the energy sector</p>	<p>Factor costs are high, especially for energy, transport and water</p> <p>Rural isolation prevents marketing</p> <p>Public resources should be managed more efficiently</p>	<p>1.d. More efficient economic infrastructure</p> <ul style="list-style-type: none"> Infrastructure is upgraded in five secondary urban centers 	<ul style="list-style-type: none"> Five secondary urban centers have completed medium-term plans for infrastructure upgrading 	<ul style="list-style-type: none"> Infrastructure development plans available for Banfora, Bobo, Kaya, Koudougou and Ouahigouya. 	
		<ul style="list-style-type: none"> 100% of the classified road network is maintained 	<ul style="list-style-type: none"> 50% of the classified road network is maintained 	<ul style="list-style-type: none"> Indicator to be revised. Maintenance rate of classified road network was 83% in 2004, 86% in 2005 and 93% in 2006. 	
		<ul style="list-style-type: none"> Availability rate of electricity lines is over 99.4% in 2009 			
		<ul style="list-style-type: none"> Annual electricity production increases by 86 GWh for Ouaga, with an availability of 70% 	<ul style="list-style-type: none"> Completed construction of the 18 MW power plant 	<ul style="list-style-type: none"> Power plant completed and operational as of 2006 	

* When left blank, key indicators and mid-term progress indicators were not specified in the CAS.

SUMMARY OF STRATEGIC OBJECTIVE 1



Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes

Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Mid-term progress	World Bank support
II. STRATEGIC OBJECTIVE II: IMPROVED ACCESS TO BASIC SOCIAL SERVICES					
<p>Access to basic education increased, especially in poor areas and for girls</p> <p>Gross primary enrollment rate rises from 52% in 2003/2004 to at least 60% in 2006/2007 and 70% in 2010</p> <p>Gross primary enrollment rate rises from 46% in 2003/2004 to at least 52% in 2006/2007 for girls</p> <p>Rate of improved access to basic education in 20 priority provinces exceeds national average</p> <p>Literacy rate rises from 32% in 2003/2004 to at least 35% in 2006/2007</p>	<p>Poor proximity of social services to rural communities</p> <p>Time and cost of travel to service providers are high</p> <p>Transfer of resources to local levels is underdeveloped</p> <p>Facilities are not fully staffed or equipped</p> <p>Staff are not motivated to stay in rural areas</p> <p>Management of facilities remains too centralized</p>	<p>1. a. Improved access to, and quality of, basic education</p> <ul style="list-style-type: none"> • Access: gross primary enrollment (GER) rate will rise by 2009 to <ul style="list-style-type: none"> o National = 70% o o/w girls = 60% o in the 20 priority provinces (PP) = 60% o Girls in the 20 PP = 50% • Access: gross secondary enrollment rate will increase to at least 20% by 2009 • Quality: primary completion rate will rise from 26% in 2003 to at least 35% in 2009 	<ul style="list-style-type: none"> • Access: gross primary enrollment (GER) rate will rise by 2007 : <ul style="list-style-type: none"> o National = 60% o o/w girls = 52% o in the 20 PP = 50% o Girls in 20 PP = 40% • Abolition of school fees in the 20 priority provinces • Repetition rate declines to less than 10% • Student learning time increased from 600 hours in 2003 to 920 hours in 2007 	<p>2006/2007 data:</p> <ul style="list-style-type: none"> • National = 61% • o/w girls = 55% • in the 20 PP = 47% • girls in 20 PP = 42% • Government abolished all fees for public school, although PTA fees may persist. • Repetition rate has remained high at around 20% with rapid increases in enrolment • Student learning time increased to only 640 hours 	<p>Portfolio</p> <ul style="list-style-type: none"> • Ouagadougou Water Supply Project (ZIGA) • Basic Education Sector Program (PDDEB) • HIV/AIDS Disaster Response and Supplemental (PA-PMLS) • Regional HIV/AIDS Treatment Project (TAP) <p>Analytic work</p> <ul style="list-style-type: none"> • Rural/urban health status differentials (FY06) • Determinants of Malnutrition (FY06) • Public Expenditure Review (FY08) • Poverty Assessment (FY09) <p>New operations</p> <ul style="list-style-type: none"> • Poverty Reduction Support Credits 6-9 (human development and infrastructure)

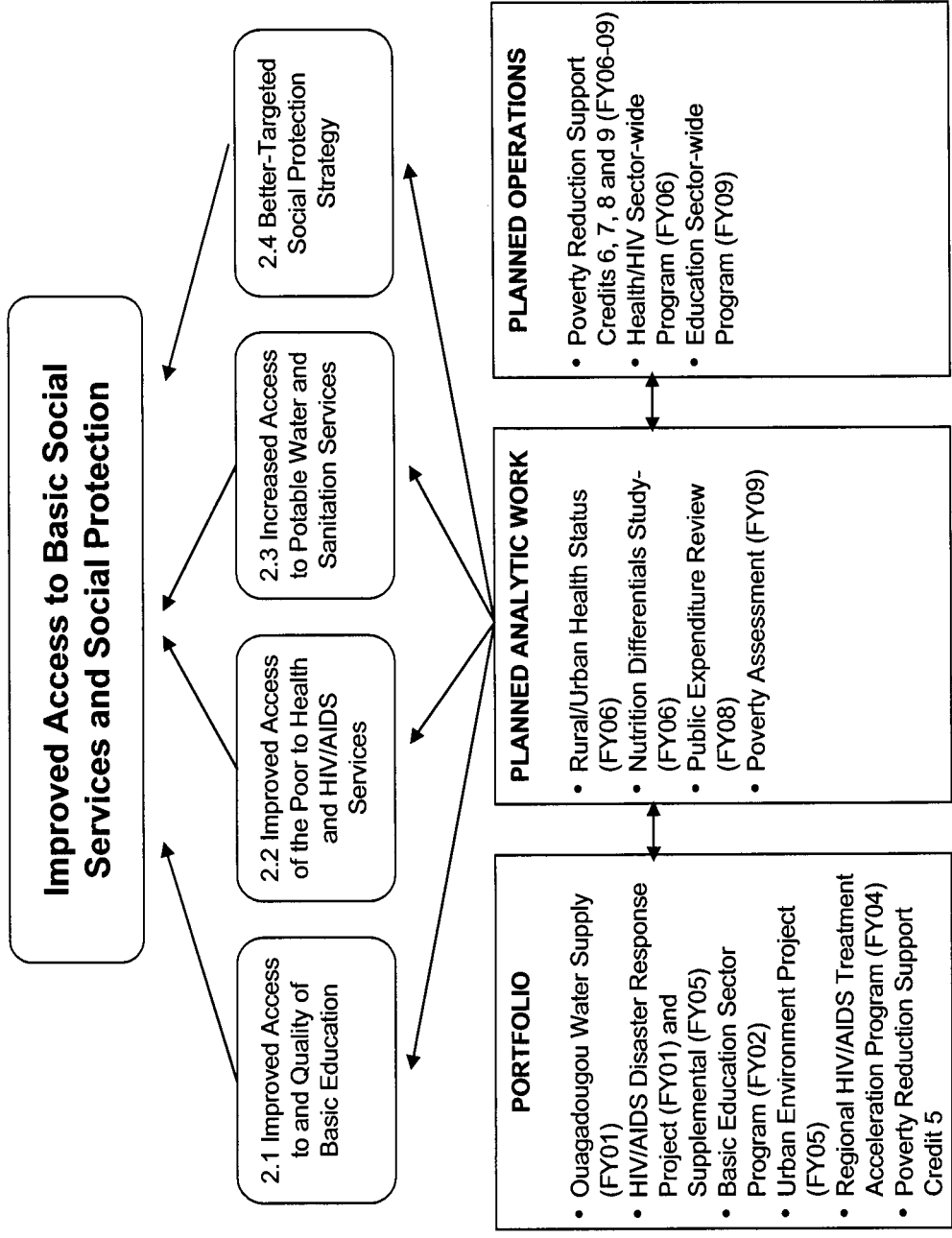
Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes				
Strategic Framework for Poverty Reduction		Outcomes to which the CAS will contribute (key indicators)		
Country Outcomes (key indicators)	Major challenges	Mid-term indicators	Mid-term progress	World Bank support components)
<p>Quality of basic education improved</p> <p>Primary completion rate rises from 26% in 2003 to at least 33% in 2006 and 40% in 2010</p>				<ul style="list-style-type: none"> Health/HIV/AIDS Sector-Wide Program (FY06) Education Sector-Wide Program (FY09)
<p>Access to secondary education increased</p> <p>Gross secondary enrollment rate rises from 15% in 2003/2004 to at least 20% in 2006</p> <p>Continuation rate from primary to secondary school reaches at least 45% in 2006/200</p>				
<p>Health and nutrition status of the population improved</p> <p>Infant mortality rate drops from 83 in 2003 to 70 in 2006</p> <p>Under-5 mortality rate drops from 184 in 2003 to 163 in 2006</p>	<p>Facilities and service provision models are not well adapted to local conditions</p> <p>Staff need better outreach skills with rural populations</p> <p>Community participation in resource management and maintenance must be encouraged</p>	<ul style="list-style-type: none"> Average service and prescription costs for emergency maternal care is reduced Average time to reach a medical center reduces by 20% 	<ul style="list-style-type: none"> Policy adopted to eliminate fees for emergency obstetrical care Increase in staffed facilities, but no data on travel time available. 	

Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Mid-term progress	World Bank support
Maternal mortality rate drops from 484 in 1998 to 313 in 2006	Private sector social services are underdeveloped	<ul style="list-style-type: none"> Use of modern contraceptives increases from 10% in 2003 to 17% in 2009 			
Under-5 malnutrition falls from 38% in 2003 to less than 30% in 2006	Financial barriers to access remain high, especially as school fees and health consultation fees	<ul style="list-style-type: none"> Referrals for high-risk pregnancies increase from 14% in 2003 to 25% in 2009 			
Access to basic health services increased					
Share of births with a qualified attendant rises from 36% in 2002 to 55% in 2006	Traditional medicinal plants and treatments are undervalued now	<ul style="list-style-type: none"> Number of children sleeping under treated mosquito nets increases from 8% in 2003 to 50% in 2009 	<ul style="list-style-type: none"> Number of treated mosquito nets distributed/sold is doubled between 2004 and 2009 	<ul style="list-style-type: none"> 1,007,128 treated nets distributed/sold in 2006. 	
Immunization rates for measles, yellow fever and DTC3 increase to 87% and for BCG to 93% by 2006		<ul style="list-style-type: none"> Immunization rate for DTAP (DTC3) increases from 57% in 2003 to 87% in 2009 	<ul style="list-style-type: none"> Immunization rate for DTAP increases from 57% to 75% in 2007 	<ul style="list-style-type: none"> Immunization rate for DTAP in 2006 = 62% 	
Primary health centers fully-staffed rises from 77% in 2002 to 90% in 2006		<ul style="list-style-type: none"> Health centers with qualified personnel increase from 77% in 2002 to 90% in 2009 	<ul style="list-style-type: none"> Health centers with qualified personnel increase from 77% in 2002 to 85% in 2007 	<ul style="list-style-type: none"> Health centers with qualified personnel reached 85% in 2006 	
Toll of HIV/AIDS is reduced	Spread of HIV/AIDS is undermining communities	1.b (bis) Improved access of the poor to HIV/AIDS services			
Sero-prevalence rate falls from 1.9% in 2003 to 1.8% in 2006—sentinel site	Socio-economic costs of	<ul style="list-style-type: none"> Use of condom during last risky sexual intercourse increases from 69% in 2003 	<ul style="list-style-type: none"> Use of condom during last risky sexual intercourse increases to 	<ul style="list-style-type: none"> Data will be available from DHS Survey in 	

Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes				
Strategic Framework for Poverty Reduction		Outcomes to which the CAS will contribute (key indicators)		
Country Outcomes (key indicators)	Major challenges	Mid-term indicators	Mid-term progress	World Bank support
Share of PLWA receiving ARV treatment rises from 2% in 2002 to 55% in 2006	HIV/AIDS are very high	75% for men and 58% for women by 2007 • Number of infected people under ARV treatment raised from 3,000 in 2004 to 10,000 in 2009	late 2007 • Number of infected people under ARV treatment in 2006 = 12,842	
Increased access to clean water and sanitation Share of population with access to clean water in rural and semi-urban areas rises from 88% in 2003 to 92% in 2006 Share of population with access to clean water in urban areas rises from 75% in 2003 to 80% in 2006	Access to clean water and sanitation is limited, with negative health impacts	1.c. Increased access to potable water and sanitation services • Urban and peri-urban areas: access increased from 66% in 2000 to 80% in 2009 • Rural areas: access increased from 37% in 2000 to 45% in 2009	• Household connections in urban and peri-urban Ouaga increased by nearly 50,000 since 2004.	
Vulnerability reduced through targeted social protection Number of vulnerable people supported by the State rises from 225,000 in 2003 to 259,000 in 2006	Social protection interventions are not targeted to those most in need	1.d. Better targeted social protection • Number of orphans and vulnerable children receiving school stipends is doubled from 2004 to 2009	• Action plans for orphans and vulnerable children (including financial access to school) are finalized • Actions plans have been prepared and adopted.	

* When left blank, key indicators and mid-term progress indicators were not specified in the CAS.

SUMMARY OF STRATEGIC OBJECTIVE 2



Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes				
Strategic Framework for Poverty Reduction	Outcomes to which the CAS will contribute (key indicators)	Mid-term progress indicators	World Bank support	
III. STRATEGIC OBJECTIVE III: INCREASED EMPLOYMENT AND INCOME OPPORTUNITIES FOR THE POOR				
<p>Country Outcomes (key indicators)</p> <p>An environment is created that is conducive to employment creation, professional training and apprenticeship</p> <p>Individuals trained each year by vocation centers and their branches rises from 1,228 in 2004 to 1,657 in 2006</p>	<p>Major challenges</p> <p>Lack of a clear strategy for income generation</p> <p>Methods are not sufficiently labor-intensive</p> <p>Professional associations need to play leadership role</p> <p>Labor market remains too rigid</p> <p>Communities don't have local employment strategies</p> <p>Vocational training is insufficient</p>	<p>Outcomes to which the CAS will contribute (key indicators)</p> <p>3.a. Enhanced labor market flexibility for job creation</p> <ul style="list-style-type: none"> Index on rigidity of employment (from "Doing Business" declines from 90 in 2004 to 50 or less by 2009) 	<p>Mid-term progress indicators</p> <ul style="list-style-type: none"> National employment strategy is revised Completed Labor Market Study is widely disseminated 	<p>World Bank support</p> <p><u>Portfolio</u></p> <ul style="list-style-type: none"> Competitiveness and Enterprise Development Project (PACDE) Community-based Rural Development Project (PNGT2) Natural Resource Management Partnership (PAGEN) Sahel Integrated Lowland Ecosystem Management (SILEM) <p><u>Analytic Work</u></p> <ul style="list-style-type: none"> Labor Market Study (FY06) Women's Access to Land (FY07) <p><u>New operations</u></p> <ul style="list-style-type: none"> Poverty Reduction Support Credits 6-9 (private sector development component) Agricultural Intensification and Marketing Project – PAFASP
<p>Living and working conditions for rural women are improved</p> <p>Women's access to appropriate technology for small-scale agro-processing and to intermediate transport increased</p>	<p>Women's professional associations need support</p> <p>Access to financial sector and/or micro-credit is limited.</p>	<p>3.b. Increased economic opportunities for women</p> <ul style="list-style-type: none"> Agriculture revenues for women in targeted sub-sectors (receiving PAFASP support) increased by 10% Revised regulatory framework to improve women's access to land is adopted 	<ul style="list-style-type: none"> In 26 targeted PNGT2 provinces: <ul style="list-style-type: none"> Women's literacy reaches 50% 80% of women involved in local decision-making processes Materials on women's rights translated into local languages 	<ul style="list-style-type: none"> Good progress in PNGT villages in 26 provinces. Data not available for whole provinces. Indicator to be revised. Completed and disseminated through PNGT.

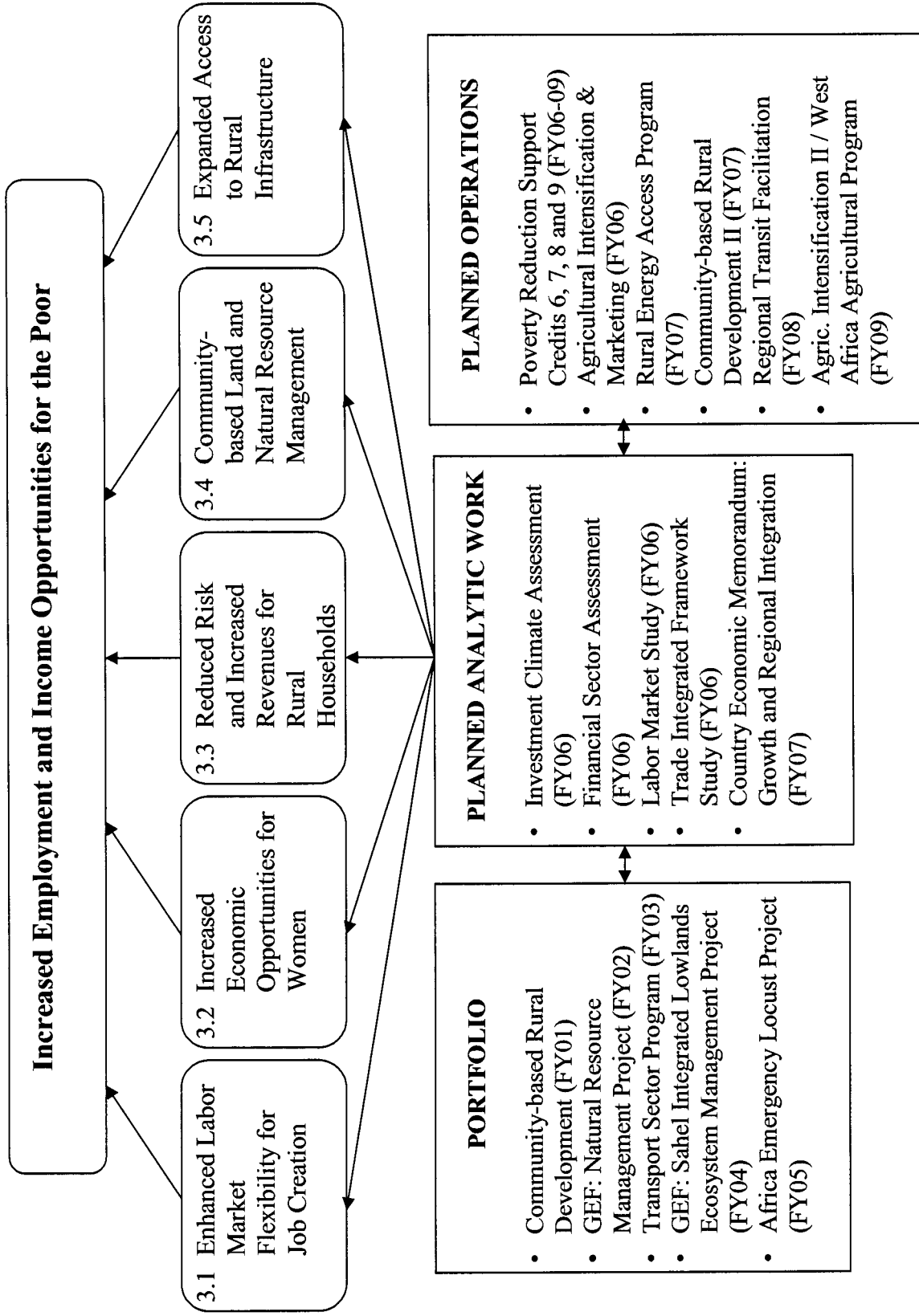
Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes		
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term progress indicators	World Bank support
<p>Agricultural risk is reduced and land tenure is more secure</p> <p>Marketing of production from large-scale irrigated perimeters increases</p> <p>Dry season agricultural production through extension of small-scale irrigation.</p> <p>Rural revenue is increased through intensification, diversification and improved marketing</p> <p>Cereal and niébé production increases by 5% per annum</p> <p>Cotton production increases by 10% p.a.</p> <p>Tuber production increases by 15% p.a.</p> <p>Number of milk cows increases to 30,000 with average production of</p>	<p>Markets dominated by corrupt or rent-seeking enterprises</p> <p>Water resource management is not sufficient to increase agricultural productivity and promote economic diversification</p> <p>Access to appropriate technology to increase agricultural productivity and support agro-processing is limited</p>	<p>3.c. Reduced risk and increased revenues for rural households</p> <ul style="list-style-type: none"> Land tenure: 50% of male applicants and 50% of women applicants obtained land titles or equivalent in six pilot provinces Locust infestations: 90% of first 5000 hectares of infested fields are treated during the first week of invasion Water management: On the first 3000 ha of land irrigated with IDA support, 80% of farmers produce during the dry season and increase their household revenues A 10% increase or more in producers' revenues in sub-sectors targeted by the PAFASP project 	<ul style="list-style-type: none"> Revised implementing decrees for land titling are adopted A national alert and response system for locust invasions is operational Program monitoring and surveys in targeted provinces finalized Baseline revenue data collected for sub-sectors targeted by PAFASP 	<p>(FY06)</p> <ul style="list-style-type: none"> Rural Energy Access Project (FY07) Second Community-based Rural Development Project (FY07) Agricultural Intensification II/West African Agricultural Productivity Program (FY09)
			<ul style="list-style-type: none"> Texts drafted, but not yet adopted. Operational since 2006. Expected in October 2007 as part of PAFASP baseline data. Expected in October 2007 as part of PAFASP baseline data. 	

Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			World Bank support
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term progress indicators		
450 l/yr Meat, milk and eggs are permanently available in medium and large cities					
Progress in environmental protection and the fight against desertification	Scarce water resources make rural life precarious Communities must be empowered and trained to protect natural resources	3.d. Community-based land and natural resource management <ul style="list-style-type: none"> Legal, regulatory and organizational framework in place to support community-based natural resource management, including conservation, use and marketing Increased revenues for PAGEN-supported communities participating in natural resource management initiatives 	<ul style="list-style-type: none"> Forestry sector data are updated Increased involvement of women's associations and non-governmental or community-based organizations in natural resource management 	<ul style="list-style-type: none"> Updated in areas of PAGEN involvement, but not sector-wide. Good progress within context of PAGEN and PNGTZ programs. 	
Road access and energy supply in remote areas are upgraded An average of at least 1,100 km of rural roads are constructed and 9,000 km are maintained per annum in 2004-2006 Household electrification	Rural isolation prevents agricultural marketing and access to services Lack of affordable energy constrains processing activities	3.e. Expanded access to rural infrastructure <ul style="list-style-type: none"> Construction of 1000 km per annum of rural roads is completed Rural population within 2 km of an all-season road increases 	<ul style="list-style-type: none"> Construction of 1000 km per annum of rural roads is completed 	<ul style="list-style-type: none"> 800 km of rural roads constructed in 2006. 	

Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes		
Country Outcomes (<i>key indicators</i>)	Major challenges	Outcomes to which the CAS will contribute (<i>key indicators</i>)	Mid-term progress indicators	World Bank support
<p>rate rises from 10% in 2003 to 17% by 2009</p> <p>90 rural schools, 90 health centers and 90 community centers per year are equipped with solar lighting systems</p>		<p>Use of modern fuels increases in rural areas</p> <ul style="list-style-type: none"> • Use of modern fuels increases in rural areas 		

* When left blank, key indicators and mid-term progress indicators were not specified in the CAS.

SUMMARY OF STRATEGIC OBJECTIVE 3



Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			
Strategic Framework for Poverty Reduction	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Mid-term Progress
Country Outcomes (key indicators)	Major challenges	World Bank support	
IV. STRATEGIC OBJECTIVE IV: BETTER GOVERNANCE WITH INCREASED DECENTRALIZATION			
<p>Justice system becomes more accessible, independent, efficient and credible</p> <p>Additional jurisdictions created beginning in 2005</p> <p>Continuing education program for judicial staff is developed and implemented in 2004-2006</p> <p>Number of judicial staff recruited and trained increases.</p> <p>Local language summaries of laws and legal rights are prepared</p>	<p>Markets dominated by corrupt or rent-seeking enterprises</p> <p>Existing legal frameworks are not adequately applied and enforced, including sanctions.</p> <p>Oversight institutions are not sufficiently independent</p> <p>Efficiency and transparency of the judicial system is weak.</p> <p>Barriers to justice include lack of decentralized services and high costs</p>	<p>Judicial texts are revised to better specify mandate and procedures of the inspectorate</p> <p>Inspectors are trained</p> <p>Statute of HALCC is revised to ensure independence and authority to refer to judicial system</p> <p>Preparation of procedural manual and users guide for commerce courts</p> <p>Measurable progress in harmonizing laws within OHADA framework</p> <p>50 magistrates trained in business law</p>	<p>Texts have been revised, but further modification needed on status of judiciary inspectors.</p> <p>Training occurred.</p> <p>Discussions still underway within Government and with donor community</p> <p>Manual and user guide completed.</p> <p>Numerous laws have been harmonized, and process continues</p> <p>Completed, although lack of specialization of magistrates remains a problem.</p>
	<p>4.a. More efficient judiciary for commercial cases</p> <ul style="list-style-type: none"> • Judicial inspections follow <ul style="list-style-type: none"> ◦ Inspections described in revised texts ◦ Decisions are made public through semi-annual or annual reports • Anti-corruption: the High Authority to Combat Corruption is given authority to refer matters directly to the judicial system • Ratio of decisions made to commercial cases outstanding rises steadily • Commercial laws are fully harmonized with OHADA framework • Decisions by trained magistrates are overturned less often than before training 	<p>Judicial texts are revised to better specify mandate and procedures of the inspectorate</p> <p>Inspectors are trained</p> <p>Statute of HALCC is revised to ensure independence and authority to refer to judicial system</p> <p>Preparation of procedural manual and users guide for commerce courts</p> <p>Measurable progress in harmonizing laws within OHADA framework</p> <p>50 magistrates trained in business law</p>	<p>Texts have been revised, but further modification needed on status of judiciary inspectors.</p> <p>Training occurred.</p> <p>Discussions still underway within Government and with donor community</p> <p>Manual and user guide completed.</p> <p>Numerous laws have been harmonized, and process continues</p> <p>Completed, although lack of specialization of magistrates remains a problem.</p>
		<p>Portfolio</p> <ul style="list-style-type: none"> • Administration Capacity building Project (PRCA) • Competitiveness and Enterprise Development Project (PACDE) • Development of National Statistical Systems Project (PDSSN) • Global Distance Learning Center (CEDO) <p>Analytic work</p> <ul style="list-style-type: none"> • Country Financial/Country Procurement Assessments (FY06) • Gender-based budgeting (FY06) • Public Expenditure Review (FY08) • Country Integrated Fiduciary Update (FY09) 	

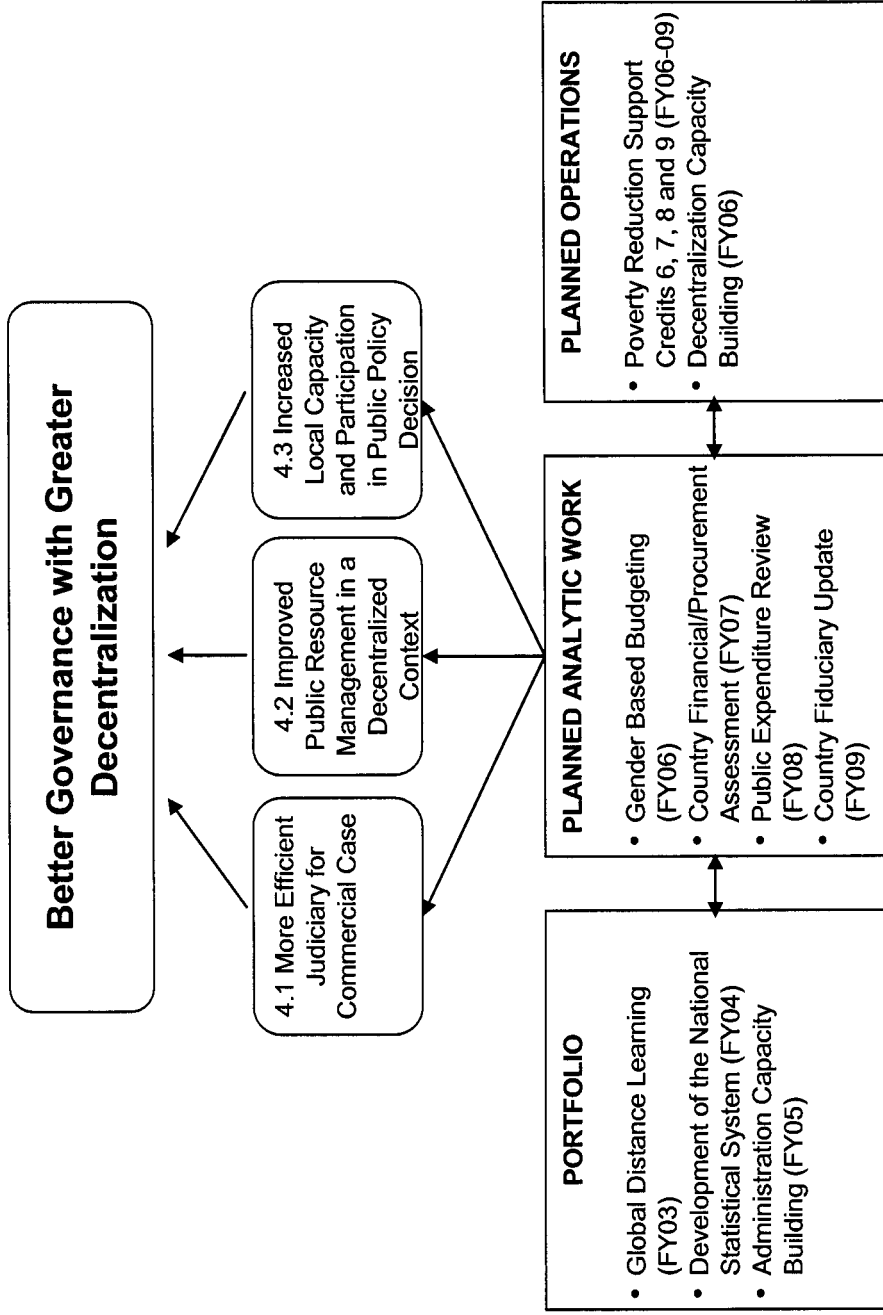
Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Mid-term Progress	World Bank support
<p>Public resource management reflects strategic priorities and encourages local responsibility and accountability.</p> <p>Budget execution rate in priority Ministries rises from 69% in 2003 to 85% in 2006</p> <p>Education budget remains around 13% of total public spending, and health budget rises to 15% by 2006</p> <p>Absorption rate for foreign assistance rises from 74% in 2003 to 77% in 2006</p> <p>Decentralization of public administration is effective by 2006</p> <p>Rule of law and democratic institutions are strengthened</p> <p>Decentralization law is implemented, rural communes created and local officials elected</p> <p>Agreed responsibilities and public resources are</p>	<p>Public procurement process is not sufficiently transparent</p> <p>Civil service salaries are insufficient to discourage corrupt behavior.</p> <p>Corporate governance standards for state-owned enterprises need updating and enforcing.</p>	<p>4.b. Improved public resource management in a decentralized context</p> <ul style="list-style-type: none"> • Public procurement: <ul style="list-style-type: none"> o a transparent, computerized management system is in place o Sanctions are enforced for at least half of all cases of proven fraud o Delinquent borrowers and defaulting beneficiaries are barred from public contracts. o Ex-post review of public procurements finds at least 70% in accordance with procedures o Independent observer reports are available for at least 50 percent of large public contracts • State, finance and ministerial inspectorates: <ul style="list-style-type: none"> o Inspections follow procedures described in revised texts o Decision are made public through a semi-annual or annual report • Decentralization of budget execution to regions: <ul style="list-style-type: none"> o Share of Title III delegated credits in the total budget rises from 	<ul style="list-style-type: none"> • Revision of text related to the awarding of licenses to execute public works • Publication and monthly updating of delinquent borrowers and defaulting beneficiaries of public contracts • Independent observers are in place and functioning • Texts governing statute of inspectorates are revised to ensure independence and capacity to refer directly to judiciary • At least four sector ministries have adequate program budgets and medium-term expenditure 	<ul style="list-style-type: none"> • Completed. • Has not begun. • Has not begun. • Texts revised, although independence still constrained. • Completed, and many more ministries in progress. 	<p><u>New operations</u></p> <ul style="list-style-type: none"> • Poverty Reduction Support Credits 6-9 (public resource management, private sector development components) • Decentralization Capacity Building (FY06)

Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			
Strategic Framework for Poverty Reduction		World Bank support	
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term Progress
transferred to communes by end-2005		<ul style="list-style-type: none"> 9% in 2005 to at least 20% in 2009 All 13 regions are directly connected to the <i>Circuit Intégré de la Dépense</i> (CID) <ul style="list-style-type: none"> Deconcentration of human resource management: <ul style="list-style-type: none"> At least 30% of civil servants' personnel files are managed at regional level At least 18 ministries manage their personnel via the deconcentrated SIGAPSE system 	<ul style="list-style-type: none"> 10 regions connected by end-2006 Feasibility study completed and adopted. 26 of 35 ministries have adopted SIGAPSE
		<ul style="list-style-type: none"> 9 regions connected to the <i>Circuit Intégré de la Dépense</i> by 2007 Feasibility study for regional use of SIGAPSE is completed and adopted At least 12 ministries manage their personnel via deconcentrated SIGAPSE system 	<ul style="list-style-type: none"> More than half are managing resources transferred from center. Government has agreed on model, but not all donors have aligned with it yet.
		<ul style="list-style-type: none"> Half of urban communes manage public resources transferred from center Harmonization of approach and procedures for community-driven development around a nationally-agreed model 	<ul style="list-style-type: none"> Completed.
Community and user involvement in monitoring and evaluation of public services increases	Public understanding of rights and rule of law is limited Civic education must include anti-corruption curriculum	<p>4.c. Increased local capacity and participation in public policy decisions</p> <ul style="list-style-type: none"> Revised CSLP broadly disseminated and discussed 	

Strategic Framework for Poverty Reduction		Contribution of the World Bank Country Assistance Strategy to Burkina's Outcomes			
Country Outcomes (key indicators)	Major challenges	Outcomes to which the CAS will contribute (key indicators)	Mid-term indicators	Mid-term Progress	World Bank support
	<p>Need to promote individual responsibility and moral values</p> <p>Public lacks awareness of administrative procedures</p> <p>Civil society organizations need to be strengthened to monitor Government actions</p> <p>Civil service organizations must serve as a counterweight to Government influence</p> <p>Beneficiaries need to be more involved in evaluation of public services and service providers</p>	<p>in local languages</p> <ul style="list-style-type: none"> • Civil society monitoring of CSLP is operational • Increased civil society consultations on budget preparation and monitoring • At least 50% of rural communes in the 26 PNGT2 provinces have community development plans • Number of participants in WBI-organized workshops rises from 800 in 2004 to 2,000 in 2009 	<p>revised PRSP and budget process</p> <ul style="list-style-type: none"> • Communication strategy is adopted for revised CSLP • Stakeholders — especially at decentralized levels — trained in statistical tools and analysis • GDLN center is operational 	<ul style="list-style-type: none"> • Strategy was adopted. • Various trainings are completed and underway, but additional capacity building is needed. • Operational since 2006, although not used at full capacity. 	

* When left blank, key indicators and mid-term progress indicators were not specified in the CAS.

SUMMARY OF STRATEGIC OBJECTIVE 4



**ANNEX 4: INITIAL CAS LENDING PROGRAM, DELIVERED PROGRAM (FY06-07), AND
REVISED PROGRAM (FY08-09)**

<i>Fiscal Year</i>	<i>Planned Operations</i>	<i>US\$ (millions)</i>	<i>Delivered Operations</i>	<i>US\$ (millions)</i>
2006	Poverty Reduction Support Credit 6	60.0	Poverty Reduction Support Credit 6	60.0
	Health and HIV/AIDS Sector Support Program	37.7	Health and HIV/AIDS Sector Support Program	47.7
	Agricultural Intensification and Market Development	45.0	Agricultural Intensification and Market Development	66.0
	Decentralized Urban Capacity Building	10.0	Decentralized Urban Capacity Building	Delayed
	Regional Aviation Safety	1.3	Regional Aviation Safety	1.3
			Post-primary Education Project II	23.0
	Result-Country Program	155.0	Result-Country Program	199.1
	Regional Aviation Safety	4.6	Regional Aviation Safety	4.6
	Result-Indicative Program	159.6	Result-Indicative Program	203.7
	2007	Poverty Reduction Support Credit 7	70.0	Poverty Reduction Support Credit 7	delayed
Community Based Rural Development II		50.0	Community Based Rural Development II	75.0
			Decentralized Urban Capacity Building	10.0
Rural Energy Access Project		40.0	Rural Energy Access Project	delayed
Result-Country Program		160.0	Result-Country Program	85.0
2008	Initial CAS		Revised CAS	
	Poverty Reduction Support Credit 8	80.0	Poverty Reduction Support Credit 7	90.0
			Rural Energy Access Project	38.8
	Regional Transit Facilitation	15.0	Regional Biosafety Project	1.2
	West Africa Power Pool	10.0	Regional Transit Facilitation	15.0
			West Africa Power Pool	delayed
			Africa Institute for Science and Technology	5.0
	Result-Country Program	105.0	Result-Country Program	150.0
	Regional Transit Facilitation	30.0	Regional Biosafety Project	2.4
	West Africa Power Pool	20.0	Regional Transit Facilitation	30.0
Result-Indicative Program	155.0	Result-Indicative Program	182.4	
2009	Poverty Reduction Support Credit 9	90.0	Poverty Reduction Support Credit 8	80.0
			Potable Water Supply II	60.0
	Education Sector-Wide Program	30.0	Natural Eco-systems Mgt. II	30.0
			Education Sector-Wide Program	advanced
			Agricultural Intensification II/ West African Agric Productivity Program	advanced
			West Africa Power Pool	20.0
	Result-Country Program	140.0	Result-Country Program	190.0
	Agricultural Intensification II/ West African Agricultural Productivity Program	40.0	West Africa Power Pool	40.0
	Result Indicative Program	180.0	Result Indicative Program	230.0

ANNEX 5: HARMONIZATION BY SECTOR¹

	Budget Support	Basic Education	Health	HIV/AIDS	Water & Sanitation	Energy	Transport	CDD	Agri-culture	Private Sector
Validated multi-year sector strategy										
Medium term expenditure framework										
Common baskets or pooling mechanisms										
Common fiduciary procedures										
Unified monitoring and evaluation system										
Joint program reviews										
Joint, participatory analyses										

¹ Shading indicates that the element of harmonization is present in the sector, as judged by World Bank Country Team

