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POVERTY REDUCTION STRATEGY PAPER

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INTRODUCTION

1. The purpose of this report is to take stock of the first year of implementation of the poverty reduction strategy adopted by Burkina Faso's domestic stakeholders in June–July 2000. It focuses in particular on the assessment of conditionalities for the completion point under the enhanced HIPC Initiative, addressed during the review mission for the program supported by the Poverty Reduction and Growth Facility (PRGF).
2. The report is divided into three parts. The first gives a brief overview of the context and the main principles that underpinned the preparation of the PRSP. The second takes stock of progress and difficulties encountered in implementing the priority action plan for each of the four strategic objectives. Finally, the third describes the results of consultations with all the parties involved in the process, in terms of the preparatory work on the assessment exercises and the updating of the PRSP.
3. The conclusion outlines a number of guidelines for corrective action to be included in the paper in order to meet the new challenges arising from the concerns expressed by a number of partners during the consultation process.

1. REVIEW OF THE CONTEXT AND THE MAIN PRINCIPLES UNDERPINNING THE PREPARATION OF THE POVERTY REDUCTION STRATEGY PAPER (PRSP)

4. Burkina Faso launched a program of economic reforms supported by the Bretton Woods institutions and the entire international community in 1991, the main objective being to lay the foundations for sustainable economic development. These reforms produced tangible results, especially after the readjustment of the CFA franc exchange rate in January 1994. Thus, in macroeconomic terms, Burkina Faso performed well, its real annual growth rate having reached approximately 5 percent on average in 1994-99, compared with about 3 percent in 1980–93. On the fiscal management side, tax revenue rose steadily in 1996-99, while operating outlays remained fairly well under control, thereby helping achieve and then sustain a positive fiscal savings rate since 1995.
5. However, the results of the two priority surveys in 1994 and 1998, based on the current poverty line—CFAF 41,099 in 1994 and CFAF 72,690 in 1998—indicated that the number of poor people had risen slightly, from 44.5 percent to 45.3 percent. This is a sign that good macroeconomic performance did not translate into any significant improvement in the living standards of the population. Thus, despite significant efforts to promote essential social services, Burkina Faso is among the poorest countries in the world and has a large social deficit, the main determining factors of which are rapid population growth (2.4 percent a year) and low labor productivity, especially in the agricultural sector, which employs almost 80 percent of the working population.

6. This social deficit, along with extreme poverty and the vulnerability of the population to crises of all types, is a major handicap for any sustainable development initiative. Aware of this state of affairs and fully in line with the Letter of Intent on Sustainable Human Development Policy (LIPDHD) (which was founded on the concept of human security and with a view to implementing the Heavily Indebted Poor Countries (HIPC) Initiative, to which Burkina Faso gained access in September 1997), the Burkinabè Government prepared a poverty reduction strategy paper (PRSP) in 2000 for the period 2000-03. This was based on a participatory approach, in that it brought in all development actors, namely, the central and decentralized government administrations, institutions representing the people, development partners, civil society, and other stakeholders in the country.

7. Burkina Faso has to make up the enormous social deficit that is reflected in low school enrollment rates, inadequate access to sanitation facilities, the unsatisfactory level of access to drinking water, and food insecurity, and it must start making progress in the area of governance. To this end, the Government is committed to giving government policies greater impact and to increasing the purchasing power of the very poor. To achieve these objectives, economic growth is indispensable. It will have to be more vigorous and better distributed over all the sources of growth, especially those from which the poor acquire or could sustainably acquire their income.

8. The strategy is based on the following seven major interdependent guiding principles: refocusing of the role of the State, sustainable management of natural resources, promotion of a new partnership with donors, promotion of good governance, inclusion of the regional dimension, regional balance, and the gender dimension. It is based on the results of ten years of adjustment and on what has been done since the adoption in 1995 of the Letter of Intent on Sustainable Human Development Policy (LIPDHD). The strategy also intends to draw on the subregional integration process in order to transform Burkina Faso's geographical handicap of being a landlocked country into an asset by positioning the country as a crossroads for the economies of the subregion.

2. PROGRESS IN IMPLEMENTING THE PRSP AND DIFFICULTIES ENCOUNTERED

9. A number of steps have been taken to implement the PRSP. The purpose of this section is to provide a brief description of the mechanism introduced domestically to monitor the PRSP, and to assess implementation of priority actions undertaken in each of the four strategic objectives, namely, (i) acceleration of equity-based growth; (ii) guaranteeing of access by the poor to basic social services; (iii) expansion of job opportunities and income-generating activities for the poorest inhabitants; and (iv) promotion of good governance.

10. To ensure that the PRSP is implemented correctly, the Council of Ministers, at its meeting on March 23, 2001, decided to set up a three-level monitoring mechanism, consisting of the following agencies: the Ministerial PRSP Oversight Committee (CMS/CSLP); the Interministerial PRSP Technical Monitoring Committee (CTS/CSLP); and the PRSP Sectoral Monitoring Groups (GS/CSLP).

11. The Ministerial PRSP Oversight Committee (CMS/CSLP) is the decision-making body. It is chaired by the Prime Minister and has three main tasks: (i) to evaluate the progress reports on the action plans established for the implementation of the poverty reduction strategy; (ii) to approve any changes in the strategy paper arising from the evaluation of sectoral action plans; and (iii) to find appropriate solutions to problems in implementing the PRSP. The CMS/CSLP meets at least once every six months with all or some of its members in attendance, depending on the items on the agenda. Its work is coordinated by the Prime Minister's Minister Delegate for Finance and Budget, who reports periodically on the implementation of the PRSP action plans to the development partners and regularly provides information to civil society.

12. The Interministerial PRSP Technical Monitoring Committee (CTS/CSLP) consists of the secretaries-general of the ministerial departments and senior staff of the agencies involved in the implementation of the PRSP. Chaired by the Secretary-General of the Ministry of Economy and Finance, the task of the CTS/CSLP is to coordinate the implementation of the sectoral action plans and ensure that actions undertaken in this context are mutually consistent. It submits quarterly reports to the Ministerial PRSP Oversight Committee on implementation of the PRSP, based on the sectoral groups' reports. The coordinators or lead donors are allowed to take part in the work of the Technical Committee, the Chairman of which has been authorized by the coordinator of the Ministerial Oversight Committee to keep civil society informed on a regular basis, in consultation with the secretaries-general of the other ministerial departments.

13. The PRSP Sectoral Monitoring Groups (GS/CSLP) are operational bodies created within ministerial departments and bodies involved in the implementation of the PRSP. Headed by the secretaries-general or senior staff of the bodies concerned, they meet at least once a quarter and are in charge of monitoring the action undertaken in the field and reporting on them to the Interministerial Technical Committee.

14. With regard to the strategic objectives themselves, the late introduction of the monitoring arrangements (eight months after the adoption of the PRSP) has had an impact on the implementation of most of the scheduled activities. However, based on the sectoral plan progress reports, the following conclusions can be drawn (paras. 15-77):

2.1 ACCELERATING EQUITY-BASED GROWTH

15. Aware of the fact that poverty reduction must be based on strong, equitable growth resilient to external shocks, the Government has developed a strategy to maintain a stable macroeconomic framework, improve the competitiveness of the economy and lower factor costs, accelerate the development of rural areas, and support the productive sectors. It has thus set a target for 2000-04 of an average growth rate in real terms of 6 percent, lower than the target set in the PRSP (7-8 percent), in order to factor in the uncertainties of the international economic situation. During this first year of PRSP implementation, reforms

were introduced to accelerate changes in all sectors of the economy and to make more growth opportunities available.

2.1.1 Stabilization of the macroeconomic framework

16. The Government has pursued a policy of minimizing financial disequilibria, with a view to consolidating the results of recent years in the areas of economic growth and the control of inflation. However, because of some particularly unfavorable exogenous shocks (rise of the dollar and petroleum prices, bad weather conditions, decline in workers' remittances, and mass return of Burkinabè citizens residing abroad), the growth rate slowed significantly, to 2.2 percent in 2000 as against 5.8 percent in 1999. The 7 percent target set in the poverty reduction strategy could not therefore be met.

2.1.1.1 The poverty situation

17. The slowdown in growth in 2000 derives mainly from the primary sector, where growth was negative (-3.8 percent). The 2000 harvest resulted in a decline of 15.3 percent in cereals production, the source of a food deficit whose impact was made worse in some regions by the mass return of Burkinabè workers residing abroad following disturbances in some neighboring countries. Accordingly, the Government, with the support of its development partners, implemented an emergency plan for a total cost of CFAF 7.5 billion, of which CFAF 1.5 billion was used to meet free of charge the food requirements of the members of society living in extreme poverty. In the same vein, CFAF 600 million has been earmarked for a livestock rescue campaign in the areas hardest hit by the drought. Better rainfall in 2001 raises hopes for a better growth outlook, expected to be about 6.2 percent, spearheaded by recovery in the primary sector.

18. Because of the external shocks (including the decline in cotton exports) mentioned above, the external current account deficit worsened, widening from 12.7 percent of GDP in 1999 to 14.5 percent in 2000. As a result, monetary developments were characterized by a sharp drop in net foreign assets (-11.6 percent), expanding domestic credit (4.8 percent), and a concomitant growth in the money supply (5.1 percent).

19. Thanks to the good grain harvest of 1999, the average annual consumer price index declined slightly (-0.3 percent) in 2000. However, following the bad 2000 harvest, inflationary pressures rose during the first eight months of 2001, with the consumer price index rising to 7 percent on a year-on-year basis by end-August, mainly under pressure from cereal prices (23 percent).

2.1.1.2 Fiscal management

20. In 2000, fiscal management was hit by a drop in tax revenue, due to the unfavorable economic environment, a low rate of mobilization of external resources, and a worse-than-anticipated impact of the introduction of WAEMU's common external tariff. The effect of all this was that, despite the steps taken in the second half of 2000 to cut government spending, that the basic fiscal deficit rose to 2.1 percent of GDP. Despite these constraints on economic

management, which led to powerful strains on the cash flow that were felt during the year, the Government was able to provide an adequate budget appropriation for the social sectors, which enabled it to meet the fiscal efficiency targets set for 2000 in the PRSP.

21. Thus, the health and education budget allocations were implemented satisfactorily, and the decentralization of budget implementation has been pursued to ensure that the peripheral structures of these two ministries (regional basic education and health departments, and health districts) could work properly. To enhance the fiscal performance monitoring infrastructure, the Government has opted to undertake surveys and inspections from time to time among the people benefiting from these services, in order to assess the effectiveness of the action it has taken in this area of state budget implementation.

22. Concerning improvements in budget preparation, there were further efforts to integrate sectoral strategies and programs into the state budget. In March 2001, the medium-term expenditure framework (MTEF) for 2002-04 was updated, which enabled the sectoral budgetary allocations to be included in the budget circular in order to focus the preparation of the 2002-04 program budgets (whose 2002 annual tranche will be submitted to Parliament) more efficiently. This exercise, reported to all development partners (civil society and technical and financial partners) in May 2001, before its adoption by the Council of Ministers, represents considerable progress in making consistent the government spending program and the poverty reduction strategy for 2002-04.

Box 1: Key MTEF Targets

- The following are the key targets: Shed light on the projected macroeconomic situation over the next three-year horizon and define a coherent and realistic budgetary framework to enhance the stability of the national macroeconomic framework.
- Put in place a system for allocating resources that is consistent with the Government's strategic sectoral and intersectoral priorities.
- Calculate foreseeable sectoral financial appropriations enabling ministries to prepare strategies and action plans based on sustainable programs.
- Promote more efficient use of resources by administrative units that have been granted more autonomy but are still within the framework of strict overall fiscal discipline.
- Put economic agents in a better position to interpret the Government's medium-term intentions, while helping create a more stable financial environment, thanks to enhanced credibility of economic policies and greater confidence on the part of the economic agents.

2.1.1.3 Efficiency of government spending and equity

23. To analyze the impact of government spending, the Government decided in 1999 to reactivate the public expenditure review (PER) process, with a view to better focusing the budget, and achieving greater transparency in the budget process and greater equity in the

allocation of budgetary resources. In this context, two reviews in the health and basic education sectors and two studies on state budget implementation—by the decentralized infrastructure and the institutional framework of the Public Investment Program, respectively—were undertaken in 2000. These studies provided a diagnosis of the budget process and led to major recommendations that were acted upon in the 2001 budget law.

24. In accordance with these recommendations, the Government accelerated the introduction of delegated appropriations for the decentralized infrastructure of the Ministry of Health and the Ministry of Basic Education and Literacy (MEBA) (regional departments and health districts) and took steps to ensure a satisfactory budget implementation rate in these departments.

25. Two public expenditure reviews are under way in the rural development and infrastructure sectors, respectively. For 2002, at least two sectors are to be covered, namely, justice and trade. In the justice sector, the review will provide a good understanding of its budget operation, with a view to preparing more commensurate budget appropriations in line with the national plan for justice sector reform.

2.1.1.4 Improving competitiveness and reducing factor costs

26. The strategy adopted to make Burkina Faso's economy competitive is based on a vigorous policy of improving human resources, pursuing domestic liberalization, and creating greater openness at the regional and global levels. In this light, whenever the occasion has arisen, the authorities have confirmed the irreversible nature of the economic liberalization process so as to increase its efficiency and create a favorable environment for the development of the private sector. In this connection, a Government/private sector meeting on investment opportunities and the fight against fraud was held on May 25, 2001 in Bobo-Dioulasso, under the patronage of the Prime Minister. Following this important meeting, the Head of Government announced a series of measures to promote the private sector, including the relaxation of customs deferment arrangements (especially those for bonded plants), the introduction of a special computer equipment program to support the modernization effort by industries, and the upward revision of the ceiling on employer and apprenticeship tax relief.

27. With a view to simplifying the conditions for the creation of enterprises and investments in Burkina Faso, efforts have been made since 1998 to harmonize domestic legislation with the regulations of the Organization for the Harmonization of Business Law in Africa (OHADA) and its uniform acts. Also, the number of administrative formalities required to establish enterprises was reduced from 15 to 8 (the goal is to further lower them to 4), which has led to a significant reduction in the time needed to process applications. To strengthen the regulatory framework, action is being taken to make the National Competitiveness and Consumption Commission (CNCC) operational. Despite some progress, more efforts are needed to further improve the business environment and the conditions governing investment.

28. The disengagement of the State from competitive sectors has been pursued over the past 12 months, including through the privatization of the national airline, Air Burkina and, soon, of the Société des Hôtels de Gare. Furthermore, in the context of the reform of the telecommunications sector, the opening of the mobile telephony segment to two private operators (TELECEL and CELTEL) during the first half of 2000 has generated 168 new jobs, improved access to telephones, and lowered communications prices charged by the state operator (ONATEL). The privatization process for ONATEL, currently under way, should be completed in 2002, together with that of management of the airports. The privatization program should make further progress in the next few months, following the adoption in July 2001 by the National Assembly of a law on the privatization of 13 public enterprises, including those involved in the energy sector.

29. The main event in the energy sector was the adoption by the Government in December 2000 of a letter of development policy including an operational timetable for implementation. It includes the establishment of a regulatory agency and the privatization of the Société Nationale Burkinabè d'hydrocarbures (SONABHY) and the Société Nationale d'Électricité du Burkina (SONABEL). In the electricity sector, the grid was linked with that of Côte d'Ivoire in April 2001, boosting both supply and coverage and opening up the medium-term prospect of a reduction in the kilowatt/hour price, with the planned extension of the hookup to Ouagadougou. A rates study, the results of which are expected by the end of the year, will help adjust the rates to the expected production environment of SONABEL.

30. The tax system has also been adjusted to improve the competitiveness of enterprises. Readjustments were made in the 2001 budget law to ease the procedures and rates on acquisitions of goods, and withholdings on business profit taxes. Other measures were adopted in the area of excises (tobacco products) and insurance taxation to bring national legislation into line with WAEMU directives. New tax arrangements for petroleum products were adopted in line with the new pricing mechanism for petroleum products, which entered into force in February 2001. Lastly, a study on the macroeconomic implications of the taxation of enterprises for overall supply was carried out; its initial conclusions suggest a need for the Government to undertake targeted action to improve the competitiveness of enterprises. A follow-up to the study is under way, and an action plan including a timetable for implementation will shortly be submitted to the Council of Ministers.

2.2 GUARANTEEING ACCESS BY THE POOR TO BASIC SOCIAL SERVICES

2.2.1 Basic education and literacy

31. The poverty reduction strategy particularly emphasizes access by the poor to basic social services (basic education and literacy), the impact of which access on improving the health, living conditions and standards of the population is undeniable.

2.2.1.1 Basic education

32. The first year of PRSP implementation was characterized by mixed results in the primary education area, given the delays in starting up the Ten-Year Basic Education Development Program (PDDEB), which will be launched at the start of the 2001/02 school year. Although anticipated outcomes were achieved in the areas of gross enrollment rates for girls and primary school registration in rural areas, the reverse is true for the gross school enrollment rate in the poorest areas. Efforts need to be pursued in rural areas to increase enrollment of girls. They remain disadvantaged overall, despite the priority given to them in the poverty reduction strategy.

Box 2: Survey of the decentralized services of the Ministry of Basic Education and Literacy (MEBA)

Based on the preliminary results of the Statistical Institute 2001 survey of the decentralized services of MEBA, the cost of school attendance at the primary level paid by parents (minimum package, parents of schoolchildren dues, school meals, and other charges), rose by some 17 percent from 1999 to 2000, because of the increase in the cost of the minimum package and the school meals payments; the latter of these reflects the increased cost of foodstuffs after the 2000 cereals harvest shortfall.

Table 1: Education Monitoring Indicators (of percent)

Education	1999	2000 Target	2000 Performance	2001 Target	2002 Target	2003 Target
1. Gross enrollment ratio for girls	33.6	34.0	36.2	37.2	44.1	45.0
2. Gross enrollment ratio in the poorest rural areas				16.0		
3. First-year enrollment ratio (CP1)	36.1	37.0	38.6	39.0	39.8	40.0
Girls	30.2	32.0	32.9	34.0	35.0	37.0
Rural areas	41.6	43.6	...			
20 poorest provinces						
4. Literacy rate	27.5	28.7	29.1	29.9	31.1	32.4
Women	16.0	17.0	16.5	16.6	16.8	17.0
Proportion of literate women in the 20 poorest provinces						
5. Average cost of primary school attendance*	4,003		4,695			

* Average cost per class supported by households.

33. However, the shortfalls noted in the subsector were not due to a lack of budgetary appropriations to the primary education sector. Indeed, the ministry's budget allocation (excluding external resources and joint interministerial expenditure) increased from CFAF 26.5 billion in 1999 (15.3 percent of the total budget) to CFAF 29.9 billion in 2000 (18.3 percent of the total budget). For 2000, in terms of the supply of education, the accommodation capacity at the primary level was 850,000 classrooms, 80 percent of which were in good condition. In the 20 provinces with the lowest school enrollment, the accommodation capacity was for 210,000 pupils, with classroom usage at a rate of 91 percent; room was therefore available for about 20,000 more pupils.

Table 2: Construction of Educational Infrastructure for 2000

Description	Government Budget	HIPC Resources	External Financing	Total
Primary school inspection offices	7			7
Schools	25	33	101	159
Housing units	84	102	104	290
Pits	35	55		90
Latrines	55	130	157	342

34. In 2000, the school infrastructure building effort continued, with the construction of 159 schools. To provide these schools with a minimum of sanitary conditions, 342 latrines were built. In addition, 206 housing units were built to improve working conditions for teachers. These statistics include the buildings financed by HIPC Initiative resources, which enabled the authorities to start the construction and outfitting of additional school infrastructure in the 20 poorest provinces, the overall aim being to achieve an equitable improvement of education indicators in Burkina Faso.

35. To facilitate proper implementation of the Ten-Year Basic Education Development Plan (PDDEB), the Government adopted a letter on education policy in March 2001 regulating movements among the various levels of education and eliminating the automatic link between admissions into the National Schools for Basic Education Teachers (ENEP) and employment in the civil service. The latter measure creates a new category of teachers to be recruited at the decentralized level, with a status similar to that of community teachers. The community schools program will therefore have to be expanded. The Government is making every effort to update the costing of the PDDEB to facilitate the preparation of implementation manuals and the introduction of a satisfactory management system.

2.2.1.2 Literacy

36. The statistics on literacy indicators do not give a true picture of the results achieved in this area. The authorities are aware of the need to intensify efforts to achieve the set targets; hence, the letter on education policy provides for the revision of curricula, improved training of facilitators and supervisors, better program design, the production of new and appropriate instructional materials and their dissemination to the various target audiences, and quality resource persons.

37. Meanwhile, efforts were pursued in 2000 to improve the supply of infrastructure, with the delivery to the education system of 225 satellite schools and 40 informal basic education centers, financed primarily by external assistance. The stated desire to make greater efforts in this area led, at end-2000, to the appointment of a Secretary of State responsible for literacy in the Office of the Minister of Basic Education and Literacy.

38. A forum on education is planned for the months ahead to assess the policy adopted to date in the sector and make any necessary changes to improve the education system overall.

2.2.2 Health

39. Improving health is the keystone of the effort to combat poverty in Burkina Faso. Indeed, despite significant efforts over several years, the health situation is still characterized by very high morbidity and mortality rates, attributable not only to low rates of access to, and use of, health services, but also to the high incidence of infectious and parasite-borne diseases.

40. Three objectives were retained in the PRSP for promoting access of the poor to health services: improve the poor's health indicators, limit the impact of health care payments on the income of needy households, and involve the poorest users and communities in health decisions. In light of the results achieved, the objective of improving health indicators in 2000 was largely met. However, greater efforts are needed to counter the impact of HIV infection and AIDS, whose prevalency rate—at about 10 percent, according to the latest available estimates—makes this scourge a serious development issue.

41. To improve access by the poorest segments of the population to health services and limit the impact of health care on the income of needy households, priority was given to establishing a human resources development policy and increasing budgetary appropriations for better monitoring of people in rural areas. Accordingly, the recruitment of 428 staff financed by HIPC resources allowed the strengthening of the health and social development centers (CSPS), and the proportion of these centers meeting the required standards was increased to 70 percent in 2000, compared with a target of 65 percent. Moreover, the districts are now entitled to recruit contractual personnel.

42. The standardization of health infrastructure was also pursued, in particular with the erection of 23 dispensaries, 18 maternity centers, 104 housing units, 16 warehouses for essential generic drugs (MEG), 56 CSPS (with the aim of reducing the distance to health facilities), and 15 medical-surgical facilities (CMA) to ease overcrowding at the national hospital centers (CHN).

Table 3: Construction of Health Infrastructure in 2000

Description	Government Budget	External Financing	Total
CMA	-	15	15
CSPS	-	56	56
CRM	-	5	5
Dispensaries	9	14	23
Maternity centers	7	11	18
CTA (ambulatory care centers)		1	1
MEG warehouses	8	8	16
Housing units	47	57	104

43. There was a small decline in budget-financed health expenditure from CFAF 24.12 billion in 1999 to CFAF 23.26 billion in 2000, related to the ending of certain projects. However, with the allocation of about CFAF 3.59 billion in HIPC resources, overall health appropriations for fiscal-year 2000 were CFAF 26.85 billion, representing an increase

of 11.3 percent from the previous fiscal year. Despite these efforts, data from the National Health Information System (SNIS) indicate that the rate of visits to primary structures seems to have leveled off at about 20.6 percent in 2000. This could be explained primarily by the decline in rural incomes as a result of the poor grain harvest of the 2000 season, the corollary of which was a greater use of traditional medicine or self-medication. Data for 2000 on the number of new contacts, by individual and by year, are not yet available.

Table 4: Health Monitoring Indicators

	1999 Performance	2000 Target	2000 Performance	2001 Target	2002 Target	2003 Target
Vaccination coverage ratio (in percent)						
BCG	60	70	80	80	83	85
DTCP3	42	50	57	60	65	70
Measles	53	55	59	60	65	70
Yellow fever	50	55	56	60	65	70
Number of new contacts, by person and by year, in the primary structures (CSPS, CMA)	0.23	0.24	...	0.25	0.26	0.27
Number of CSPSs meeting the personnel standards		60	70	65	80	90
Rate of MEG supply interruptions (in percent at CAMEG (Central Procurement Unit for Essential Generic Drugs) for the basket of 45 priority products)	2.13	<10	0.19	<8	<8	<8

44. As regards health indicators, vaccination coverage improved between 1999 and 2000. The targets set for BCG, DTCP3, measles, and yellow fever were exceeded as a result of the strengthening of the expanded vaccination program. Moreover, programs to eradicate guinea worm disease and to combat leprosy and tuberculosis, considered social diseases (i.e., affecting the poorest segments of the population), were systematically followed through health care packages. In addition, emphasis was placed, in the first quarter of 2000, on the management of epidemics, in particular meningitis, via technical support for the health districts (verification, application of the therapeutic guide, etc.), and it was decided to provide syringes and health diaries for the poor free of charge. Finally, for children 0-5 years old, hospital centers give 50 percent reductions and cover the costs of nutrition in the minimum activity package.

Box 3: Survey of Decentralized Services of the Ministry of Health

According to the results of a survey of primary health care service users carried out by the National Institute of Statistics and Demography (INSD) in 2001, the cost of medical acts in the primary structures seems to have generally increased, compared with the previous year. However, the situation varies depending on the act in question and from one province to the next. Thus, whereas increases are noted for interventions such as Cesarean sections (2.3 percent) and the treatment of hernias (4.5 percent), those related to dystocia in childbirth and intestinal occlusions declined, respectively, by 11.2 percent and 19.5 percent. The highest costs are generally noted in health districts located in provinces that are not easily accessible.

45. Since May 2000, all children age 0-5 and pregnant women have been receiving free micronutrients (iron, vitamin A, and iodine). To reduce the negative effects of malaria, which is the main cause of death among the poor, the cost of obtaining mosquito nets and treated

curtains was lowered for this category of people. These actions were supplemented by a strategic plan covering the period 2001–05 and an action plan for 2001.

46. In order to improve women's lives by enhancing reproductive health, the experimental least-risk maternity program, carried out in 12 health districts, will be extended if its ongoing assessment proves conclusive. With the same aim in mind, policies, standards, and protocols were prepared and will soon be disseminated.

47. The continuous availability of essential generic drugs was ensured through distributing warehouses, which had virtually no interruptions in supplies during the year. The availability of vaccines is ensured through the framework of vaccination activities at established centers and in the advanced strategy.

48. As regards the fight against HIV infection, AIDS, and STDs, three national plans were implemented for a total cost of \$34.83 million from 1987 to 2001. A strategic framework covering the period 2001–05 was adopted by the Council of Ministers at its meeting on May 9, 2001, and financing for the framework was discussed at a donors' roundtable in June 2001. A program to reduce the transmission of HIV infection from mother to child was designed, and measures were taken to ensure the availability of blood and HIV screening tests in the health districts. The quick screening test is available at all blood transfusion centers. Given the importance accorded by the Government to the fight against this pandemic, the National Council Against AIDS and STDs and its permanent secretariat were attached to the Office of the President. As part of the search for alternative strategies to replace hospitalization, the ambulatory treatment center was put into operation as of September 2000. The sick now have good health care prospects, with the recent reduction ranging from 38 percent to 96 percent, in the prices of retro-antiviral products, following the conclusion in August 2001 of an agreement with a number of pharmaceutical firms.

49. One element of the health system is user and community participation in the management and development of activities. The functions of the management committees (COGES) were broadened in the areas of participatory microplanning and monitoring of priority health activities. Efforts are also being pursued to promote greater involvement by women. A guide for the preparation of rules of procedure for COGES is available, as well as a document on community-based services.

2.3 EXPANDING JOB OPPORTUNITIES AND INCOME-GENERATING ACTIVITIES FOR THE POOR

2.3.1 Reducing the vulnerability of the agricultural sector

50. As regards water and soil conservation, encouraging results were recorded over the past 12 months. For example, 23,378 antierosion sites and 18,826 hectares of *zai* were established, 7,124 hectares were mulched, and 1,638 hectares of glacis were reclaimed. In addition, as part of the effort to improve natural resources management, village land management committees (CVGT) are being established.

51. Prospects are promising in the area of soil fertility management, which is a component of the priority programs adopted in the Operational Strategic Plan (PSO). The plan was recently brought in line with PRSP objectives concerning the maintenance of productive machinery, the durability of production systems, and better distribution of income at the regional level. The major thrusts as regards the improvement and maintenance of soil fertility were the subject of a strategy adopted by the Government in 1998, as shown in the National Soil Fertility Management Action Plan (PAGIFS), aiming, among other things, at increasing yields and ensuring their sustainability by guaranteeing the protection of natural resources. Pending the implementation of this action plan, the highest authorities have expressed their commitment to promote the use of organic fertilizer under a program in which peasant organizations will build 50,000 manure pits, supplementing those already created (24,000) within the framework of projects.

52. In the area of rural hydraulics and drinking water supply, the Government plans to strengthen institutions in the sector to ensure efficient resource management. In this regard, a water management policy law was adopted in February 2001.

53. Achievements included the creation of 1,034 new water supply points (compared with a target of 600), including 5 miniwaterworks, 774 pits (compared with an estimate of 500), and the restoration of 35 large-diameter wells. This latter component will be reinforced in coming years with HIPC resources. As regards agricultural hydraulics, 1,331 hectares of wetlands, 181 hectares of small-scale irrigation works, and 60 hectares of fields for experimenting with demonstration and sensitization were developed in Burkina Faso's agricultural regions. As regards pastoral hydraulics, 1 dam, 22 pits (including 15 as part of the livestock rescue plan), and 23 wells were built, and 5 *bouli* (artificial pool) sites were identified. Under the sectoral program to support livestock breeding, 32 stockyards were developed (20 for holding livestock and 12 for vaccination). Finally, at the institutional level, the framework paper on reform of the system for managing hydraulic infrastructure for the supply of drinking water (AEP) was adopted by the Council of Ministers at its meeting on October 18, 2000.

Table 5: Targets for the Supply of Drinking Water

Indicator	1999	2000	2000	2001	2002	2003	2010
	Base	Target	Position				
Reduction of AEP disparities among provinces through an increase in the coverage rate							
Number of provinces (NP) < 50 percent	3	0	6	-	-		0
50 percent < NP < 75 percent	9	4	11	2	2		0
75 percent < NP < 85 percent	10	3	3	2	2		0
85 percent < NP < 90 percent	6	3	1	3	1		0
90 percent < NP	17	35	24	37	37		45
Increase of equipment for secondary centers	200	215	205	245	305	365	800
Reduction in the rate of breakdowns of manually operated pumps (in percent)	20	20	20	20	18	18	5
Improvement of access to drinking water through the creation of new water points	30,000	30,600	31,034	31,400	32,000	33,000	

54. As regards securing land tenure and providing access to land, the agrarian and land reform law (RAF) is still the main reference framework for government actions. Steps will be taken to draft and adopt its various regulations. In addition, as regards pastoral projects and the securing of land tenure, regulations were drafted on transhumance, grazing, and the settlement of conflicts between farmers and livestock breeders, and 12 pastoral zones were created. More than 1,000 International Transhumance Certificates (CIT) and 2,300 National Transhumance Certificates (CNT) have been issued to breeders. As part of the Pastoral Code drafting effort, a series of consultations have been held in 2001 at regional workshops. These consultations will be finalized with a national workshop to be held before year's end.

2.3.2 Intensification and modernization of agriculture

55. The improvement of research and of the link between it and outreach activities is a major concern in the present context, marked by a firm desire to refocus the Government's role in the various national sectors.

56. The most visible action is that carried out in the cotton sector, which is now managed jointly by producers organized within a well-structured federation. The producers hold 30 percent of the capital of SOFITEX and participate in the definition and implementation of the company's strategy. This arrangement, which is unique in the subregion, has markedly improved relations among the various participants and helped institute a professional approach within the sector. SOFITEX plans to withdraw gradually from the financing of inputs and will be replaced by the National Agricultural Credit Bank (CNCA), which is better equipped to shoulder the risks related to this activity.

57. In 2000, about 551,000 farmers received training to improve their production performance. Information on technical topics was disseminated through 12,785 working groups. The average rate of adoption of these technical topics was on the order of 89 percent, with marked interest in the establishment of antierosion sites (107 percent), the use of animal traction (98 percent), and the use of organic manure (99 percent) and mineral manure (90 percent).

58. Other components of this framework are the dissemination of information on improved production techniques to some 15,000 stockbreeders, the deployment of teams of specialized technicians to monitor farms, and support for the installation of new farms.

2.3.3 Increasing and diversifying rural income

59. To ensure the growth and diversification of rural income, more than 100 stock-fattening projects were financed by the Program in Support of Grass Roots Initiatives/Poverty Reduction (Programme d'Appui aux Initiatives Communautaires de Base/Lutte contre la pauvreté—PAICB/LCP) in the five regions in which it operates. Initiatives of the same nature—Such as poultry and pig raising, and dairy production projects, have also received support in the context of projects, through the special food security program for women, or through nongovernmental organizations (NGOs).

2.3.4 Opening up isolated areas

60. In recognition of the fact that the lack of road infrastructure is one of the major obstacles to rural development, as it blocks access to local markets, Burkina Faso is supporting agricultural activity through a comprehensive program involving the construction of 6,000 kilometers of rural roads by 2004. As part of the poverty reduction strategy, an additional program supported by HIPC Initiative resources was undertaken in 2000 to build 266 kilometers of rural roads in four provinces at a total cost of CFAF 1.8 billion. With an allocation of approximately CFAF 2 billion in 2001 HIPC Initiative resources, the program was extended to nine provinces for the building of 387 kilometers of rural roads. On the institutional level, a Directorate-General of Rural Roads was created within the ministry responsible for infrastructure to execute the Government's plans in this field. Discussions are also under way on the preparation of a rural road development strategy.

61. As part of the National Electrification Plan (currently being revised), nine secondary centers were electrified in 2000, and a rural preelectrification program using photovoltaic solar energy systems and covering 125 departmental centers was carried out. This program contributed significantly to reducing rural poverty by installing public lighting systems and providing health centers with equipment for the preservation of medicines. The activities of recreational centers were also boosted by the provision of audiovisual equipment. Rural electrification is expected to progress in the years ahead with the planned establishment, in the context of implementing the energy development policy letter, of a rural electrification agency and fund.

62. In the telecommunications sector, as part of the effort to extend access to universal service, a program was initiated to offer each rural community and each village at least one public telephone, with the possibility of providing service to the town hall and health center and offering toll-free calls to the nearest emergency service offices. A program with that objective has been prepared for the period 2001-04, and financing—estimated at US\$89.6 million or roughly CFAF 63 billion—will be provided, in particular through a universal service access fund to be funded by telecommunications companies. Two hundred localities are covered by this program, which will provide some 22,400 telephone lines in rural areas.

2.4 SUPPORTING PRODUCERS' ORGANIZATIONS AND COLLECTIVE INFRASTRUCTURE

63. To improve cooperation among producers and all partners, producers' organizations have been established. Among farming organizations, there are currently close to 24,460 groups (21,600 village groups, 3,500 groups of cotton growers, and 360 groups of young farmers), 230 producers' unions, and 730 young people settled on their land. A livestock farmers' dairy organization, the Federation of Livestock Farmers of Burkina Faso, was created. Also, a National Farmers' Day was instituted, featuring an annual meeting between the Head of State and the rural sector. To promote the broad dissemination of information to migrant livestock farmers, facilitate the tracking of livestock movements, and

maintain good cooperative relations with border countries, a Migrant Livestock Farmers' Operational Support Unit (UAFET) was created in the context of implementing the Animal Health and Promotion of Pastoralism component of the National Agricultural Services Development Plan (PNDSA).

64. Actions to support agricultural operators and their organizations were taken in the 2000/01 crop year, in pursuit of the objectives of the priority action plans included in the Operational Strategic Plan formulated to support the sector's development. Thus, in the field of microfinance, the Rural Financing Action Plan (PA/FMR) supported capacity building among professionals in the sector by helping to organize and cofinance training. In the rice sector, the Rice Sector Action Plan (PA/FR) supported the organization and establishment of an Interprofessional Rice Committee (CIR) made up of growers, suppliers of inputs, merchants, processors, and transporters.

2.5 PROMOTING GOOD GOVERNANCE

65. Poverty reduction also requires that actions be taken to ensure the full exercise of political authority and freedoms, and guarantee citizen involvement, efficiency and transparency in the civil service, as well as access to legal services. Consequently, the promotion of good governance essentially entails good democratic governance, good economic governance, and good local governance.

2.5.1 Good democratic governance

66. Implementation of the national good governance plan adopted by the Government in 1998 was pursued with the creation of an executive secretariat for good governance and the establishment of a monitoring mechanism (national coordination of good governance and sectoral monitoring committees). A donors' roundtable is now being planned. Progress in carrying out the comprehensive civil service reform included, in particular, the introduction of the new merit-based evaluation system in 2001, implementation of the new contractual status, and the preparation of job descriptions in the various fields of activity.

67. The democratic process was strengthened with the holding of municipal elections in 2000. The creation of a forum for free expression and the emergence of human rights movements are further strengthening the democratic process. The search for a transparent electoral process supported by the entire political spectrum led to a revision in 2001 of the electoral code and the strengthening of the powers of the Independent National Electoral Commission, which is now responsible for the entire process, from revising lists to handling electoral disputes. As part of this same dynamic, draft political party charters and rules governing the rights of opposition parties are being prepared.

68. Other broad political initiatives have been undertaken in 2001, including the organization of a National Day of Forgiveness to foster national reconciliation, and the creation of a High Council to Monitor Weapons Imports, as well as of a High Authority to Control the Proliferation of Small Arms.

69. To ensure the proximity of courts and increase their efficiency, a judicial reform plan was adopted in April 2000, followed by the development of an investment program. A donors' roundtable was organized in June 2001 to implement this plan.

2.5.2 Good economic governance

70. The Government has initiated an internal discussion to assess the progress of fiscal reforms undertaken since the launch of the structural adjustment program in 1991 and to identify necessary supplementary measures to increase efficiency, transparency, and the accountability of managers in the context of a Program to Strengthen Fiscal Management (PRGB). Following validation in a workshop, the proposals of the working group were forwarded to the Council of Ministers for review. In support of this initiative, a process aimed at conducting a study on the reporting obligation (Country Financial Accountability Assessment—CFAA) was initiated with the support of technical and financial partners. This process is expected to lead to a complete diagnosis of the strengths and weaknesses of public and private accounting systems in Burkina Faso, as well as the identification of measures that will ensure the reliability and credibility of public and private accounting systems and the accountability of those involved.

71. To ensure parliamentary control over budget execution and to strengthen fiscal management, the Government forwarded draft budget review laws for fiscal-years 1995-98 to the Audit Office.

72. The most notable achievements in the fight against corruption are the publication of the results of tenders on government contracts in a journal created specifically for that purpose and the initiation of a revision of the general regulations on procurement aimed at increasing the transparency of such operations. Adoption of the revised regulation is expected by the end of this year, after the recommendations made in the context of PRGB, the CFAA exercise, and comments from some of Burkina's development partners have been incorporated. Meanwhile, steps have been taken internally to limit abuses of private contracts and the splitting of contracts to circumvent the regulations.

73. The meeting in Bobo-Dioulasso between the Government and the private sector on May 25, 2001, in which the Government reaffirmed its determination to eradicate the scourge of corruption, marked a new phase in this battle. To give concrete expression to this commitment, steps were taken to monitor compliance with tax legislation by enterprises in the formal sector. Discussions are also continuing on widening the tax base by gradually incorporating operators in the informal sector into the official system. Particular mention should be made of the Government's creation in May 2001 of an Ethics Committee, one of whose tasks is to combat corruption, and the emergence of a national anticorruption network, an initiative of civil society.

74. Lastly, strengthening the legal framework under which businesses operate by gradually bringing national law into line with the provisions of the OHADA treaty and its

uniform acts is a welcome development, as this will help improve the investment environment and promote healthy competition among economic operators.

2.5.3 Good local governance

75. In the Decentralization Guidelines (TOD) adopted in 1998, decentralization is presented as the basic impetus for the furthering democracy. The guidelines affirm the right of local communities to freely govern themselves and to manage their own affairs, with a view to promoting grassroots development and strengthening local governance. Following the adoption of these guidelines, mechanisms were developed throughout 2000 to promote ownership of the TOD and ensure the accountability of local and central officials, so that all involved will be fully committed to, and take responsibility for, the consistent implementation of decentralization. These mechanisms consisted of frameworks for multisector dialogue, based on a national workshop and sectoral and regional workshops for the formulation of action plans aimed at transferring know-how and resources to key sectors.

76. The organizational structure for decentralization was recently supplemented by the creation of regions. In this new environment, which reinforces the decentralized rural development strategy adopted by the Government to serve as a unifying framework for the various programs and projects aimed at the grassroots development of rural communities, a basis is provided for the PRSP to conduct actions aimed at reducing regional disparities.

77. Lastly, the number of district councils (*communes*) in full operation has increased to 49, including the 33 first-generation councils serving their second term of office following the most recent municipal elections of November 2000.

3. MONITORING POVERTY

78. The PRSP now serves as the reference framework for government action and for efforts by development partners to reduce poverty. Implementation of the PRSP got off to a particularly slow start, owing to the delay in establishing the monitoring system, which did not occur until March 2001, eight months after the adoption of the document.

79. As mentioned earlier, the monitoring system comprises three levels: the Ministerial PRSP Oversight Committee (CMS/CSLP), a decision-making authority that reports to the Prime Minister; the Interministerial PRSP Technical Monitoring Committee (CTS/CSLP), a technical body of the ministerial committee chaired by the Secretary-General of the Ministry of Economy and Finance; and the PRSP Sectoral Monitoring Groups (GS/CSLP), organized at the ministerial department level or within an interministerial framework for cross-disciplinary subjects, and chaired by the secretaries-general.

80. Since their establishment, the above-mentioned structures have drawn up a work schedule for the period April-August 2001, in order to carry out the necessary activities in the context of the PRSP assessment and review process.

81. The CMS/CSLP met for the first time on April 3, 2001 in a government seminar under the auspices of the Head of State, with a view to making its members aware of the importance of implementing the PRSP and of the need to take the appropriate steps to quickly organize the sectoral groups, so that they can begin the work assigned them as soon as possible. A second meeting was held on June 22, 2001 to examine the first implementation report prepared by the Interministerial Technical Monitoring Committee, based on the reports of the sectoral groups.

3.1 IMPROVING THE PRSP PREPARATION PROCESS

82. The activities carried out under the oversight of the Interministerial Technical Monitoring Committee as part of the PRSP assessment and review process are listed below.

3.1.1 Publicizing/disseminating the PRSP

83. Since the establishment of the PRSP monitoring system, outreach activities have been undertaken to involve institutions representing the people, civil society, and partners. It is in this context that the Minister Delegate for Finance and Budget made statements to the members of the Economic and Social Council and the House of Representatives, on April 23 and 27, 2001, respectively. Two meetings were also held with development partners on PRSP implementation, the first of which dates back to June 2001. The recent session of the National Assembly to ratify IDA's PRSC was also used as an opportunity to bring the representatives up to date on priority actions carried out during the past 12 months.

84. To enhance ownership of the PRSP by grassroots communities and foster their effective participation in its implementation and updating, actions to provide information on the document were organized not only by civil society organizations, but also by government agencies. The Permanent Secretariat of Nongovernmental Organizations (SPONG), which groups some 98 NGOs, organized a workshop on April 18-20, 2001 to sensitize and inform its members.

85. Besides SPONG, the Network for Information and Training of Women in NGOs (RECIF/ONG) launched a PRSP ownership workshop in June 2001 for a core group of 20 persons from the 10 economic regions of the country; 10 of the group were from women's associations and 10 from the regional directorates of economy and planning. The objective of the workshop was to have these local resource persons take ownership of the PRSP and subsequently assume the responsibility for publicizing it in their regions, thereby enabling grassroots communities to critically analyze the document and contribute to its updating. Throughout July, this meeting was effectively followed up with sessions to convey the document to the grassroots population, supported by presentations of the document in the three major national languages.

86. In addition to civil society, government agencies also organized meetings on the document. To that end, the periodic meetings of Directors of Research and Planning of the various ministerial departments included a PRSP information session, introduced at the

initiative of the Directorate-General of Economy and Planning. In June 2001, the Directorate-General also organized a PRSP information session/workshop to convey the document to local officials (high commissioners, prefects, and mayors) from the three provinces of the central region. A sensitization and information workshop was convened for social workers in June 2001 under the auspices of the Ministry of Social Development and National Solidarity, which stressed the department's participation in poverty reduction. This concern has also been a central theme of the ministry's CASEM in 2001. Similarly, the Secretary-General of the Government requested that the Prime Minister's Minister Delegate for Economic Development inform senior government officials on progress made in implementing the PRSP.

3.1.2 The PRSP review process

87. The framework for the review of the PRSP includes four stages. Based on the work of sectoral groups, in May 2001 the Interministerial Technical Monitoring Committee prepared a preliminary report on the implementation of the strategy, which was used for information purposes at the regional consultations. At the same time, a series of interviews and surveys of the decentralized health and education services and their users were conducted to assess the level of user satisfaction and actual implementation of the reforms. The results of the assessment of the first year of implementation and of the completion point of the enhanced HIPC Initiative will enable the poverty reduction strategy to be updated, and the process should be finalized by end-October 2001. The future PRSP will incorporate the guidelines of the state budget proposal for fiscal-year (FY) 2002, which will be examined by Parliament by then, at which time the results of the forum on the implementation of the poverty reduction information system will be available.

88. Regional workshops held in Tenkodogo, Ouahigouya, Bobo-Dioulasso, and Ouagadougou, with a total of over 450 participants, intensified the ongoing discussions on poverty reduction. They were important forums for discussion of government strategies on poverty reduction among the central Government, local governments, development partners, the private sector, and civil society. They also helped to strengthen the participatory process associated with the implementation and updating of the PRSP.

89. The **Workshop in Tenkodogo**, held July 12-13, 2001 with 120 participants, was centered on the theme, "Human Resources and Poverty Reduction." It provided a forum for discussion of the strategy developed to improve the provision and accessibility of basic social services, and ways and means of providing incentives to grassroots communities to express their concerns about the accessibility, supply, and quality of these services.

90. Regarding the basic education sector, the main concerns aired were the following: (i) reform of the ENEPs, which, according to some, could be incompatible with the desired objectives of improving the quality of the education system; (ii) the high cost of access to school, which is a heavy burden on household budgets; (iii) the failure of the PRSP to take into account other types of education; (iv) the lack of synchronization between construction of schools and the implementation of indispensable accompanying measures (particularly

staff recruitment); and (v) the lack of structures to accommodate primary school graduates who are denied access to conventional secondary education.

91. At the conclusion of the workshop, participants recommended that there be further discussions about the length of basic teacher training and that the training of teacher trainers and nonformal education be taken into account in priority PRSP programs. They also suggested that the education system be reformed to enable children to take care of themselves after leaving school by teaching them not only knowledge but also behavior. Such a reform will include drafting a specific career plan for primary schoolteachers or, failing that, implementing a system of incentives for those working in certain localities and resources to produce more effective teacher trainers.

92. Regarding the health sector, concerns were expressed, inter alia, about the low rate of health facility visits (largely imputed to scarce human resources, the poor quality of patient service, and the high cost of medicines for the very poor), the unsuitability of the packaging of vaccines for rural environments, and the absence of an appropriate human resource management policy in the health sector. To ensure that the action of government authorities in this sector is more effective, participants in the workshop recommended, in particular, a review of budget allocations to the health districts (which cover 95 percent of the demand for health care), continuation of the policy to improve existing health facilities, development of initiatives to improve the quality of health care, and development of a high-quality private health care sector to allow the Government to deploy its resources more efficiently in rural areas.

93. **The workshop organized in Ouahigouya on July 20-21, 2001** focused on rural development and poverty reduction. The workshop included 134 participants and provided the forum for a dialogue (currently unfolding at the national level) on the Government's sectoral policies in the area of rural development, as well as on the fundamental constraints confronting such development.

94. In the course of the discussions, participants voiced concern at the continuing impoverishment of rural areas in spite of the significant efforts made to implement development projects and programs, and called for a review of the program strategies in this area. The participants deplored the insufficiency of the HIPC Initiative resources allocated for rural development (a sector that accounts for the bulk of the population), as well as the inadequate coordination among the various departments operating in this field. Concerns were also expressed regarding the difficulties involved in enforcing the law on agrarian and land tenure reform; attention was drawn to the danger that rural farmers would be evicted from farmland and pastureland because of a headlong rush to boost the agricultural private sector.

95. Beyond these concerns, the workshop put forward pertinent recommendations to improve the harmonious development of the rural environment. In particular, the workshop advocated the adoption of a pragmatic approach toward rural development policy design and implementation and the pursuit of a broader strategy for rural development that extended

beyond farming activities. In this respect, such issues as rural electrification, environmental preservation, access to new information technologies, etc., also deserve consideration. Participants pointed out that achieving food security must remain the top priority among poverty alleviation efforts; accordingly, incentive measures (including subsidies) ought to be developed as a way to stimulate food crop production, as is the practice with cotton. Further efforts to focus on achieving food security are a prerequisite for strengthened agricultural production and poverty alleviation in rural areas.

96. Concerning the marketing of agricultural products, the workshop found that the authorities were attentive to the concerns of producers. However, the workshop reaffirmed the important role played by information in helping producers to organize and thereby gain access to international markets. The workshop recommended utilizing the decentralization process as a way to expedite rural development.

97. **Bobo-Dioulasso:** The third workshop, held on August 2-3, 2001, focused on competitiveness and poverty alleviation. Discussions addressed efforts to enhance the competitiveness of the national economy and to address the chief constraints on private sector development. The workshop, which brought together 106 participants, aimed at clarifying the roles to be played by the various stakeholders to improve the competitiveness of the national economy, and at enhancing the awareness of economic operators regarding the consequences of poverty, which poses a serious threat to society as a whole.

98. Discussions focusing on the determinants of competitiveness highlighted the costs of inputs, energy, telephone services, water, and transportation in Burkina Faso, as well as the opportunities generated by globalization and regionalization, provided that efforts are made to diversify production and to ensure that research findings are duly put into practice. Participants deplored the one-size-fits-all approach toward private sector development strategies, which overlooks the constraints associated with each particular sector. Accordingly, participants urged that the various segments of society be allowed to play a greater role in preparing sectoral strategies, so as to achieve greater synergy in government projects and enhance consistency in their implementation. It is also becoming increasingly necessary to strengthen partnerships and intensify exchanges of experience with other countries in an effort to boost private sector capacities, and to strengthen consumer associations, which play an undeniable role in promoting competition.

99. Lastly, **the seminar in Ouagadougou**, which took place on August 10, 2001 and was attended by 92 persons, focused on the role of good governance in reducing poverty. The introductory remarks addressed a wide range of issues, such as the national governance plan, participation as a key to good governance, reform of the judicial system and promotion of civil rights, anticorruption efforts, the role of the press in promoting good governance, and decentralization and local governance.

100. The concerns expressed at this gathering focused, inter alia, on the need to ensure consistency between the national good governance plan and the existing sectoral strategies (particularly the strategy for promoting the private sector), the risks associated with having

too many structures in charge of managing governance, delays in making the Audit Office operational, and the phenomenon of worsening corruption.

101. In its recommendations, the workshop paid particular attention to issues pertaining to justice and corruption. Participants urged reform of the State Inspector's Office (Inspection Générale d'Etat) and called for publication of its reports and the systematic referral to the courts of all recognized crimes. Participants further suggested that judicial reform should enhance access by the poor to the judicial system, while taking account of the useful aspects of traditional methods of justice. To deal effectively with corruption, the importance of reviewing the procedures used by leading public figures to disclose their assets and tackling the politicization of the judiciary was highlighted.

3.2 PRODUCING AND DISSEMINATING ECONOMIC INFORMATION

102. As part of the process of enhancing the production and dissemination of economic and social information, efforts have focused on publishing the analytical findings of the general population and housing census of 1996, using and analyzing the survey of household living conditions conducted in 1998, publishing the economic accounts of the nation for the years 1994–97, and releasing the social indicators for 1998 and 1999.

103. Furthermore, the surveys associated with the reformulated conditionality pilot initiative have facilitated efforts to collect information on the decentralized services of the Ministries of Health and Basic Education, while helping to perform semiannual opinion surveys of entities that use public services (Ministries of Health and Basic Education) and of economic operators in government markets (procurement procedures, payment periods, etc.). Studies were conducted comparing unit prices of a number of products obtained through government contracts versus private sector prices, the cost of medical procedures in primary health care structures, and the average tuition costs for a child in primary school. In addition, the authorities are performing—or are scheduled to perform—public expenditure reviews in the rural development and infrastructure sectors.

104. Looking back at this initial year of PRSP implementation, it is indisputable that there were numerous problems. First, there was a communication gap, which bred misunderstandings among the partners. This will be remedied with the implementation of an outreach program over the next few months. Second, problems in Burkina Faso's statistical system (particularly in the priority sectors, where the planned mechanisms are not yet in place) are complicating efforts to keep track of the output indicators. Third, concerns arose in regard to the difficulties involved in implementing the HIPC Initiative, associated with a poor grasp by some ministries of the HIPC Initiative's underlying philosophy, which, in turn, led to delays in implementing measures at the ground level. Nevertheless, the Treasury's lack of resources for processing invoices submitted for payment should also be noted. Furthermore, in as much as human resource constraints were a major handicap during this first year of PRSP implementation, the process should be complemented with a capacity-building program. The problem of aid coordination also remains a concern, and the Government will

consult with its partners in the very near future in order to identify suitable responses to this question.

4. OUTLOOK

105. In light of the conclusions from the first year of PRSP implementation, the Government has taken steps to update the poverty reduction strategy and to program priority actions over the period 2001-04, taking account of the results of the consultations throughout the first 12 months, as well as the new concerns expressed by the sectoral departments and by the stakeholders participating in the process.

106. This review will also reflect the need to conduct an outreach program, which has emerged as one of the major weak points in the current PRSP. The review should also reflect the need to improve the monitoring mechanism, focusing in particular on efforts to fine-tune the range of indicators selected for this purpose.

4.1 UPDATING THE STRATEGY

107. The measures to update the poverty reduction strategy will be based on the results of the regional consultations held during June-July 2001, as well as on the ministerial departments' ongoing efforts to finalize the Government's sectoral strategies. The strategy will remain focused on the poverty assessment established by the priority survey, which highlighted the principal determinants of poverty in Burkina Faso.

4.1.1 Objective 1

108. The review of Objective 1 will be keyed to a thorough macroeconomic analysis focusing on the structural changes that have occurred. This review will include the ongoing reforms in the area of fiscal management, as well as the results of the recently initiated tax reforms. The goal will be, in particular, the following: (i) to revise the economic growth objectives for the period 2002-04, taking account of the results achieved in 2000, and reflecting the need to pursue a proactive policy to restore a growth trajectory conducive to reducing poverty, having due regard for the outlook for the international and subregional environment; (ii) to prescribe the main reforms to be undertaken to enhance fiscal management, boost the competitiveness of the economy, and provide assistance for the productive sectors; and (iii) to revise fiscal management objectives for the period (budget deficits, budget efficiency indicators, and budget allocations to social sectors). Given the uncertainties and random exogenous shocks to which the Burkinabè economy is exposed, the strategy will be based on two scenarios, a base scenario and a downside risk scenario, in order to enhance the responsiveness of programs and policies.

109. Specifically, the budget framework for the period 2002-04, which was revised to reflect recent developments, serves to underpin the present PRGF arrangement. This review will address the central government financial operations (TOFE), and the 2002-04 medium-term expenditure framework will be refocused in order to generate projections for sectoral allocations of budget resources conducive to the success of the poverty reduction program. This will call for the utilization of reliable macroeconomic projection instruments and tools,

and will require the development of a statistical base. For this purpose, the Government will pursue its efforts to fine-tune the recently established macroeconomic modeling instruments (the RAMA model). With respect to efforts to strengthen economic competitiveness, the review process will focus mainly on the public enterprise privatization program, and will incorporate the guidelines set forth in the Government's various policy letters.

4.1.2 Objective 2

110. With reference to Objective 2, and in regard to basic education and literacy, efforts will focus on expediting the initiation of the Ten-Year Basic Education Development Plan (PDDEB). Accordingly, after preparation of the planning and monitoring manual and the establishment of central and decentralized services, the goal will be to implement the new organization chart for the department by 2004, which marks the end of the first phase. The next step will be to integrate the PDDEB into the decentralization process while ensuring the implementation of measures related to the transfer to the local governments (beginning in 2003) of responsibility for recruitment and management of teachers. This will first require the enforcement of the full range of basic legislative texts on decentralization. Furthermore, emphasis will be placed on literacy and nonformal education, with a view to enhancing performance rates in the poorest regions, as well as the methods for monitoring performance.

111. With respect to the health sector, the review of the PRSP will be based on the guidelines of the national health policy (PSN) and its implementation plan, that is, the National Health Development Plan (PNDS). In this connection, priority should be given to the completion and implementation of an efficient policy for the development of human resources, coupled with further efforts to standardize health care structures. Efforts to develop grassroots community health services and reflect the role played by associations, NGOs, and other community structures in the delivery of health care to the poor in general, and with particular reference to HIV/AIDS, should make it possible to focus energies on the achievement of the established objectives.

112. More specifically, and to increase poor people's access to basic social services while enhancing the quality of these services, swift conclusions should be drawn from the results of the survey performed at the decentralized offices of the MEBA and the Ministry of Health, as well as from the results of the opinion survey of users of basic public services in the areas of health and education. Particularly close attention should be paid to reducing the cost of health care and raising school enrollment for poor children.

4.1.3 Objective 3

113. With respect to Objective 3, the reforms will concentrate on efforts to ensure greater consistency among the measures adopted by the various ministries involved in rural development. The establishment of the Permanent Secretariat for the Coordination of Agricultural Sector Policies (SP/CPSA) is an important step toward improving the vision and consistency of the various action plans in the agricultural sector. Efforts to ensure that all rural development stakeholders (agriculture, animal husbandry, environment and water, and rural infrastructure) are allowed to have their say in the discussions aimed at ensuring that the

various action plans function together effectively as a cohesive whole is a prerequisite for enhancing the impact of these measures on poverty alleviation in rural areas.

114. The effective implementation of the letter of decentralized rural development policy, coupled with the implementation of the various action plans that have been prepared and/or are undergoing preparation, should help strengthen efforts in the agricultural sector as a whole, with the aim of achieving meaningful and sustainable rural development.

4.1.4 Objective 4

115. With respect to Objective 4, Burkina Faso can point to the existence of a civil society that is increasingly better organized and that takes a keen interest in governance and, more generally, issues pertaining to the country's development. This tendency should be encouraged and strengthened. Accordingly, the Government intends to build upon and strengthen the forum for dialogue and discussion that has already been established and, in so doing, to facilitate the emergence of organizations, associations, and other groups that can function meaningfully as checks and balances, for only in this fashion may a full-fledged democracy truly gain headway.

116. In reviewing the PRSP, the Government will take account of the concerns that have been expressed by the participants attending the various regional consultations during July-August 2001, and by a number of sectoral ministries not explicitly mentioned in the PRSP adopted in July 2000. These concerns include the empowerment of women, employment and vocational training, social development, and national solidarity.

4.2 REVIEW OF THE PROGRAM OF PRIORITY ACTIONS

117. Bearing in mind the new concerns expressed by the development stakeholders and in view of the end-June 2001 outturn of the program for 2000-03, the Government, in reviewing the poverty reduction strategy framework, intends to prepare a program of measures to complement the sectoral strategies established for the period 2001-04. The program, to be supported by resources mobilized through the enhanced HIPC Initiative, will be specially designed to improve the living conditions of the most vulnerable members of society. The program will help to supplement the financing of the poverty reduction strategy, which is provided primarily through the government budget (including drawings on external assistance in the context of budget assistance and projects). The entire PRSP financing mechanism will be incorporated into the 2002-04 program budgets for the key ministries, as well as the expenditure framework for the period 2002-04.

4.3 IDENTIFICATION OF INDICATORS TO MONITOR RESULTS AND IMPACT

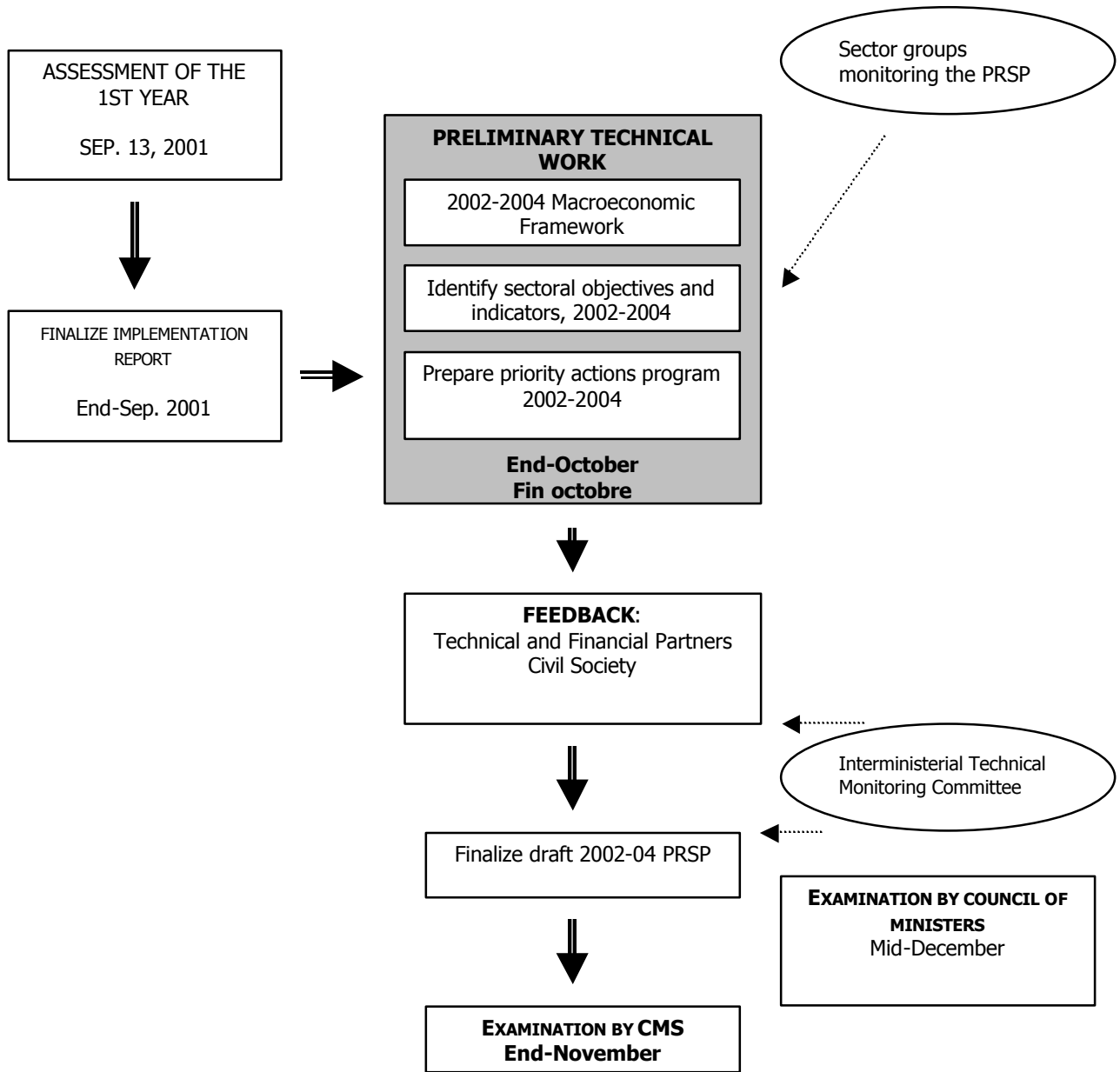
118. The reformulated conditionality pilot initiative highlighted the importance of monitoring government policy implementation. Accordingly, in an effort to impart a quantitative and qualitative dimension to PRSP objectives, a set of indicators reflecting the results of the pilot exercise should be introduced with the support and cooperation of the full range of stakeholders, with the primary aim of ensuring the timely availability of information pertaining to implementation of strategy. Accordingly, for each strategic objective, the PRSP

review process will seek to identify indicators with respect to inputs (resources), processes (to measure progress achieved in implementation), outcomes (immediate results obtained in the sectors), and impact (progress achieved in the relatively long term). This is a vast undertaking that calls for the mobilization of substantial financial resources and multidisciplinary expertise.

Table 6: Monitoring Indicators

	Inputs	Process	Results (Annual)	Impact (Medium and long term)
Fiscal management				
Health				
Education				
Housing				
Water				
Rural development				

Annex 1: Indicative Timetable of PRSP Review Activities



Annex 2. PRSP : Execution of the Priority Social Program

		Allocation	HIPC Mobilization Aug. 2001	Commitments August 2001
1.	Health			
	Current expenditure financed by the Budget	20,978,120.00		21,424,110.26
	Current expenditure from HIPC resources	1,591,970.00	1,055,355.00	782,591.21
1.1.	Wages and Salaries	6,647,315.00		8,028,454.50
1.1.1.	Budget	6,535,997.00		7,988,099.50
1.1.2.	HIPC Resources	111,318.00	102,983.00	40,355.00
	Basic Health Centers	111,318.00	102,983.00	40,355.00
1.2.	Goods and Services	5,391,151.00		4,503,968.39
1.2.1	Budget	3,910,499.00		3,761,732.18
1.2.2.	HIPC Resources	1,480,652.00	952,372.00	742,236.21
	Generic drugs	49,300.00		0.00
	Purchase of vaccines	149,772.00	149,772.00	149,721.60
	Strengthening of operational capacities of the Ministry of Health	374,735.00	374,735.00	164,999.09
	Fight against diseases and lack of micronutriments	478,980.00	0.00	0.00
	Liquidation of 1999 commitments	427,865.00	427,865.00	427,515.52
1.3.	Current Transfers	8,939,654.00		8,891,687.37
1.4.	Investments and Capital Transfers	15,935,519.00		3,794,052.77
1.4.1	Domestic resources	5,465,095.00		3,794,052.77
1.4.1.1.	Budget	3,469,565.00		3,174,961.89
1.4.1.2.	HIPC Resources	1,995,530.00	1,459,250.00	619,090.88
	Building of Basic Health Center	536,280.00	0.00	0.00
	Equipment for Basic Health Center	1,459,250.00	1,459,250.00	619,090.88
1.4.2.	External Resources	10,470,424.00		
	Grants	2,547,642.00		
	Loans	7,922,782.00		
	Total Health	36,913,639.00	0.00	25,218,163.03
	Total Health excl. external resources	26,443,215.00	0.00	25,218,163.03
	Total Health financed by HIPC Resources	3,587,500.00	2,514,605.00	1,401,682.09
2.	Basic Education and Literacy			
	Current expenditure financed by the Budget	28,042,570.00		28,282,730.88
	Current expenditure from HIPC resources	619,700.00	239,770.00	255,718.60
2.1.	Wages and Salary	22,609,195.00		23,434,515.88
2.1.1.	Budget	22,359,195.00		23,298,474.18
2.1.2.	HIPC Resources	250,000.00	74,770.00	136,041.70
	Stipends personnel	250,000.00	74,770.00	136,041.70
2.2.	Goods and Services Expenditure	3,080,396.00		2,657,925.90
2.2.1.	Budget	2,710,696.00		2,538,249.00
2.2.2.	HIPC Resources	369,700.00	165,000.00	119,676.90
	Current expenditure and monitoring	170,000.00	0.00	0.00
	Purchase of educational materials	199,700.00	165,000.00	119,676.90
2.3.	Current transfers	2,352,979.00		2,190,289.10
2.4.	Investments and Capital Transfers	20,577,391.00		4,996,627.81
2.4.1.	Domestic resources	5,916,353.00		4,996,627.81
2.4.1.1.	Budget	2,436,053.00		2,362,766.78
2.4.1.2.	HIPC Resources	3,480,300.00	2,634,064.00	2,633,861.03
	Building and refection of schools	2,848,530.00	2,343,064.00	2,343,064.00
	Equipment of schools	161,070.00	291,000.00	290,797.03
	Viabilisation of schools	470,700.00	0.00	0.00
2.4.2.	External Resources	14,661,038.00	0.00	0.00
	Grants	13,015,068.00		
	Loans	1,645,970.00		
	Total Basic Education and Literacy Ministry	48,619,961.00		33,279,358.70
	Total Basic Education and Literacy Ministry excl. external resources	33,958,923.00	0.00	33,279,358.70
	Total HIPC Resources	4,100,000.00	2,873,834.00	2,889,579.63
3.	Rural roads			
	Total use of HIPC Resources	2,562,500.00	1,796,146.00	1,772,961.70
	Overall HIPC Resources in 2000	10,250,000.00	7,184,585.00	6,064,223.42