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INTRODUCTION

1. The purpose of this report is to take stock of the second year of implementation of the Poverty Reduction Strategy Paper (PRSP) in light of its four strategic areas and to assess the outlook for the period ahead. It was prepared on the basis of reports from sectoral groups and contributions put together for the July 2002 assessment of the PRSP implementation in calendar year 2001. The exercise, which is now a key component of the PRSP process, involved 250 participants from the central government and decentralized government agencies, local government, civil society, universities, research centers, the private sector, and representatives of the technical and financial partners.

2. The second year, in substance, was characterized by a recovery in economic growth following the slowdown observed in 2000. This recovery was driven by the remarkable increase in cotton production, which had positive repercussions on the other sectors. The level of growth, however, remains still insufficient to generate a significant reduction in poverty, which implies that a further broadening of actions is required.

3. While consolidating the progress that has been made and building on the reforms undertaken in the past in the context of various programs, the government set out to mobilize all energies to implement the Poverty Reduction Strategy Paper (PRSP), supported by all technical and financial partners—many of which have continued to adapt their intervention mechanisms to that end—with special emphasis on budgetary support.

4. Execution of priority action programs accelerated to some extent following the difficulties experienced in launching the PRSP that were related, inter alia, to delays in implementing the Heavily Indebted Poor Countries (HIPC) Initiative and the lags in implementing coordination and monitoring instruments. Considerable efforts were made in the use of budget management and programming tools to provide substantial budget allocations for the social sectors, taking into account the priority these sectors receive.

5. The other sectors addressed under the PRSP, owing to their driving role in the acceleration of growth, have also benefited from support commensurate with available resources, including a substantial contribution from HIPC Initiative resources, although most of the latter were allocated to the basic education and health sectors. While it is still too early to assess the real impact of all the actions undertaken, the available information does point to some progress in improving the basic social sectors.

6. Noteworthy progress has been made in the area of governance, at the policy level, in strengthening democracy and building a state of law. Economic management is becoming more transparent every day with the gradual implementation of appropriate mechanisms (Supreme Audit Court, high authority to coordinate the fight against corruption, modernization of budget management tools, implementation of the program to improve budgetary management (PRGB), etc.). While concerns remain regarding the lags observed in implementing the guidelines for the decentralization process, the Burkinabè authorities are still convinced that the process must be accelerated to promote development.

Participatory process

7. The regional consultations organized in 2001 in connection with the assessment of the first year of implementation revealed weaknesses in the participatory process: (1) civil society believes that it has not been effectively involved; (2) the parties concerned reported that the consultation method adopted and monitoring mechanisms used were

ineffective (notably the absence of civil society at all decision-making stages). This issue therefore received special attention during the second year. The aim was, particularly in connection with the communication strategy, to gradually overcome the observed weaknesses and establish appropriate mechanisms to strengthen PRSP implementation through more effective involvement of all stakeholders, especially those from civil society.

8. Several assessments of the participatory process were conducted, including one with support from the Swiss cooperation, which was the subject of a workshop. During the latter, relevant proposals were formulated with a view to improving participation of the non-governmental organizations (NGOs) and other associations of civil society in activities related to the PRSP process. These recommendations include, in particular, the need to (1) decentralize the PRSP to the regional, provincial, and municipal levels, in the medium term; (2) ensure broad extension of the PRSP to all stakeholders, particularly those in civil society, so that they can be more effectively involved in implementation; and (3) involve the NGO capacity building unit in organizing PRSP assessment workshops. The unit should make any necessary effort to be more representative and strengthen its internal democracy.

9. Contacts have subsequently been established with the NGO capacity building unit to organize participation of these structures in PRSP activities and in the implementation of priority action programs. On the issue of participation, a pragmatic approach is required to encourage partnership of federated structures and those effectively active in the field. Strengthening of the latter will facilitate support among micro-organizations. The approaches adopted indicate that the area of activity will focus initially on ownership of the PRSP through the organization of a forum on the PRSP for NGOs. A second stage will consist in considering direct participation of NGOs in proposing and executing activities in their respective areas of operation, within the framework of the work undertaken by sectoral groups. The PRSP review exercise in 2003 will include broad consultation with civil society. The government will encourage civil society to form thematic groups to enhance the contribution to PRSP implementation. It remains true that ownership is necessarily a gradual process, given the problems that civil society has encountered in the area of organization and capacity.

10. As far as the other stakeholders from the government, local authorities, and parliament are concerned, the dynamics created by the national assessment seminar of July 2002 have led to enhanced participation in the process of PRSP evaluation and programming. The poverty perception survey will furnish by year-end a solid base to organize a systematic consultation process with the poor between household surveys. The next household survey will be undertaken in the last quarter of 2002.

Box 1: Key measures taken in 2002

The government undertook a number of concrete actions in 2002 to correct the weaknesses observed in 2001:

Fiscal area

- Enhanced mobilization of resources through application of new measures in the area of petroleum taxation and compulsory collection mechanisms;
- Commitment of all expenditure using HIPC 2001 resources to provide goods and services for the beneficiary populations, particularly in the areas of health and education;
- Preparation of an action plan on budget deconcentration to accompany the process of decentralization. A pilot exercise will be conducted in Bobo-Dioulasso in 2003;
- Organization in March 2002 of the workshop on budget programming tools, the recommendations of which will guide the process of improving program budgets, public expenditure reviews, and the medium-term expenditure framework;
- Adoption of new regulations on public contracting in February 2002 to enhance transparency and efficiency in government procurement.

Social sectors

Health

- Posting allocated budgets in regional health directorates and health districts, with a view to enhancing transparency;
- Adoption of a decree to ensure that price reductions for essential generic drugs are passed on; these price reductions resulted from the decision of the Essential and Generic Drug Purchasing Center (CAMEG) to reduce its margins by 32 percent;
- Circular confirming free prenatal and infant care for the basic level of the health system (syringes, iron, chloroquine, and health booklets);
- Establishment of imprest accounts and appointment of administrators for health districts to enhance management of appropriated credits;
- Immunization campaign to prevent meningitis epidemics;
- Establishment of financing for sectoral programs to fight AIDS.

Education

- Establishment of management structures for the Ten-Year Plan on Development of Basic Education and sensitization of stakeholders to the objectives and the institutional changes that they involve;
- Continuation of free distribution of textbooks and supplies in the 20 provinces in which school enrollment levels are lowest.

Rural development

- Assessment of the assets of SOFITEX, the textile association, in two areas to be transferred to the private sector;
- Launch of the second national land management program to fight rural poverty;
- Adoption of the letter on decentralized rural development policy;
- Implementation of environmental units to systematize environmental impact studies in all development programs and projects.

Governance

- Adoption of draft budget execution reports for the 1999 and 2000 fiscal years and transmission to the audit office.
- Adoption of the consolidated action plan to improve budgetary management. The programmed activities, some of which are now being executed, involve budget preparation, execution of the budget and public contracts, oversight, public expenditure review, use of HIPC resources, and monitoring of poverty.
- Appointment of members of the high authority on coordination of the fight against corruption, the supreme audit court, and other superior jurisdictions in connection with the reform of the justice system. The presidents of these jurisdictions were installed on July 23, 2002.

1. STRATEGIC AREA 1: ACCELERATE EQUITY-BASED GROWTH

11. The poverty reduction strategy must be based on sound, equitable growth that is resistant to external shocks. Against this backdrop, in 2001, Burkina Faso intensified its program to fight poverty while developing initiatives designed to maintain macroeconomic stability, improve the competitiveness of the economy, reduce factor costs, accelerate rural development, and support production sectors. However, developments in the international economic environment and unfavorable climatic conditions resulted in somewhat diminished economic performance.

1.1. Stabilization of the macroeconomic framework

Real sector

12. In 2001, economic and financial activity in Burkina Faso took place in an global economic environment characterized by reduced household consumption and investment in industrial countries. The market for raw materials was characterized in general by persistent price erosion. Despite a difficult recovery related to the lag in absorbing the shocks that occurred during 2000, continued implementation of programs in 2001 made it possible to achieve 5.6 percent GDP growth in real terms.

13. In terms of sectoral contribution, this performance was attributable primarily to the restored growth in the *primary sector* (7.5 percent in real terms) attributable to better rainfall levels that led to satisfactory agricultural output, and, in particular, to a bumper cotton crop. In this connection, the income of cotton producers increased by approximately 70 percent, contributing substantially to poverty reduction in cotton areas.

14. Action to support agriculture, which employs 90 percent of the Burkinabè population, emphasizes promotion of exports (fruits and vegetables, cotton, etc.) while ensuring food security for the people through implementation of small-scale contraseasonal irrigation. The aim of these activities is to transform the rural economy from subsistence agriculture into an activity linked to the market, to give an impulse to other sectors of development. Despite the absence of statistics owing to insufficient monitoring, operations in certain sectors, such as fruits and vegetables, are substantially on the rise and are generating additional income for farmers, with positive effects on the trade balance.

15. Growth in the *secondary sector* slowed somewhat in 2001 as the result of the poor harvest in 2000 and the pernicious upward trend in petroleum prices registered especially during the first half of 2001. Sound performance in the construction and public works (BTP) subsector, however, is a sign of pending recovery, provided that adequate measures are taken to facilitate household access to construction materials. The *tertiary sector* also registered a disappointing performance, primarily as the result of the decline in the commercial activity. As in 2000, however, it made the highest value contribution to the economy with 44.4 percent, owing to the dynamic performance observed in the telecommunication and transportation sectors.

16. Despite the substantial recovery of economic activity reflected by an increase in per capita GDP of 3.3 percent in real terms, performance remains below the target of at least 6 percent deemed necessary to achieve a substantial improvement in incomes for the poorest sectors of the population. The government accordingly intends to maintain this growth objective for the coming years and undertakes to intensify its reform efforts to

give it the necessary impetus. Against this backdrop, work will start on several activities, especially in the areas of agriculture and competitiveness.

17. In the agricultural area, the government intends to take concrete steps to promote contraseasonal crops and equipment for producers, through enhanced water management and the development of private irrigation activities. A sustained effort will also be deployed to find the financing required to implement existing action plans in certain sectors, provide support for cotton producers and new impetus for the shea tree sector, to improve meat quality (hygiene), and to promote exports of meat, leather, and hides. Because of the strong linkages between rainfall levels and economic growth the efforts to improve water management through the construction of dams and water containment basins have been reinforced with the implementation of an induced rainfall program known as “Operation SAGA.” Diversified crops—especially the promotion of sesame—should allow to increase incomes in areas where rainfall levels are insufficient, particularly in northern Burkina Faso.

Price trends

18. Growth in GDP has been accompanied by a substantial increase in consumer prices. The average annual inflation level, in fact, reached 4.9 percent, as compared with –0.3 percent in 2000. As a result of the decline in prices at the end of the year, however, year-on-year inflation amounted to 1 percent in December 2001. The spell of inflation is explained primarily by substantial pressure on cereal prices as the result of the poor harvest at end-2000, and pressure on transportation prices reflecting the increase in petroleum prices. To reduce the impact of this inflationary surge on the poorest sectors of the population, who are in a situation of food insecurity, the government implemented a special emergency food aid program under which 42,246 tons of food were distributed in the vulnerable provinces.

Foreign trade and balance of payments

19. As compared with 2000, Burkina Faso’s external accounts were characterized in 2001 by improved trade and capital account balances—though combined with a decline in net receipts of unrequited transfers. This favorable trend is explained primarily by the upturn in cotton exports and the decline in imports of capital goods. The external current account deficit, excluding grants, was reduced from 16.9 percent of GDP to 15.1 percent of GDP in 2001 despite a pronounced decline in private transfers that reflects the unfavorable situation in the subregion. The overall balance improved and resulted in an accumulation of CFAF 27 billion in gross foreign assets.

Monetary sector

20. The economic recovery observed in 2001 was accompanied by a 13.9 percent increase in credit to the economy. Crop credits were reimbursed normally and local banks were thus able to comply with the prudential ratios of the West African Monetary Union (WAMU). Doubtful and litigious credits (net of provisions) remained unchanged at 2.5 percent of total credit to the economy. Under the impetus and supervision of the government, microfinance institutions (network of popular savings and loans and other local networks) continue to develop and to play an increasing role in providing financing for inputs for the agricultural campaign.

1.2. Budget reforms and management

21. Budget execution was characterized in 2001 by a low level of revenue collection. This situation led to a substantial restriction of expenditure while securing social expenditure and ensuring payment of contractual liabilities.

Budget revenue situation

22. Budget revenue amounted to CFAF 228.0 billion, that is 10 percent below the program target and 18 percent below the provisions of the budget law. Mobilization of tax revenue reached 11.7 percent of GDP, as compared with a target of 14 percent, that is 5.3 points below the West-African Monetary and Economic Union (WAEMU) target of a minimum tax revenue ratio of 17 percent. This situation reflects the sluggish economic activity observed in 2000, the implementation of the common external tariff (TEC), and the prudence observed by operators during the conversion to the euro currency. The disappointing performance is attributable to shortfalls registered in all tax revenue categories, and more specifically, direct taxation on enterprises (BIC) and taxes on goods and services, as the result of the observed slowdown in industrial production and the low level of household consumption.

23. In this context, Burkina Faso must continue to look for taxation mechanisms that effectively offset the shortfall generated by the application of WAEMU measures. The unfavorable shock to revenue, in fact, has yet to be offset as desired with increased domestic taxation. In general, this discussion evokes the problem of poor mastery of revenue projections and the need to accelerate the implementation of measures to improve forecasting methods and to provide the staff with effective forecasting tools. In this respect, development of an integrated computerized revenue system and strengthening of revenue administrations have been undertaken.

Budget expenditure situation

24. Expenditure amounted to CFAF 457.5 billion in 2001, as against a projected CFAF 487.9 billion, i.e., an execution rate of 94 percent. This represents an increase of 8 percent over 2000. Current expenditure, in the amount of CFAF 218.8 billion, is equivalent to 12.0 percent of GDP. Government operations absorbed CFAF 199 billion, i.e., 70.7 percent of the government's own expenditure, half of which are wage and salary outlays.

25. Expenditure outlays in 2001 amounted to 12 percent of GDP. This relatively high level meets the need for allocation of sufficient resources, particularly to the priority sectors of basic education and health, in which operations account for 72.5 percent and 74.7 percent of the respective budgets. Expenditure on wages and salaries also remained high, and exceeded the target levels. These overruns, which have become recurrent, pose the problem in terms of capability to project the wage bill accurately. Accordingly, there is scope for further effort to improve programming in connection with the medium-term expenditure framework (MTEF), and particularly to reflect back payments, which are the source of the observed slippage. In this connection, actions have been undertaken to improve the functioning of the integrated system for administrative and payroll management for government personnel (SIGASPE).

26. Capital expenditure, primarily covered with external resources, amounted to CFAF 240.5 billion, as against a projected CFAF 269.6 billion, i.e., an execution rate of 89 percent. Investment financed with domestic resources increased with an execution rate

of 74 percent. The external resource absorption rate improved to 74 percent, against 64 percent in 2000.

Financing of the budget deficit

27. Efforts to contain expenditure have limited the overall deficit, on a commitment basis and including grants, to -4.5 percent of GDP, as against -4.3 percent in 2000. This deficit was absorbed primarily with external financing, which increased substantially as compared with 2000, as a result of debt cancellations under the HIPC Initiative (CFAF 26.5 billion) and disbursements of adjustment loans (CFAF 33.1 billion).

HIPC program execution

28. Expenditure financed with HIPC resources was quite low for the second consecutive year. Delays in execution of the 2000 program, for which the payment account was closed on September 30, 2001, and the delayed adoption of the decree approving the budget of the special HIPC account for 2001 explain the modest level of expenditure commitments at the end of the year 2001. Vigorous measures have been taken to accelerate expenditure execution, which is intended to improve living conditions for the poorest segments of the population. To eliminate these delays, all remaining HIPC resources for 2001 were committed and should be paid out by end-2002. The decree on expenditure of 2002 HIPC resources was adopted on April 30, 2002 and the commitment process is now under way.

Improving budget execution monitoring and programming

29. With regard to improving budget preparation mechanisms, efforts continued to enhance integration of sectoral programs and strategies into the budget. In this context, the MTEF was updated in March/April 2001 for the period 2002-2004 and established sectoral financial appropriations that reflect the priorities of program budgets, the state budget for the 2002 fiscal year, and the national poverty reduction strategy. To improve the impact of this instrument, the organization of a joint seminar to assess implementation of budget programming tools (MTEF, program budgets, and public expenditure reviews) was included in the 2002 work program in order to draw lessons from past experience and improve the approach used to steer the relevant processes. Aligning spending financed with HIPC Initiative funds with the fiscal year for improved budget integration will be effective with the 2003-2005 MTEF, and the 2003 budget will reflect HIPC-financed expenditure.

30. Also in this area, a series of studies on improving budgetary management was conducted in 2001, including the program to improve the management of budgetary expenditure (PRGB) carried out by the government, the Report on the Observance of Standards and Codes (ROSC) of the IMF, and the Country Financial Accountability Assessment (CFAA) exercise, under the aegis of the World Bank, with participation of technical and financial partners. Recommendations resulting from these efforts were used to prepare a medium-term consolidated action plan to improve budgetary management.

31. For the coming years, the government is aware that the success of its policy to fight poverty will depend on its capacity to implement a tax policy that provides for a sustained increase in tax revenue in order to secure a critical mass of expenditure in the priority sectors, with potentially significant effects on poverty. To support the published MTEF objectives in this area, measures to improve tax collection were identified and their implementation was undertaken in the framework of the 2002 budget exercise.

32. Studies on the preparation of an integrated revenue system will be accelerated during 2002, and the efforts to expand the tax base and strengthen the efficiency of the tax and customs administrations will be pursued. Legislation and regulations related to the single taxpayer identifier (IFU) will be reviewed and the system's potential will be more effectively exploited in connection with the fight against tax evasion. In addition, the mechanism for monitoring exemptions will be improved.

33. The expenditure program under the MTEF is based on the identification of operational measures designed to reduce the lags observed in executing expenditure financed with HIPC resources, and to gain better control of public water, electricity, and telephone consumption, as well as the wage bill.

34. As regards use of HIPC resources, for the coming years measures have been taken to ensure that the annual budget concept is strictly observed for expenditure financed with these resources. Beginning in 2003, the MTEF includes HIPC resources and their allocation, thereby authorizing their inclusion in the budget law.

35. Despite the use of the budget as a PRSP implementation instrument, progress in the area remains tentative, owing primarily to insufficient macroeconomic projections. Actions will be undertaken in this area to strengthen the management capacities of the models used for forecasting macroeconomic developments.

Regional integration and community convergence

36. The difficult economic and financial situation resulted in some deterioration in the results from the first year of the medium-term convergence program for 2001-2003, reflecting the scope remaining for further efforts in this area. Accordingly, except for the nonaccumulation of external payments arrears, realizations for all other criteria do not meet the targets developed by the WAEMU. In particular, the tax revenue ratio remains low. The measures discussed above should lead to an improved performance in the current tax system and to mobilization of further domestic resources to implement the increase in expenditure that is required to meet the increasing needs in the social sectors in particular.

37. During the next few years, the government intends to pursue its efforts to respect the community targets and directives of the WAEMU, and, in particular, to comply with convergence criteria in a reasonable time period. As regards the harmonization of the legal framework for public finances, the authorities will complete the adaptation of the national legislation to comply with the five directives on harmonization of the legal, accounting, and statistical framework.

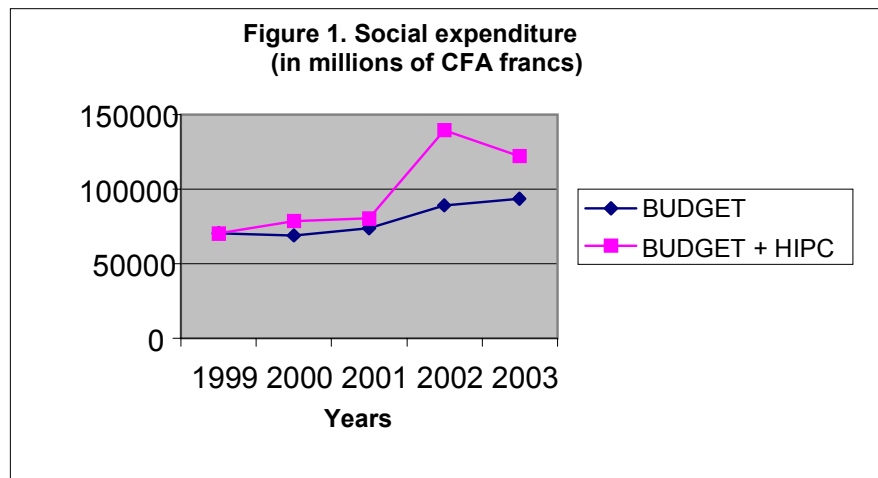
Efficacy and equity in public expenditure

38. Since implementation of the PRSP, the government has paid close attention to provide a substantial budget allocation for the social sectors, despite the constraints on economic management, and particularly, severe cash shortages. For 2001 the budget shares (not including common expenditure of ministries, debt, and investments from external resources) allocated to the social sectors have been consistent with the objectives established in this area under the PRSP. Budget allocations for the education sector represented 15.9 percent of total expenditure in 2001, compared to an objective of 13.3 percent. As regards the health sector, for the same year budget allocations were situated at 13.2 percent compared with a target of 13.1 percent. In addition to budget appropriations, these two sectors benefited from the bulk of the additional resources from the 2000 and 2001 HIPC Initiative. This funding helped strengthen basic school and

health infrastructures, particularly in the 20 poorest provinces. The important size of the 2002 social expenditure is linked to the catching up of the commitments of 2001 HIPC funds, which were delayed because of the late adoption of the 2001 budget of the special account that traces HIPC-financed expenditure.

39. The search for equity has intensified with specific measures to support vulnerable groups, in particular: (i) expansion of HIPC resource allocations to the ministry responsible for promotion of women; (ii) allocation of resources to the Support Fund for Gainful Employment of Women (FAARF); (iii) the decision to cover parents' school payments for girls in the 20 provinces where school enrollment levels are lowest; (iv) provision of free prenatal and infant care; and (v) distribution of school textbooks and supplies to students in the areas where enrollment levels are lowest.

40. As part of the efforts to enhance the impact of the budget, increase transparency in the budgetary process, and foster equity in allocation of budget resources, public expenditure reviews were continued in 2001, with the completion of two studies—in the rural development and road infrastructure sectors, respectively. The key recommendations (including involvement of the beneficiary populations in preparing the projects and programs) will be used to conduct sectoral policies in the areas involved.



1.3. Competitiveness and factor costs

41. The willingness to make the private sector the motor of growth should be reflected in the implementation of a series of reforms designed to liberalize the economy, improve the legal and regulatory framework, divest the state from the productive and competitive sectors, and promote private initiative and economic competitiveness. In the area of competitiveness, the key challenges to still be met are to reduce production costs (energy, transportation, water, and telecommunications), promote rural electrification, improve the country's telephone coverage to increase use of new information and communication technologies, and provide access for rural areas.

Economic liberalization

42. In the area of economic liberalization, the process of organizing competition in Burkina Faso was strengthened in December 2001 with new texts that vest the national committee on competition and consumption with powers of self-referral and expand referral powers to consumer associations.

43. The program of cotton sector reforms has registered substantial progress with the December 2001 adoption of two decrees authorizing installation of new private operators in the central and eastern areas of the country and eliminating the monopoly held by the cotton company SOFITEX. The process of implementing these measures includes an assessment of assets to be sold—a phase in the advanced stages that will be completed in September 2002; adoption of a regulatory framework for March 2003; and finalization of bidding documents for June 2003.

44. Burkina Faso's increasing opening to the rest of the world and the improved legal and institutional framework are also factors in strengthening the country's economic liberalization. The Burkinabè authorities, in fact, have spared no effort to implement agreements signed in connection with integration at the subregional (WAEMU and ECOWAS); regional (OHADA—Organization to Harmonize Business Law in Africa); and international (WTO, etc.) levels. The gradual process of eliminating protection of industrial units undertaken in 1996 within the WAEMU area should in the long term lead to the elimination of the declining protection tax (*Taxe Dégressive de Protection*—TDP) and administratively set customs values. In the context of harmonizing the national texts with the texts of OHADA, the legal system has made significant progress with implementation of the register for trade and credit secured with personal property, as well as training for legal personnel.

Improvement in the business climate

45. Substantial progress has been made in connection with the one-stop center for the issuance of documents related to professional practice of traders and establishment of enterprises (*Centre des Guichets Uniques*—CGU). The time required to process papers to establish new businesses was reduced from three months to 15 days, and the number of formalities was reduced from 15 to 8, which helped reduce the administrative burden on investors. The objectives for 2002 and 2003 are to reduce the number of formalities required to establish a business to four (issue on the spot); computerization of all formalities, and preparation of a single document to that end. These improvements, combined with the provisions of the investment code, have already had a favorable impact on the establishment of enterprises during the period 1999-2001.

46. A trade facilitation center (Trade Point) was opened within the National Foreign Trade Office (ONAC) to collect, process, and disseminate economic and trade information using new information technologies, and to provide advice to economic agents and to direct them toward activities in advancing sectors. In addition, this coordination was reinforced with the institution of an annual meeting between the private sector and government to discuss concerns regarding the business world.

Privatization of public enterprises

47. Execution of the first privatization program was satisfactory, with an execution rate of over 90 percent. Implementation of this program enabled privatization through the sale of shares or the issue of operating concessions for 26 enterprises, liquidation of

12 units, and designation of 2 units for research purposes. Several sectors of economic activity were liberalized in this connection—specifically, transportation and telecommunications. This process is in the final stage of identifying potential buyers for the last enterprises remaining in the program—the national cinema company (SONACIB) and the national telecommunication office (ONATEL). The process of privatizing management of the Ouagadougou and Bobo-Dioulasso airports will be accelerated during the latter half of 2002 with the launch of calls for bids to select a buyer, subject to cabinet's approval of the report on the feasibility study and adoption of a strategy to liberalize assistance for connecting passengers.

48. The adoption of a new law on July 4, 2001 authorizing privatization of 20 further enterprises should make it possible to expand the process of state divestiture. Of the 20 enterprises covered, six have already been partially privatized—Burkina & Shell (oil and gas), SIFA (industry), FASOPLAST (packaging manufacture and importing), ZAMA PUBLICITE (advertising), SOSUCO (sugar factory and refinery), and GMB (milling of wheat and local cereals)—while public utility suppliers for water (ONEA), electricity (SONABEL), and SONABHY, which holds the monopoly on petroleum product imports, are also involved. In addition, certain enterprises are already subject to judicial or administrative liquidation for reasons of poor management or problems in adapting to the new environment, namely, Faso Brickworks (*Société de Briqueterie du Faso*—SBF), the National Dams and Hydro-Agricultural Development Office (*Office National des Barrages et des Aménagements Hydro-agricoles*—ONBAH), and the stabilization fund (*Caisse Générale de Péréquation*—CGP).

Reducing the cost of factors of production

49. The PRSP identified energy as a factor of production whose high cost is impeding Burkina Faso's economic competitiveness. The measures recommended to reduce energy costs are based on reforms of the energy sector, the main thrusts of which are included in the letter on development policy for the energy sector adopted in December 2000. Liberalization of the sector will involve privatization of the Burkina Faso electricity company, SONABEL, and the country's hydrocarbon company, SONABHY, by 2004. The prospect for reducing the price per kilowatt-hour is materializing with the electrical interconnection with Côte d'Ivoire effective since April 2001; the envisaged extension of the line from Bobo to Ouagadougou scheduled for 2005; and a study of electricity tariffs, the results of which are expected in 2002.

50. In the area of telecommunications, a downward trend in communication prices has been observed since the opening of the mobile telephony segment in 2000 and the establishment of ARTEL, the regulatory authority for telecommunications. To date, the international and local call rates applied by ONATEL, the incumbent operator, are in general relatively competitive at the subregional level.

51. The government's policy to make Burkinabè products competitive will be based on the preparation of a national export promotion strategy. To implement this strategy, the benefits allowed under the investment code to processing and/or packaging enterprises in the cotton, fruit and vegetable, and oilseed sectors will constitute a sound base that will be strengthened with the preparation by end-2002 of approximately 30 standards by FASONORM, the national standardization agency.

52. The effectiveness of competition in the financial sector has stimulated a supply of new instruments (including leasing) that are better suited to the development requirements of small and medium-scale enterprises and industries. The government will

strengthen supervision of the sector and prepare an overall strategy with a view to more effective organization of microfinance activities. In this prospect, the taxation of saving will be reviewed and adapted to the subregional context and mobilization of saving will be promoted to finance small and medium-scale enterprises and industries.

53. In light of the willingness to make the private sector the motor for growth, despite the difficulties that it is experiencing, the government has prepared in collaboration with technical and financial partners a new program to support the private sector, known as the Project to Support Enterprise Competitiveness and Development. This project will cover the areas of privatization and reform of public services and enterprise development. To complete this project, two fundamental activities were carried out: adoption of the new letter on policy for private sector development; and establishment of a competitiveness committee. Further actions are in progress: establishment of the Burkina Faso Enterprise Office (MEBF); and implementation of a Cost-Sharing Support Fund (FSCP).

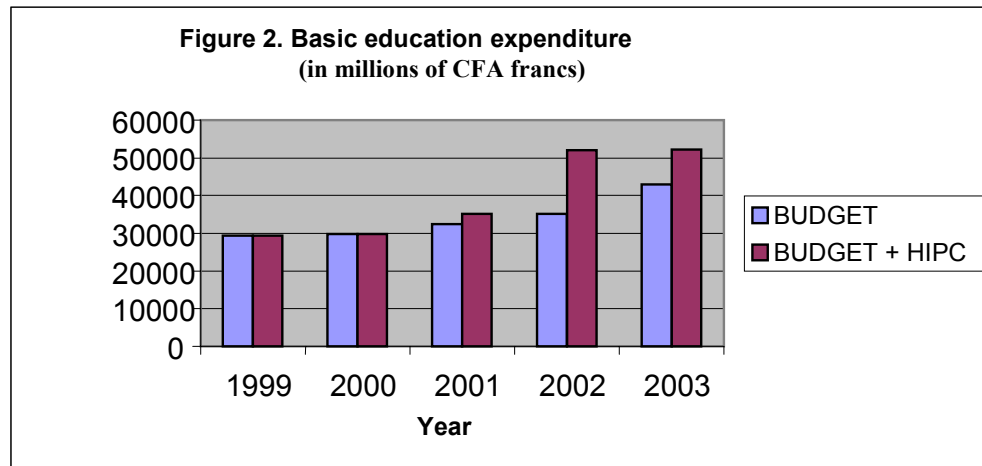
2. STRATEGIC AREA 2: GUARANTEE THAT THE POOR HAVE ACCESS TO BASIC SOCIAL SERVICES

54. Through the PRSP, the government of Burkina Faso has established the goals of enabling more Burkinabè, that is the poorest, to have access to basic social services, namely basic education and health. To make their poverty reduction strategy a success, the government assigned priority to the development of these two sectors, with their undeniable impact on improving the environment and living conditions of the population.

2.1. Basic education and literacy

Basic education

55. Policy in the basic education sector is built around the Ten-Year Plan on Development of Basic Education (PDDEB) and the letter on educational policy, adopted in 1999 and 2001, respectively. In these two documents, the government's key objectives are to (i) increase the supply of basic education; (ii) improve the quality, relevance, and efficacy of basic education; (iii) promote literacy; and (iv) develop the capacities of Ministry of Basic Education and Literacy (MEBA) for steering, management, and evaluation. In quantitative terms, the aim is to achieve a 70 percent school enrollment ratio and a 40 percent literacy rate when implementation of the Ten-Year Plan on Development of Basic Education is completed in 2011. Achievement of these two objectives will undoubtedly support a reduction in poverty.



56. The combined actions of the state, development partners, and social partners have made it possible to begin implementation of the PDDEB through its fundamental objectives to: (i) expand the supply of education; (ii) improve its quality and relevance; and (iii) strengthen the MEBA's steering capacities.

57. To reach these objectives for 2001, the MEBA received a budget allocation of CFAF 39.9 billion, including CFAF 32.02 billion in domestic resources. The latter component, which represented 15.9 percent of the state budget (not including debt, externally-financed investment, or shared expenditure) was executed at the level of 101 percent. More than 74 percent of the expenditure on materials was allocated to decentralized units, with an execution rate of 95.17 percent.

Expansion in the supply of education

58. The effort to establish scholastic infrastructures continued in 2001 with the construction of 241 schools. To provide minimum sanitary conditions for the schools, 275 latrines were built, as well as 1,049 housing units to improve working conditions for the teachers. These statistics include progress in executing the program of priority actions for the sector using resources from the HIPC Initiative, which made it possible to undertake construction and equipment of additional scholastic infrastructures in the poorest 20 provinces, with the general aim of achieving an equitable improvement in the country's education indicators.

59. To make all of these new infrastructures operational, 2,549 teachers (including 1,000 under the National Development Service—SND) and 270 supervisory staff were recruited. Special emphasis was placed on educational innovation, to promote access to education. This approach primarily involves the communication strategy to promote community participation and the development of "educational discovery areas" (*Espaces d'Eveil Educatif*) targeting children 3-6 years of age and aiming to give them equal educational rights and opportunities in rural, suburban, and urban areas. The number of classrooms increased from 17,456 in 2000 to 19,365 in 2001, including 7,602 with multiple grade levels and 2,658 double-flow arrangements. The number of schools increased to 5,289—including 4,647 public and 642 private schools.

60. The government also adopted a letter on educational policy in March 2001, which confirms the regulation of flows between the different types of education and elimination of automatic linkages between admission to the national schools for primary school teachers (ENEP) and civil service hiring. The latter measure creates a new category of

teachers who will be recruited at the decentralized level and will have similar status as community teachers. This effort will require an extension of the community schools program.

Physical Completion of Educational Infrastructures for 2001

Description	State budget	HIPC resources	NGOs	External financing *	Total
Primary inspections	10	10		21	41
Schools	02	140	01	99	242
Housing units	126	420	11	772	1049
Tubewells	35	110		343	488
Latrines	63	140		72	275
Permanent Training and Literacy Centers (CPAF)		100		60	160
Rehabilitation	06	40		387	432
Nonformal Basic Education Center Project (CEBNF)				06	06
Regional Basic Education and Literacy Directorates (DREBA)				03	03
Bilingual schools			40		40

* European Union, Switzerland, Agence Française de Développement (AFD), Islamic Development Bank (IsDB), African Development Bank (AfDB)-Netherlands, Japan, and United Nations Children's Fund (UNICEF).

Source: MEBA.

Improved relevance and quality of education

61. A number of actions were undertaken to facilitate the flow of students at the primary and secondary levels. The proportion of students reaching second year intermediate class (CM2) can be expected to increase from 60 percent to 75 percent by 2010, and the repetition rate in primary school should decline from an average of 18 percent to 10 percent during that period. To that end, a plan to enhance efficiency of the basic education system was adopted in 2001. The aims of this plan will be to (i) reorganize the basic education cycle into subcycles and regulate conditions for promotion and repeating grades; (ii) increase actual instruction time from 660 hours to 800 hours per year; (iii) improve conditions for education and learning; (iv) overhaul curricula to reflect the introduction of national languages; and (v) improve the evaluation system.

62. The policy of free distribution of textbooks continued in 2001, with the aim of achieving a ratio of one book per student in the fundamental subjects. Activities in the nonformal area in 2001 consisted primarily of preparing a master plan for training, targeting community education workers and supervisors, and a document on the profile of community education workers and outgoing students, as well as standards in the area of nonformal education.

63. Specific activities targeting the least favored groups were implemented in 2001. This involved essentially a supplementary budget allocation from HIPC Initiative

resources, which made it possible to buy food for canteens and supplies for schools situated in the provinces registering the lowest enrollment ratios. A total of 226,000 children, 38 percent of whom were girls, benefited from these efforts during the 2000-2001 school year. These activities were initiated as the result of the survey conducted in 2000, which showed that the costs of education are high, and that access to school is impeded for some children as the result of certain expenses incurred by parents. Distribution of school supplies therefore led to a reduction in the cost of the minimum package of school supplies.

64. In addition, 2001 entailed the massive repatriation of Burkinabè nationals. In this connection, it was decided to exempt the parents of repatriated students from dues for parents' associations. During 2001, activities involving training, strengthening of community structures, environmental enhancement, preparation of legislation, and research in information, education, and communication (IEC) were initiated to benefit handicapped persons.

65. At the preschool level, efforts were pursued in 2001 to create early childhood facilities. Accordingly, there are 830 children in *bissongos* and 7,114 in popular childcare facilities.

Strengthening steering capacities for the MEBA

66. To strengthen MEBA's steering capacity, a number of different training activities were provided for staff of central and decentralized units to enable them to internalize the new requirements under the change resulting from the new functional and hierarchical structure of MEBA adopted in connection with the preparatory measures for the PDDEB. In this connection, personnel from decentralized structures were trained to prepare action plans and to master the geographic information system. The manuals on technical execution of the plan were reviewed and validated to facilitate the implementation of the PDDEB. As the peripheral structures are intended to play essential roles in implementation of the document, 45 accountants and accounting assistants, building technicians, and computer specialists will be recruited to work in all provincial directorates. These activities will make it possible to fill the deficit in management capacities at the level of the Provincial Directorates for Basic Education and Literacy (DPEBAs), high commissionerships, and municipalities, to enable them to effectively manage the resources to be transferred to their in 2003. In addition, an audit on the institutional and human resource changes was conducted to apply the person/post adaptations essential for the system to function efficiently.

Trends in education monitoring indicators in 2001

67. While these actions led to improved key indicators on education, the results fell short of expectations owing to the problems in implementation of the PDDEB and to the change of methodology used to collect the data, consisting in decentralizing data entry and processing with the Regional Basic Education and Literacy Directorates (DREBAs). This new approach has yet to be effectively internalized by the different stakeholders, making the task of centralizing data difficult. During of the verification missions with the DREBAs adjustments will certainly need to be made to the statistics collected at the base.

68. *The gross school enrollment ratio* (TBS) increased from 42.7 percent in 2000 to 43.4 percent in 2001, with a target of 45 percent; and the gross admission ratio (TBA) for first grade (CP1) increased from 39 percent to 40 percent, compared with an objective of 42 percent. The trends *for girls* and *for the 20 provinces having the lowest enrollment ratios* also showed a slight increase, although without reaching the adopted targets.

For girls, the TBS increased by 0.9 percentage points to 37 percent, as against a target of 38 percent; and the TBA is situated at 34 percent, as against 33 percent in 2001.

The number of new enrollments in level CP1 also increased slightly, leading to an increase in the number of students from 172,162 to 182,069, i.e., 9,907 new enrollments.

69. In absolute terms, *the number of persons taught to read and write* increased from 52,400 to 61,300 between 2000 and 2001, exceeding the established targets. In the 20 provinces with the lowest school enrollment ratios the result of 29,600 was registered as against the projected 29,000.

70. The provisional results of the survey conducted by the National Institute of Statistics and Demography (INSD) show that **the average cost of education** has declined by 6 percent, from CFAF 4,695 in 2000 to CFAF 4,418 in 2001. The cost of a minimum package of school supplies also declined by 13 percent.

Box 2. Survey of MEBA decentralized services and opinion poll of users of basic education services

The purpose of the survey is to identify the level of use of education services, the willingness of parents to support their children's enrollment in schools, capacity to pay education costs, preferences in terms of type of school, opinions of the users of education services on the quality, perceptions on education, and expectations of users. The survey involved 886 households representing 6,170 individuals. At the level of user involvement (participation in meetings and supervision of children after school) in education, it was found that only three out of 10 persons surveyed (29.9 percent) were active in the school support structures, 34.6 percent of whom are women.

Financial contributions are substantially parent contributions and canteen fees. Regarding parents' contributions, the survey found that only one out of five persons does not make the payments—reflecting a clear improvement over the previous figure of 80 percent.

52.5 percent of the parents surveyed contribute to the school canteen. The survey revealed that 71.3 percent of the persons surveyed consider the contributions to be affordable. These costs declined approximately 6 percent during the period 2000-2001.

In addition to parents' contributions and the contribution to the school canteen, parents must pay for the minimum package of school supplies. While this cost varies from class to class, in general it has declined by approximately 13 percent as compared with 2000. This decline might be attributable in part to the free distribution of textbooks and food to schools located in the 20 provinces with the lowest enrollment ratios, and to the good harvest from the 2000-2001 growing season that resulted in slightly lower prices for agricultural products. Activities by certain NGOs throughout the schools, grants of school supplies and food for the canteens, and credit extended to parents to engage in income-generating activities are also noteworthy. The decline in the price for the minimum package of school supplies can be explained by the fact that the price of textbooks is not included beginning this year. These declines mean that school is more accessible. The underlying policies should therefore be continued so that the education indicators rise appreciably as the investments are made.

Literacy and nonformal education

71. As regards literacy, the objective is to increase the literacy rate to 40 percent by 2011. To that end, specific actions will be taken to (i) provide each village with a permanent literacy training center or nonformal basic education center; (ii) provide high-

quality literacy and training activities in these centers; and (iii) promote integration of literacy and training activities within a program of activities and services (health, education, credit, etc.). First, however, curricula must be revised, the system for training community education workers and supervisors must be improved, program design must be enhanced. In addition, renewed and adapted educational materials must be produced, and made available, along with high-quality resource persons, to the various target populations involved.

72. Efforts to improve the supply of infrastructures continued during 2001 by providing the education system with 30 new satellite school sites and six nonformal basic education centers, funded essentially with external assistance. In this respect, 100 teachers and community education workers from satellite schools and nonformal education centers (ES/CEBNF) were recruited and trained. The affirmed willingness to intensify efforts in this area led in March 2002 to the establishment of a fund for development of literacy and nonformal education (FONAENF) and to the decision to assign the nonformal education component to associations and NGOs involved in these activities in rural areas, in connection with a new guided action strategy entitled “*faire faire*” to be financed by the national fund.

Post-primary education

73. The objectives set for post-primary education in connection with poverty reduction are to (i) expand post-primary education; (ii) meet demand for educated labor; and (iii) provide training in sufficient quantity and quality to meet the economy’s requirements. In accomplishing its missions during 2001, the ministry responsible for this component of education built 26 schools for general education and continued the textbook rental program to enable all children in the first cycle to have all required textbooks. These actions have led to a 9 percent increase in children enrolled in secondary school, from 199,115 in 2000/2001 to 217,176 in 2001/2002, bringing the enrollment ratio to 12.36 percent in 2001 as compared with 11.84 percent on a year-on-year basis.

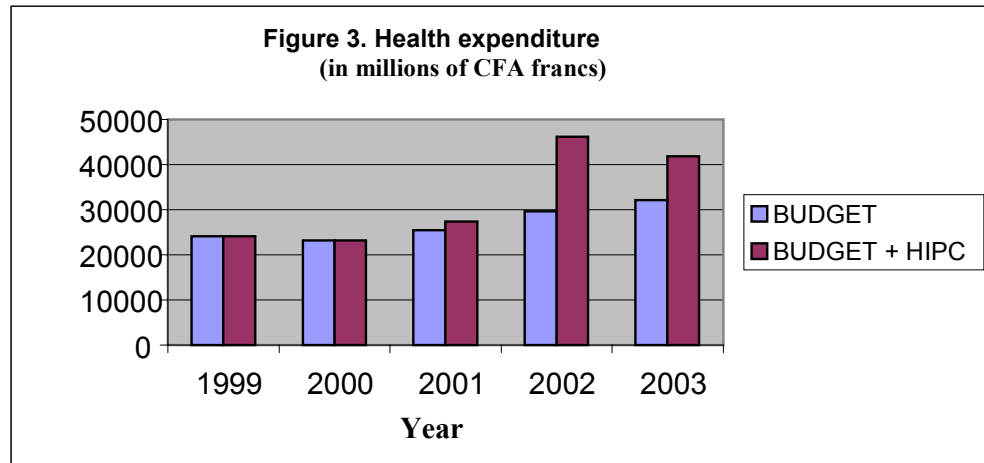
74. Education indicators will improve rapidly during the next years with Burkina Faso’s eligibility for the “Education for All” Initiative, which targets universal education by 2015. The targets of the PDDEB have been revised accordingly to integrate this latest development.

2.2. Health

75. Despite the efforts that have been made for several years, the health situation of the population is characterized by very high morbidity and mortality rates attributable to low rates of access to and use of health services, as well as to the proliferation of parasitic and infectious diseases. Mindful of the fact that a healthy population is the key to a successful fight against poverty, the government decided to devote special attention to health in its strategy. Three objectives were adopted to promote access to health services on the part of the poor: (i) improve health indicators for the poor; (ii) limit the impact of payments for care on poor households; and (iii) involve the poorest users and communities in health decisions.

76. To improve access for the poorest sectors of the population to health services and limit the impact of care on the incomes of poor households, the government has maintained a constant effort to increase budget allocations in the sector and implement a human resource development policy to more effectively address the rural populations. At the budget level, the share of health expenditure in the state budget (not including debt,

investments with external resources, and shared expenditure) increased from 12.4 percent to 13.2 percent during the period 2000-2001. These allocations were strengthened with further contributions of CFAF 9.3 billion from HIPC Initiative resources.



Optimization of human resources in rural areas

77. The recruitment effort was also sustained in 2001 in the health sector. Specifically, 776 new staff (all categories combined) were recruited, 88 percent of whom were assigned to rural areas. This approach made it possible to increase the number of health consultations (see paragraph 84). The terms of reference for conducting a study on staff motivation were prepared. Its conclusions, expected in 2003, will provide guidelines for the policy of assigning health personnel in rural areas.

Social disease coverage

78. Free coverage for “social diseases” (tuberculosis, leprosy, and dracontiasis) continues to be provided through programs aiming at their eradication. The trends are as follows: (i) **tuberculosis is re-emerging as the result of HIV/AIDS**. The initial success of the program is reflected in the increase in reported cases, resulting from improved case reporting (2,380 in 2000 and 2,487 in 2001); the recovery rate increased from 51.8 percent in 1999 to 54.3 percent in 2000; (ii) **there has been a substantial decline in the number of cases of dracontiasis**, with 1,029 cases in 2001 as compared with 1,956 in 2000. The target is to eradicate this disease by 2005 through the pursuit of community-based epidemiological surveillance, distribution of filter screens, treatment of stagnant water, and isolation of diagnosed cases; (iii) **the number of diagnosed cases of leprosy also declined** to 836 in 2001, as compared with 908 in 2000; this trend should continue with strengthened awareness, training, supervision, assessment, and regular poly-chemotherapy supplies.

Fight against malaria

79. In this area, an action plan covering the period 2001-2005 was prepared and execution has begun. For 2001, training for health personnel and population awareness activities have been conducted, 10 laboratories have been equipped with microscopes, and 20 additional mosquito net impregnation sites have been built. Implementation of a

social marketing program for impregnated mosquito nets will enable the nets to be made available to the public at a lower cost.

Fight against epidemics

80. Regarding the fight against epidemics, the health authorities have purchased and distributed vaccines, and in 2001, conducted a vast immunization campaign to prevent meningitis. These activities led to a coverage rate of 86.04 percent, and the provision of free treatment products. Epidemiological surveillance, an integral part of the National Health Information System (SNIS), was assured in all districts, and SNIS received improved computer equipment for data management.

Standardization of health infrastructures

81. To improve access to health care, the effort to standardize health infrastructures was also pursued, in particular, with the construction in 2001 of 24 clinics, 72 maternity facilities, 97 housing units, and 59 essential generic drug (MEG) depots. In addition, six health and social promotion centers (CSPS) and one medical center with surgical ward (CMA) were constructed.

Table 2 – Physical Construction of Health Infrastructures for 2001

Item	State budget	HIPC resources	External financing	Total
CMA			01	01
Health and social promotion center (CSPS)			06	06
CRM [Medical research center]				
Clinics	12	07	05	24
Maternity facilities	12	39	21	72
CTA				
Essential generic drug depots	9	36	14	59
Housing units	15	56	26	97

Source: Ministry of Health.

Trends in health monitoring indicators in 2001

82. The analysis of health indicators shows a favorable trend in 2001, reflecting the relevance of policies conducted, although new measures must be pursued to achieve further results, particularly in terms of accessibility.

83. **Immunization coverage** was satisfactory in 2001, with the exception of yellow fever immunization, which declined slightly as the vaccine was not available from the supplier for a period of six months. Ongoing cooperation among regional authorities under the Expanded Program of Immunization (PEV), the institution of systematic updates for all children using the health service whose immunizations are not current, updating campaigns in health districts whose performance has been insufficient in prior years, and free routine immunizations, including free syringes and health booklets, are the main specific activities underlying this sound performance.

84. The use of first-level health structures, as measured by the *number of new contacts per year and per person*, has remained virtually unchanged at around 0.20 since 1998. This indicator was 0.216 in 2001, as against a target of 0.22. To correct this weakness, the government intends to adapt the services offered to the health needs of the populations, to make these services more accessible and to improve their quality. Actions taken to provide free care and reduce costs of essential generic drugs are factors in achieving this objective. To promote access to care for the most vulnerable population sectors, the existing principle of free preventive prenatal and infant care was reaffirmed in a circular. In addition, the profit margins of CAMEG were reduced by 32 percent to offer essential generic drugs to users of the health services at a lower cost. In this respect, the government is determined to pursue the effort to reduce prices so that CAMEG's reduced margins can be passed on more effectively.

85. For health and social promotion centers, the Ministry of Health defined **the standard of three workers** having the following profiles: one State Registered Nurse (IE) or qualified nurse (IB), one auxiliary midwife (AA), and one itinerant health worker (AIS) or assistant. A survey conducted in 2001 showed a standardization level of 70 percent in 2000. Based on the provisional data collected from the health districts, this rate increased to 74.4 percent in 2001 with the recruitment of 776 staff.

86. *The inventory shortage rate for essential and generic drugs* was 0.19 percent, as in 2000. This figure indicates that CAMEG had an average access of 99.81 percent to the 45 essential drugs. Performance in the area of essential generic drug availability should be expanded to the peripheral units by monitoring the availability of 10 essential molecules in the district distribution depositories.

87. The survey conducted by the INSD indicated that the cost of medical services declined slightly in 2001. However, as the result of the persistent sharp differences in this area from one health center to the next, the government envisaged measures to harmonize the situation (cost of kits) and to rationalize prescriptions, which seem to be dominated by specialty medications and the rate structure applied in the peripheral units. Solutions will be found to vital questions on the description and coverage of indigence, to enhance the financial viability of the health system.

Box 3 – Survey of decentralized units of the Ministry of Health and opinion poll of users of health services

The survey of decentralized health services aims to identify the participation of these services in budget preparation, allocated appropriation volume, and problems encountered in mobilization and execution of budgets at the level of the regional health directorates (DRSs) and health districts (DSs). The results of the survey show an improved level of appropriations, as well as in reporting lags, with execution rates varying in the range of 97-100 percent.

The problems identified involve delayed mobilization of resources, administrative lags, cumbersome contracting procedures, and a shortage of local suppliers. Analysis of the distribution of appropriations indicates that just under 46 percent of the resources are earmarked for health and social promotion centers (CSPS), and the rest to medical centers equipped with surgical wards (CMAs) and district supervision teams (ECDs), at the levels of 32.8 percent and 24.7 percent, respectively.

Regarding the cost of medical services, there was a slight decline between 2000 and 2001. These costs are substantially comprised of the sale of drugs and charges for medical services (surgery, hospitalization, and prescription costs), and vary from one CMA to the next. The cost of hospitalization is lowest (3.65 percent), while the medical prescription cost is highest (39.59 percent). In terms of human resources, 59.30 percent of the health and social promotion centers surveyed meet the personnel standards, as against 53.30 percent in 2000. This is the result of recruitment carried out in 2000 (745) and 2001 (776). More than 80 percent of the recruitment in this connection occurred in peripheral structures. Virtually all health and social promotion centers (98.30 percent) have an essential generic drug depot.

The opinion poll of health service users provides their opinions on the services available to them, and, as a result, provides some information on the use of health services.

Accordingly, it was observed that 90 percent of those surveyed go to health units and 41 percent of this population has done so at least once during the past six months. Thirty percent of those surveyed stated that they had not frequented health facilities because of high costs, 19 percent because the facility was far away, and 18 percent owing to lack of confidence in modern medicine. 98.9 percent of the persons unable to pay for their prescriptions were covered by the health management committee (COGES) fund, which indicates the importance of community involvement in management of health units and development of alternative systems to finance basic health care based on promotion of mechanisms for payment by third parties, such as mutual associations. The government has chosen to encourage this movement initially and to gain a thorough knowledge in this connection before implementing the relevant regulations.

Promotion of women through reproductive health

88. After conducting the experimental program on low-risk maternity in 12 health districts, which is now being assessed so that its country-wide extension can be considered, policies, standards, and protocols were prepared and disseminated. These activities will be used to devise Burkina Faso's national reproductive health program.

Promotion of child health

89. Child health promotion occurs under the comprehensive childhood disease coverage (PCIME) initiative. A survey on PCIME was conducted in the Dandé health district in 2001, and some health districts have been identified for its implementation. A program to reduce transmission of HIV from mother to child was designed and staff were

trained to implement it. The organization of national micronutrient days each year permits free distribution of iron, vitamin A, and iodine to all children 0-5 years of age and to pregnant women. During this year, generic materials from the World Health Organization (WHO) were also adapted to the national context. Rate structure changes will be introduced to confirm free consultations for children 0-11 months of age. Hospitals already provide a 50 percent reduction in rates for children.

Expanding the fight against HIV/AIDS

90. Considering the importance that the government has associated with the fight against this pandemic, the **National Council to Fight AIDS and STDs** and its permanent secretariat were established under the Presidency of Burkina Faso in 2001, and the head of state personally participated in the social mobilization against the pandemic. Burkina Faso also contributed to the international effort against AIDS by hosting the XIIth International Conference on AIDS and STDs in Africa (ICASA) in December 2001.

91. Three national plans, at an overall cost of US\$34.83 million, were conducted during the period 1987-2001. **A strategy paper covering the period 2001-2005 was adopted by the Council of Ministers in May 2001**, and its financing was discussed by a roundtable of donors in June 2001. This new framework indicates the extent of the awareness on the part of the government and its partners regarding the size of the problem and its multifaceted implications, which now make it a true development problem.

92. Steps were taken to ensure **transfusion security**. Accordingly, all blood transfusion centers conduct screening tests. Under the PRSP priority action program, an appropriation of CFAF 100 million was released to provide reagents for diagnostic units.

93. Standards in the area of diagnostic and **treatment capacity for opportunistic infections** were defined for all levels of the health system. Training is in progress on dissemination, and acquisition of materials is expected to receive support from various partners. During 2001, health workers were provided with training on medical coverage for infected persons.

94. In the area of finding alternative strategies to hospitalization, the **outpatient treatment center** became operational in September 2000. The patient care outlook is good with the recent reduction, in the range of 38-96 percent, of prices for anti-retroviral (ARV) drugs, as the result of an agreement with a number of laboratories concluded in August 2001. Despite this price reduction, most patients still cannot afford ARVs—hence the need to expand coverage strategies and give priority, in connection with sectoral programs, to this dimension, and to the promotion of voluntary screening. According to sources from the outpatient treatment center, 883 new AIDS cases were detected in 2001, including 512 women and 371 men. Only 296 of the new cases detected (33.5 percent) are receiving ARV treatment. As of June 30, 2001, there has been a total of 18,144 cases since 1987.

95. By joining the Bamako initiative, Burkina Faso opted for participation of users and communities in managing and development of health activities. Management committees (COGESs) were established in health units for that purpose. The capacity of these structures was strengthened in the areas of participatory microplanning and monitoring of priority health activities. Training activities in this connection involved 66 percent of the management committees, according to the report assessing management of financial resources. Efforts are also being pursued to give greater responsibilities to women in this connection.

2.3. Access to drinking water

96. There has been a substantial improvement in household access to drinking water. In 2001, nearly 90 percent of the population received water from a well, tubewell, or tap. Regional disparities remain, however, and the problem of sanitation continues to be a great concern as 70 percent of Burkinabè households still do not have access to latrines. A vast community sanitation program covering the cities of Ouagadougou and Bobo-Dioulasso was undertaken to improve living conditions in the short term.

Drinking water supply for rural and semi-urban areas

97. Burkina Faso has made tremendous efforts with assistance from development partners to meet the population's water needs. In October 2000, the government adopted a framework paper on reform of the management system for water infrastructures supplying drinking water in rural and semi-urban areas, aimed at enhancing the accountability of the private sector and users in the management of investments in water infrastructures and equipment in the long term.

98. The objectives to reduce water equipment disparities through enhanced investment planning have been pursued, and the neighborhood water approach (one watering place per population of 300) has now been adopted, to correct the observed disparities and to ensure that watering places are closer to the users. Accordingly, in 2001, 1,065 new productive tubewells and five mini drinking water supply systems (AEPs) were constructed; 785 tubewells and 35 wells were rehabilitated, while several other projects were in the stage of negotiations for financing or in formulation. In the context of the HIPC initiative, CFAF 167 million in additional resources were allocated to the ministry responsible for water to improve the drinking water supply in the priority 20 provinces.

99. The objective to increase coverage of drinking water needs from 90 percent to 95 percent in rural and semi-urban areas based on a population of 300 per watering place, and from 58 percent to 70 percent in rural areas will be pursued during the coming years. The activities programmed to that end are to (i) conduct a study of community sanitation equipment for Bobo-Dioulasso and on the drinking water supply systems for secondary centers with financing from the African Development Bank (AfDB); (ii) guide implementation of the program to test the reform of the management system under the drinking water supply initiative (AEP) for secondary centers, under which there are plans to equip 15 centers with drinking water supply systems by 2004; (iii) guide implementation of the second phase of the regional solar program under which there are plans to equip 100 secondary centers with drinking water supply systems; (iv) effectively start a number of important projects and programs under which 1,000 new tubewells will be dug each year; and (v) execute the "forages divers" well project from the national budget.

Drinking water supply and sanitation in centers covered by the ONEA

100. In connection with its public service missions, the national water company (ONEA) is responsible for providing drinking water in urban and semi-urban centers with populations exceeding 10,000 through drinking water supply systems, and promoting autonomous and community sanitation systems to remove wastewater and human waste, primarily to benefit the people in poor neighborhoods in large city centers.

101. As regards the sanitation component, the situation is a concern as not all urban and semi-urban centers have adequate facilities to remove wastewater and human waste.

This explains the sanitary problems encountered in Burkina Faso's cities. This situation is compounded by inadequate storm sewer systems, and unsatisfactory management of household trash and drainage products, which serve as carriers of disease.

102. The many actions taken to find solutions to this problem for the urban poor populations include the following projects: (i) urban water works, aiming to reduce poverty in semi-urban areas in 26 centers through the construction and rehabilitation of 57 standpipes, construction of public latrines, and hygiene awareness activities around watering places; (ii) autonomous sanitation, adopting a participatory approach to propose and implement appropriate technologies to remove wastewater and human waste in the cities of Ouagadougou and Bobo-Dioulasso; and (iii) community sanitation in the cities of Ouagadougou and Bobo-Dioulasso, that will entail completion of a sewer system in 2002 and 2003.

3. STRATEGIC AREA 3: INCREASING EMPLOYMENT AND INCOME-GENERATING OPPORTUNITIES FOR THE POOR

103. The issue of employment and, more generally, of income generation is an essential consideration in the campaign to reduce poverty. Given the extent of rural poverty, efforts have been focused on strengthening sectors that are key to rural development (farming, livestock, environment, and water).

104. The Decentralized Rural Development Policy Letter (LPDRD), the final version of which is now available, refers to the sectoral policies and strategies that have been adopted, in particular the Strategic Plan for Scientific Research, Guidelines for the Livestock Development Plan, Strategic Guidelines for the Farming and Livestock Sectors through 2010, the National Action Plan to Combat Desertification, the Strategic Plan for Sustainable Growth in the Agricultural Sector, and various measures relating to land management and local development.

105. The objectives of the new rural development policy are to expand agricultural production by 5 percent to 10 percent per year, to increase the incomes of farmers and herders by at least 3 percent per capita and per year, and to establish conditions whereby people are assured an adequate and balanced food supply.

106. To achieve these objectives, priority actions are planned in the following strategic areas: the development of a rural market economy, sustainable management of natural resources, food and nutritional security, improvement of the economic status of rural women, a refocusing of the role of the state and promotion of private enterprise, the principle of cofinancing by the government and local communities, administrative decentralization, empowerment of local communities, construction of infrastructure projects, and close involvement of local beneficiaries in their management.

3.1. Reducing the vulnerability of the agricultural sector

107. As part of the campaign to improve and maintain soil fertility, a program to create 50,000 manure pits was launched in June 2001, and initial results are highly encouraging. The lessons drawn from this program will serve to refine the methodology for the Integrated Soil Fertility Management Plan (PAGIFS). Implementation of this plan

will now be accelerated, so that farmers will have access, at low cost, to the inputs they need to enhance productivity and production for various crops.

108. As part of the campaign to combat drought, and more specifically to reduce vulnerability to rainfall shortages, the government has opted to increase rainfall levels artificially through a cloud-seeding program known as SAAGA. The advanced equipment needed for this program was installed in 2001 and technicians are now being trained. The program will go into action in 2002.

109. The program in support of traditional livestock grazing and the upgrading of pastoral lands has seen the opening of 15 veterinary stations, 22 tubewells and 7 small ponds, and the delimitation of five new pastoral zones and 23 pasture zones. In 2001, 2,300 National Migration Certificates (CNTs) and 1,000 International Migration Certificates (CITs) were issued for seasonal migration of livestock.

110. In the animal health area, significant progress has been made: 30 percent of cattle have been immunized against contagious bovine pneumonia, about 30,000 animals have been vaccinated against rabies, and 15 percent of poultry have been protected against Newcastle disease.

111. The revision of the PANE now underway will give the country an Environmental Plan for Sustainable Development (PEDD) covering all sectors of the environment: ambient and physical, water, nature, human activities, both urban and rural, and all activities linked to the environment. Environmental units have been established to monitor actions within the ministries.

3.2. Intensification and modernization of agricultural activities

112. Efforts to intensify and modernize agricultural activities focused in 2001 on improving animal breeds, distributing certified seeds, and upgrading agricultural equipment.

113. The National Livestock and Artificial Insemination Center is now operational, and will contribute to improving productivity of the country's livestock herds. It will support programs for upgrading cattle and sheep herds by intensifying the use of artificial insemination, the distribution of more than 150 high-yield cattle (azawak zebu) to herders, and the import of 140 head of Gyr and Gyrolando cattle from Brazil. With respect to upgrading marketing and processing infrastructure, work has begun on a project to rehabilitate the refrigerated slaughterhouse at Ouagadougou, and pre-feasibility studies are underway for similar facility at Bobo-Dioulasso. Moreover, financing has been obtained for construction of a livestock market at Guelongo in the Nahouri, and another at Fada N'Gourma is now under construction.

114. To increase the security of feed for animals, a stock of 50,000 bales of forage has been constituted under the Livestock Rescue Plan (PISB), agro-industrial byproducts have been made more available with the distribution of 22,000 metric tons to herders under the emergency program, and more than 500 hectares have been sown in forage crops. Thanks to this program, the country's livestock potential is being maintained.

115. The program of pastoral improvements will be pursued in 2002 through the securing of user rights for herders and livestock breeders, with the delimitation of 15 pastoral zones, the improvement of 17 pastoral zones and pasture areas, the

improvement of 700 kilometers of cattle trails, and the creation of 110 water supply points, including six dams.

116. Efforts to improve animal health will focus on a program to vaccinate 40 percent of cattle against contagious bovine pneumonia, and to protect 25 percent of cattle against trypanosomosis, the construction of two quarantine yards and 15 vaccination yards, and improvements to the analytical capacities of laboratories in Ouagadougou, Tenkodogo, Fada N’Gourma, Ouahigouya and Bobo-Dioulasso.

117. Efforts to intensify and modernize the livestock sector will focus on: (i) genetic improvement, through dissemination of artificial insemination techniques, and the distribution of more than 450 head of high-yield breeds; (ii) support for traditional poultry raising and small-scale livestock operations, by vaccinating 20 percent of poultry against Newcastle disease, expanding the Village Livestock Development Program through radio stations in Fada N’Gourma and Tenkodogo, support for women's groups engaged in hog raising; and (iii) upgrading slaughterhouses and marketing facilities with the construction of seven new livestock markets, 25 slaughter yards, completion of rehabilitation work for the Ouagadougou slaughterhouse, and obtaining financing for construction of the new refrigerated slaughterhouse at Bobo-Dioulasso.

118. As part of government efforts to support the production and distribution of improved seeds, the Rice Action Plan (PA/FR) calls for producing 70 tons of R1 seed in order to produce 5,360 tons of certified seeds.

119. The 2001/2002 campaign under the PA/FR program also calls for testing post-harvest materials such as improved threshing and husking equipment. For the draining of rice paddies, the Special Food Security Program (PSSA) is promoting the use of foot-operated pumps.

3.3. Increasing and diversifying rural incomes

120. As part of the effort to increase and diversify rural incomes, more than 100 stock-fattening projects have been financed by the Program of Support for Grassroots Community Initiatives/Poverty Reduction Program (PAICB/LCP) in five regions of its intervention zone. Similar initiatives together with projects for poultry and hog-raising and dairy production have also received support, either through this program or through the special food security program for women, as well as through NGO channels.

121. Under the HIPC program for 2001, a total of CFAF 3.1 billion has been allocated to financing employment- and income-generating activities and productivity improvement in rural areas. A number of actions have been taken to intensify and modernize agriculture by distributing improved, high-yield seeds and fertilizers to poor farmers, with the objective of helping them to produce enough to meet their own needs and to have a marketable surplus.

122. The government has launched a pilot program for Small-Scale Village Irrigation during the dry part of the 2001/2002 crop year. This program is promoting better use of water resources, the creation of dry-season employment opportunities, and an increase in agricultural production. More than 625 hectares have been seeded, for a total production estimated at 2,074 metric tons, including 1,998 metric tons of corn and 80.5 metric tons of cowpeas. Encouraged by these results, and in an effort to ensure their continuity, the government is undertaking a program of national scope, involving a national workshop to

prepare a national development strategy for small-scale village irrigation. This strategy will become a major element of the national food security strategy. Pending implementation of this strategy, the pilot experiment will be continued in 2002, with expansion of the area under cultivation to 20,000 hectares and the provision of training for extension workers and farmers. The 2002 campaign will be launched on the occasion of Farmers' Day in October 2002.

123. In addition to the Small-Scale Village Irrigation Pilot Project referred to above, several local development projects will be undertaken to expand and diversify rural incomes through the development of microcredit and local investment funds. The National Land Management Program (PNGT), launched in February 2002, will include a Local Investment Fund that will finance productive investments undertaken by grassroots groups at the village and provincial level.

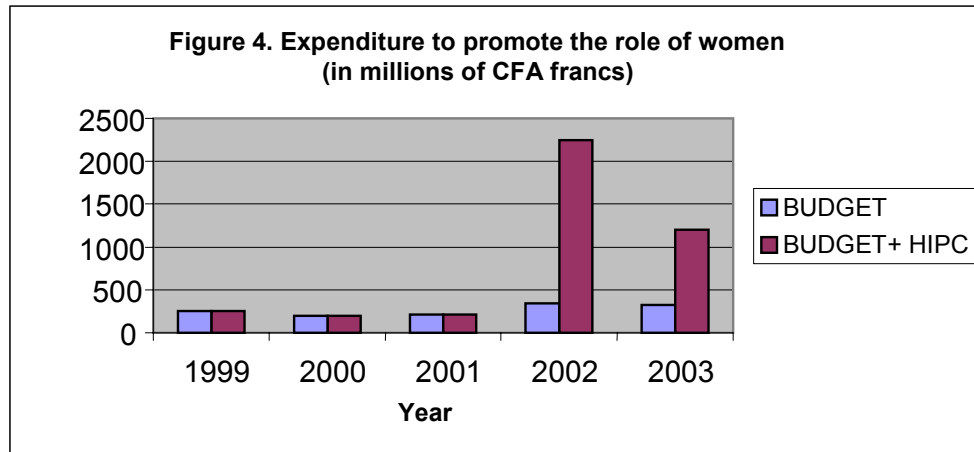
124. As part of the effort to increase and diversify rural incomes, 322,000 hectares of forest have been improved on behalf of the neighboring population. This activity has helped create other income sources for the people concerned, through the exploitation of lumber and non-wood products such as honey, *karité* (shea nuts), *nééré* (African locust seeds), etc. The production of plants in private nurseries has also contributed to this objective.

3.4. Promoting the role of women

125. Women are in a position of disadvantage in everyday life. For this reason, the government decided in 1997 to create a ministry to see to their concerns, and to lay the basis for improving living conditions for women as a way of reducing poverty. Activities for 2001 have been focused on such areas as the acquisition of technologies, the creation of infrastructure (women's centers, tubewells), equipping women's centers, and training personnel and associations. For 2002, some CFAF 4 billion will be supplied from various financing sources for remunerative activities on behalf of women.

126. In order to reduce chronic poverty among rural women, the government has had a project anyway since 1995 known as the "national *karité* project." This project gives women the possibility of earning supplementary incomes through the exploitation of *karité* products. To this end, 18,590 women have received training in how to produce high-quality nuts, 25,000 women have been introduced to the technique of producing high-quality *karité* butter, and 23 instructors are training thousands of women every year in how to use *karité* butter for soapmaking. To help women enter the business, six literacy centers have been created, and 40 local female leaders have been trained, as well as 16 supervisors. In terms of outfitting women's groups with technology and equipment, 45 *karité* presses have been put into service as well as 40 mixed mills, 40 soapmaking units, 11 husking machines, and five motorized pumps.

127. In a further effort to diversify sources of income for women, the Support Fund for Remunerative Activities for Women (FAARF) provided some CFAF 2.3 billion for women in 43 provinces during 2001. In addition, under the Credit Project for Rural Women's Economic Activities (PSAE/FRC), more than CFAF 30 million has been provided to female farmers in 14 provinces, and 2,034 women have received management training.



3.5. Encouraging professionalism and supporting producers' organizations

128. Under this program, which is intended to strengthen farmers' organizations (OPA), there are now 19,068 OPAs, of which six are umbrella or "summit" organizations that have been legally recognized: UNJPA-B, FEPA-B, UNPC-B, FENOP, FENAFER-B and FEB. To these six organizations a seventh may be added, namely the National Crafts Federation (FNA-B). A regional analysis of OPAs has been conducted to establish a base of reference, including a study of their legal and institutional environment, to provide objective criteria for effective support. A coordination body for these umbrella organizations, the Faso Farming Confederation (CAF), was created in 2001 to make the OPAs more representative and to address major national and international issues.

129. The decrees issued in December 2001 to create and regulate the Regional Chambers of Agriculture (CRAs) reflect the government's determination to help all players in the agricultural sector in their efforts to organize themselves so that they can occupy fully and actively the room that the government is now leaving to them as it refocuses its own activities.

130. Support for farmers and their organizations during the 2000/2001 crop year took the form of action plans under the priority programs of the strategic operations plan. In the area of microfinance, for example, the action plan for rural financing (PA/FMR) has been strengthening professional capacities in the sector by helping to organize and cofinance training. The rice action plan (PA/FR) has supported the organization and establishment of the "interprofessional rice committee" (CIR).

131. In the livestock sector, more than 17,000 producers were trained during 2001 in the cutting and storage of fodder; activities of the poultry center in the vicinity of Ouagadougou and Bobo-Dioulasso were reinforced; the hog farming center of Bobo-

Dioulasso was created; and the coordinating body for the promotion of animal resources became more active.

132. Support for the livestock sector will include better access to inputs and financing, promotion of forage crops and the cutting and storage of fodder, startup of a 3,000-liter dairy at Fada N’Gourma, and the creation of 15 new mini-dairies. Support for the leather and hides handicraft industry will focus on organization, training, and supply of equipment.

3.6. Overcoming rural isolation

133. Burkina Faso is engaged in a policy to support farming through a comprehensive program to construct 6,000 kilometers of rural roads by 2004. On the institutional front, a Directorate-General of Rural Roads has been created within the ministry responsible for infrastructure. As part of the poverty reduction campaign, an additional program, supported by HIPC resources, has been undertaken: its first stage includes 266 kilometers in four provinces, with a second stage of 387 kilometers in nine provinces. Additional external financing has also permitted a start on building more than 1,000 kilometers of roads. SOFITEX will undertake a rural roads program in 2003 to open up the new cotton growing areas in the Center-East, Southwest and Cascades regions, and to increase the private sector's role in transportation. It will cover nine provinces, for total length of 448 kilometers.

134. The development of rural roads in the poorest regions is intended to help establish healthy markets and in this way to create poles of development that will encourage economic diversification. Road links to neighboring countries are also being improved through paving.

135. Rural electrification will be extended in coming years, with creation of a rural electrification agency and fund. In the electricity sector, an experiment will be undertaken to provide village cooperatives with electricity at wholesale. As well, 740 solar energy kits will be offered on a commercial basis (three-year credit) to individual households in the province of Ganzougou, together with instructions, testing, and performance measurement.

3.7. Employment and vocational training

136. One of the objectives of the national strategy for the promotion of employment and vocational training is to improve access to financing for job-creating small and medium-scale enterprises. In 2001, some 1,260 microenterprises and microprojects received financing from various sources. As well, an Employment and Vocational Training Observatory was created to improve knowledge of the labor market. The government has undertaken to strengthen the training centers operated by the ONPE in order to encourage self-employment and to create a pool of qualified workers.

137. As part of the effort to promote small-scale mining, three small mines and three “handicraft” mining units will be created in 2002 for a period of three years. Given the impact of the sector on income and employment levels, action will be taken to provide training and to improve living and working conditions for people engaged in gold washing. These activities are part of the project to create mining centers, to be executed by the Burkinabè Precious Metals Exchange (CBMP).

138. It should also be noted that the exploitation of useful substances and local construction materials can create jobs and provide substantial incomes for the population.

4. STRATEGIC AREA 4: PROMOTING GOOD GOVERNANCE

139. Burkina Faso adopted its first National Good Governance Plan (PNBG) in September 1998, and it now provides the frame of reference in terms of governance, setting out the basic principles and objectives as well as the broad guidelines and strategy. An investment program for implementing it has been prepared, and some activities have already begun. However, most of its activities must await mobilization of the necessary financial resources. To reflect political and institutional changes, as well as revised estimates for the costs of various activities, the PNBG will be subjected to a review by the end of 2002, followed by a roundtable in early 2003 with donors that are providing budgetary support to the government.

140. Efforts in the governance area during 2001 focused, at the political level, on strengthening democracy and the rule of law and, in the economic area, on mechanisms to ensure transparency and accountability in budgetary management.

4.1. Democratic governance

141. Implementation of the Global Reform of Public Administration (RGAP) made significant progress in 2001 with the adoption of new score sheets for applying the merit-based system of promotions in the public service. New programming tools for administrative units have also been introduced: mission statements, contractual objectives, programs of activities, scorecards, activity reports, etc. Supervision of staff will be improved significantly by the establishment of job descriptions, the creation of human resource offices, and the decentralization of personnel management through the Integrated System of Administrative and Payroll Management for Government Employees (SIGASPE), now being implemented through the inter-administration Network (RESINA). The emphasis will be put on training to ensure that these new instruments are properly applied in all administrative units.

142. With increasing freedom of the press and communication, some 60 new newspapers in French and national languages have made their appearance in the country. As regards audio-visual communication, there are now 64 private radio stations (community, cooperative, religious and commercial) and two private television channels. The many associations and cooperatives that are now active in the sector (with more than a dozen associations, including the National Press Observatory, ONAP) are a sign of vitality, creativity, and freedom of expression.

143. In an effort to ensure transparent electoral processes to which the entire political class will subscribe, the elections code has been revised and the powers of the National Independent Elections Commission (CENI) have been strengthened. That body will now be responsible for the entire process, for reviewing the voters' lists to responding to complaints. The National Assembly has also approved the "political parties charter" and the "status of the opposition," and an Independent Elections Observatory (OIE) has been created, consisting of members of civil society. Introduction of the single ballot and the distribution of seats in accordance with the principle of proportional representation should lead to much more diversified participation in elective bodies.

144. Public funding for political parties and the private press represents a considerable step forward for democracy. In order to involve civil society more closely in the management of public affairs, a national workshop was held in November 2001 as part of the National Good Governance Plan, with representatives of the administration, institutions, and organizations of civil society. It succeeded in establishing a definition of the notion of civil society in Burkina Faso, and its components, as well as an assessment of its strengths and weaknesses.

145. The results of this workshop were taken into account in preparing the framework document for strengthening civil society organizations. Similarly, the revision of the constitution and the adoption of new statutes for the Economic and Social Council (CES), issuance of a decree distributing seats on the Council by economic sector, and the creation of an Economic and Social Observatory should lead to a better political balance and better performance of the Council's advisory function. In the social area, finally, there are regular consultations among the government, labor, and business, and this is helping to establish the social peace that is necessary for development.

146. Other significant political initiatives have been taken during 2001, including organization of the National Day of Forgiveness, the creation of a High Council to Monitor Weapons Imports, and a High Authority to Control the Proliferation of Small Arms. These last two initiatives reflect the concern of Burkina Faso to contribute positively to the campaign against money laundering and terrorism.

147. To make the justice system more accessible and more efficient, a National Action Plan for Justice Reform (PAN/RJ) was adopted in April 2000, followed by preparation of an investment program. A roundtable of donors was held in June 2001 for its implementation. Creation of a State Secretariat for the Promotion of Human Rights in 2000, and establishment of the National Human Rights Commission (CNDH) in 2001, followed by adoption of a policy and plan of action and guidelines for the protection of human rights, reflect the government's determination to strengthen the protection of human rights, both in the operations of the court system and in the preparation of legislation. In the same spirit, the College of Lawyers of Burkina Faso has launched an initiative to provide legal aid for indigents.

148. During 2001, a new status for judges was adopted, reflecting the concern to depoliticize justice, consistent with the conclusions of the national forum on justice and the regional workshops that were held in 2001 to evaluate the PRSP. Henceforth, judges are prohibited from being members of a political party or from engaging in political activities, and any judge who wishes to stand for election must resign or take leave of absence. The poverty reduction campaign will require an environment of peace and security if it is to succeed. As well, given the resurgence of banditry, which frightens citizens, disrupts economic activity, and impedes access to basic social services, the government adopted in October 2001 a plan to combat insecurity. It is to be implemented over the short, medium and long term, and calls for enhancing the response capacity of the security forces and improving the coverage of their services in rural and urban areas.

149. In 2002, the government intends to install and activate the new senior judicial bodies (Constitutional Council, Supreme Audit Court, Council of State, Court of Appeals). Staff have recently been appointed for these institutions. Civil society will also be invited to organize itself so as to provide greater input into the preparation, implementation, and monitoring of development policies. This will require capacity

building efforts on the part of the government as well as its technical and financial partners.

4.2. Economic governance

150. Steps have been taken to decentralize budgets and deconcentrate funds for the social ministries, and to improve the programming of government procurement. Procurement regulations have been revised to make the issuance of public contracts more transparent, following a workshop in November 2001 at which government departments, civil society, and the country's development partners provided observations and contributions. To ensure transparency and healthy competition among bidders for public procurement, it has been decided to publish the results of tenders in a specially created procurement bulletin.

151. Important decisions have also been taken to reinforce the institutional apparatus for combating fraud and corruption, with creation of a high authority for the fight against corruption. That authority is empowered to receive and examine complaints, and it may also undertake investigations at its own initiative for investigations it considers useful. The government took the opportunity of a meeting with the private sector in May 2001, consistent with the commitment of the head of state on the National Day of Forgiveness, to reaffirm its determination to eradicate this scourge. To give effect to this commitment, the Ethics Committee was created on June 8, 2001. It can also be noted that a civil society organization, the National Network against Corruption (RENLAC), did much to stimulate awareness of this problem.

152. Notable progress has been made through implementation of the project in support of Reinforcing Economic Governance (PRGE), including preparation of a study on projecting national development until the year 2025, guidance of managing the economy and coordinating aid, and the creation of the National Observatory on Poverty and Sustainable Human Development (ONAPAD), as well as the Employment Observatory. The ONAPAD has prepared and validated a series of indicators (40 of the first rank, 60 of the second rank, and 7 of the third rank) that will be useful for monitoring and evaluating the PRSP.

153. Progress in introducing sound economic governance to Burkina Faso can be seen in the regular meetings of the General Assembly of State Enterprises (state enterprises and administrative public entities), enforcement of the decree on the appointment of project managers, and the progressive acceptance of the need for accountability on the part of managers at all levels.

154. To ensure parliamentary control over budget execution, the government adopted and sent to the Chamber of Accounts the draft budget execution reports for fiscal years 1994 to 1998. To ensure greater transparency in the management of public funds, the government will continue its efforts to produce its budgets execution reports and accounts on a regular and timely basis. The reform of the public procurement code will also be pursued with preparation of a procedures manual and implementation of a plan to strengthen the capacities of departments involved in this area during 2002.

155. All of these actions will be consolidated and implemented as part of the Global Action Plan for Strengthening Budgetary Management for the period 2002-2004, which the government adopted in July 2002. The main features of the PRGB are to:
(1) strengthen the capacities of agencies responsible for budgetary management;

- (2) improve the legal framework for budgetary management, and its enforcement;
- (3) improve the quality and transparency of the budget law; (4) strengthen the monitoring of budgetary performance and to ensure that budget execution is properly accounted for;
- (5) further decentralize the budget; (6) improve the quality of specific expenditures;
- (7) improve the quality and durability of the process for computerizing budgetary management; and (8) strengthen control over budgetary management.

4.3. Local governance

156. There has been some significant progress in the process of decentralization, including: (i) introduction of institutional, technical and financial support mechanisms for the municipalities; (ii) strengthening the management and operational capacities of local elected officials and officers; (iii) upgrading public facilities and infrastructure for the municipalities; (iv) consolidating and increasing financial resources and tax revenues for most municipalities; and (v) renewal of more than 80 percent of municipal councils, together with an increase in proportion of female councilors, which rose from 12 percent to 21 percent following the municipal elections of September 2000, reflecting the vitality of grassroots democracy.

157. The organizational arrangements for decentralization were completed in 2001 with creation of the regions. This new environment will support the decentralized rural development strategy adopted by the government as an overall framework for the various programs and projects targeted at development in rural communities, and will provide a logical framework for the PRSP in efforts to reduce regional disparities. Along with the decentralization process, the economic and financial authorities have taken steps to decentralize payment order issuance, and a pilot experiment will be undertaken in this respect in Bobo-Dioulasso, beginning in 2003.

158. The forthcoming establishment of a standing committee to monitor regulations to the original decentralization legislation (TOD), and the creation of an interministerial oversight structure for decentralization, will imply a significant improvement in the programming process and better planning of activities.

5. POVERTY EVALUATION AND MONITORING

5.1. Dissemination of economic and financial information

159. Significant progress was made in 2001 in the dissemination of economic and social information, with publication of the national economic accounts for the years 1994 to 1997 and the social indicators for 1998 and 1999. The decision by the National Institute of Statistics and Demographics (INSD) to change the basis for analyzing statistical data created a work overload, which explains the delay in producing the national accounts for 1999 and 2000.

160. The INSD conducted surveys and opinion polls among service users and suppliers to government over the course of 2001, through which it collected information on decentralized services provided by the ministries of health and basic education, dealing with procurement procedures and the timeliness of payments. A study was also conducted about the discrepancy between the unit prices for certain products obtained through government procurement and those paid by the private sector, the cost of medical

services at primary care centers, and the average cost of schooling for children in primary school.

161. A periodic report is now prepared on the time that elapses between the issuance of payments orders and the date the payment is made to government suppliers. These times are being gradually reduced, and the government's credibility is being accordingly strengthened. The monitoring unit established in June 2001 has made significant progress in establishing a database on social expenditure, but the indicators used for measuring the impact on poverty trends remain weak. The government will continue its efforts to overcome these weaknesses through better coordination among the departments involved and by stepping up efforts to improve quality and regularity in the production of national accounts and other economic statistics. It has requested technical assistance in this respect, and will be increasing the human and financial resources devoted to statistics production. In February 2002, the government began to publish its metadata, in accordance with the GDDS, through the data dissemination standards bulletin board on the IMF web site.

162. The problem of aid coordination is still a concern, despite the progress that is being made in implementing budgetary support through the pooling of aid by certain partners (SBC-PRSP). There is still a problem with integrating external financing, however, reflecting both the delay in processing such financing through the computerized expenditure system and the fact that some donors' contributions are not notified to the DGCOOP. Inclusion of externally financed expenditures in the CID in 2002 will provide complete information and allow more accurate analysis of the sectoral distribution of resources.

5.2. The monitoring system

163. The monitoring system currently operates at three levels: the decision-making level, represented by the Ministerial Oversight Committee for the PRSP; the technical level, represented by the Interministerial Technical Committee for Monitoring the PRSP; and the operational level, represented by the sectoral monitoring groups, in which development partners and representatives of civil society participate in their respective areas of interest.

164. The evaluation of the first year of PRSP implementation revealed some shortcomings in the current system. Revisions to the system are therefore planned, relating in particular to the technical and operational levels (the Interministerial Technical Committee and the Sectoral Groups), in order to provide local input. In fact, the monitoring device has not functioned satisfactorily since it was adopted in 2001. This may be due to the fact that the sectoral groups have not been meeting on a regular basis, reflecting perhaps a failure to understand their missions and the changes in the personnel responsible for coordination and leadership at the sectoral level. To resolve this problem, the evaluation workshop called for preparation of detailed specifications, setting out the responsibilities and powers of the sectoral groups in order to facilitate participation by the various members, as well as establishment of a fixed timetable and a standard format and contents for the reports of these groups.

165. Participants in the evaluation workshop welcomed the government's proposal to extend the monitoring system to the local level, so that the actual beneficiaries could participate actively in implementing and monitoring the PRSP. It will be important in this

regard to maintain the dynamics of the evaluation workshop, and to ensure that the groups have the kind of leadership and training needed to produce tangible results. Any breakdown at this level would pose a threat to the achievements made to date. It would be advisable to undertake an in-depth look at this issue during the 2003 review.

Monitoring indicators

166. The question of indicators for monitoring sectors other than education, health, and drinking water has been a central concern of the National Poverty and Sustainable Development Observatory (ONAPAD) that was set up in 2001. At a conference organized by the INSD in December 2001, the ONAPAD submitted a preliminary list of poverty monitoring indicators. After several discussions with the sectoral ministries, a workshop was held in June 2002, involving all the institutions and partners concerned, to validate the initial proposals. This work will continue during the second half of 2002 in order to refine the indicators selected for monitoring the PRSP and to organize the framework for collecting data: the objective is to have a set of relevant indicators for all sectors covered by the PRSP by the time of the 2003 review. Objectives for the period 2002-2003 will be updated in light of this report.

167. The government appreciates the strategic importance of statistical information in setting its poverty reduction policy, and plans to undertake a survey, beginning in October 2002, to measure progress in reducing the social deficit revealed by the first two surveys of this kind. The results from that survey will be available for the strategic review of the poverty reduction policy in 2003. In addition, detailed studies will be undertaken in 2003 to assess the impact of priority actions under the PRSP and to provide input into the PRSP review process.

Risks

168. Despite the full commitment of the government, as reflected in this report, and the favorable outlook for execution of the poverty reduction strategy, achieving some of the PRSP objectives could be impeded by exogenous shocks such as irregular rainfall, consistently low cotton prices that could destabilize the industry and induce macroeconomic disequilibrium, lack of capacity for effectively implementing all the activities in the priority action program, and length of disbursement procedures that could undermine the multiplier effect of certain contributions.

169. Implementation of the PRGB and other capacity building programs will do much to minimize these risks, but concerns remain above the level of world prices for raw materials. The outlook for cotton, in particular, is clouded by the subsidies given to farmers in rich countries, and this is something that the international community will have to address, since available studies show that the countries of West Africa, including Burkina Faso, have a real comparative advantage in cotton production.

ANNEXES

Table 1: Macroeconomic and Budgetary Efficiency Monitoring Indicators

	1999	2000	2001		2002	2003
	Actual	Actual	Obj.	Actual	Obj.	Obj.
1. Macroeconomic indicators						
Real growth in GDP	6.3%	2.2%	6.2%	5.6%	5.7%	5.7%
Average annual inflation rate	-1.1%	-0.3%	<3.0%	4.9%	<3%	2%
Cum. change in net domestic govt. financing				-18.7	8.4	...
Tax revenues / GDP	14.5%	12.3%	14.0%	11.7%	12.9%	13.3%
Current expenditure / GDP	11.9%	11.8%	12.8%	12.0%	13.0%	12.2%
Basic budgetary balance / GDP	-0.7%	-1.6%	-2.9%	-2.3%	-4.3%	-3.2%
Primary balance / GDP	0.2%	-0.6%	-2.0%	-1.2%	-3.6%	-2.5%
2. Budgetary efficiency indicators						
Budget execution rate (excl. debt and externally financed investment)	97.3%	95.1%		90.6%	>85%	>85%
Current expenditure	99.2%	99.5%		96.6%		
Domestically financed investment expenditure	85.1%	82.9%		73.8%		
Average time from liquidation to payment	33 days	56 days		57 days	50 days	50 days
Difference of unit prices of public procurement compared with market norms			Fav. Devel.	Unfav. Devel.	Fav. Devel.	Fav. Devel.

Source: CID, PRGF program, INSD Survey.

Table 2: Performance of Selected Competitiveness Indicators

INDICATORS	2000	2001		2002		2003
	Actual	Objective	Actual	Objective	Actual	Objective
Private sector						
No. of firms approved under investment code	25		24	30		40
-Investments declared (CFAF billions)	17		163	75		75
-Number of jobs declared	823		963	1000		1000
New industrial facilities	16	20	10	15		20
-Investments declared (CFAF billions)	12		5	20		25
-Number of jobs declared	439		256			
Competitiveness						
Number of businesses formally created	15	8	8	5		4
Electricity prices (high tension)						
-Peak hours (CFAF/KW)	110	110	110	110	110	110
-Off-peak hours (CFAF/KW)	51	51	51	51	51	51
Price of water						
Average price of telecommunication services						
-Local calls						
-Domestic long-distance calls						
-International calls						
Telecommunications						
Number of telecenters		2,394				
Number of cyber cafés						
Number of fixed telephone lines	49,242	59,242	58,036		62,050	68,100
Overall density of phone coverage	0.5%					1%
Oil and gas						
Average price of DDO sold to SONABEL	146	146	146	146	146	...
Electricity						
Change in electrification rate	7	8	9	10		11
Number of secondary centers electrified				1		2

Source: Ministry of Commerce, Business Promotion, and Crafts.

Table 3: Indicators on Access to Drinking Water

INDICATORS	1999	2000	2001		2002	2003
	Situation	Actual	Obj.	Actual	Obj.	Obj.
Reduction in provincial disparities in water supply as measured by access rates						
Number of provinces (NP) < 50%	3	5		2		
50% ≤ NP < 75%	15	4		5		
75% ≤ NP < 85%	6	5		3		
85% ≤ NP < 90%	3	6		3		
90% ≤ NP	18	25		32		
Expansion of facilities in secondary centers (population 2,000 to 10,000)	200	115		215		
Reduction in breakdown rate of manual pumps	20%	20%		20%		
Improvement in drinking water access through creation of new supply points						
Water supply points (national total)	30 000	31 034	31 000	31 870		
New tubewells				1065	1 000	1 000
Safe water supply				5	1	3
Water supply points rehabilitated				35	50	50

Table 4: Basic Education Indicators

INDICATORS	1999-00	2000-01	2001-02		2002-03	2003-04
	Actual	Actual	Obj.	Actual	Obj.	Obj.
1. Budgetary indicators						
1.1. MEBA share in total govt. budget		9.3 %	8.2 %	8.4 %	10.2%	12,7%
Excl: debt, ext. financed invest. And DCIM	16.9 %	16.9 %	15.9 %	17.2%	15.8%	18.1%
- current budget	15.2 %	15.7%	14.4%	15.7%	13.4%	15.7%
- investment budget	1.7%	1.1%	1.5%	1.5%	2.3%	2.4%
1.2- Portion of MEBA material expenditures going to DREBAs	78.0%	65.2%	74.9%	75.5%	73.8%	77,6%
1.3. Execution rate of the MEBA budget						
• Total (internally financed)	110.5%	91.1%	>85%	92.4%	>85%	>85%
- current expend.	112.0%	101.4%		101.9%		
- capital expend.	99.1%	81.9%		92.4%		
• Decentralized units (Title III)	93.9%	89.6%		95.3%		
2. Indicators of access to education system						
2.1. Number of classrooms	17,037	17,456		18,643	19,911	21,265
2.2. Number of teachers	17,435	19,007		19,824	20,677	21,566
2.3. New entrants in CP1 (000)	160.3	172.2	192	182.1	201	223
2.4. Average cost of primary tuition	4.003	4.695		4.418		
2.4. Gross Admission Rate to CP1:						
• Total	36 %	39 %	42 %	41%	47 %	49 %
• Girls	30 %	33 %	37 %	34%	38 %	43 %
• 20 provinces with lowest enrolment ratios		28 %	32 %	29%	33 %	38 %
Of which: girls		23 %	26 %	22.4%	29 %	34 %
2.5. Gross enrolment ratio:						
• Total	41.3 %	42.7 %	45 %	43.4%	48 %	52 %
• Girls	35.9 %	36.2 %	38 %	37%	41 %	46 %
• 20 provinces with lowest enrolment ratios		28 %	31 %	28.3%	33 %	39 %
Of which: girls		23 %	26 %	22.4%	28 %	34 %
2.6. Literacy						
- Newly literate (000)	44	52.4	57	61.3	61	66
- 20 poorest provinces	22	26.3	29	29.6	30,1	30,7
Of which: women	10	12,2	15	17	18	21
3. Indicators of education system quality						
3.1. Grade repetition ratio						
- Primary (CP)		13 %	11 %		9 %	7 %
- Elementary (CE)		17 %	14 %		12 %	10 %
- Intermediate (CM)		19 %	16 %		14 %	12 %
3.1. Promotion rate to CEPE						
• Total	49 %	62 %				
• Girls	44 %	58 %				
• 20 provinces with lowest enrolment ratios						

Sources: 1. Budgetary indicators: Computerized expend. report; 2/3. Access and quality indicators for education system:MEBA statistical yearbook.

Table 5: Health Monitoring Indicators

INDICATORS	1999	2000	2001		2002	2003
	Actual	Actual	Obj.	Actual	Obj.	Obj.
1. Budgetary indicators						
1.1 Health Ministry share of govt. budget						
• Incl. external funds		9.3 %				7.5%
• Domestically financed (excl. debt and joint interministerial expenditure)	13.9 %	12.4 %	13.2 %	13.5 %	13.6 %	13.7%
- current budget			11.2 %	12.1 %	11.3 %	11.6%
- investment budget			2.0 %	1.4 %	2.3 %	2.1%
1.2. Portion of domestically financed health budget allocated to decentralized units (Title III)						
• Regional directorates	16.0%					
• Districts	31.4%					
• Total regional directorates and districts	47.4%	40.0 %	39.9 %	36.6 %		
1.3. Health budget execution rate						
• Total health budget (domestically financed))	104.2%	99.2 %	>85 %	94.6 %	>85 %	>85 %
- current budget	105.5%	105.0 %		98.8 %		
- investment budget	98.6%	82.9 %		90.4 %		
• Budgets of decentralized units		82.6 %		84.3 %	>85 %	>85 %
2. Indicators of system efficiency						
2.1. Vaccination rate (%):						
• BCG	60 %	80 %	80 %	84 %	83 %	85 %
• DTCp3	42 %	57 %	60 %	64 %	65 %	70 %
• Measles	53 %	59 %	60 %	65 %	65 %	70 %
• Yellow fever	50 %	56 %	60 %	52 %	65 %	70 %
2.2. New contacts /person and/year at primary facilities (CSPS, CMA)	-	0.206	0.22	0.216	0.23	0.24
2.3. Proportion of CSPS meeting personnel standards (survey)	-	70 %	75 %	74.4%	80 %	85 %
3. Accessibility of MEG (essential generic drugs)						
3.1. Out-of-stock rate for MEG at the CAMEG for the 45 priority items basket (audit)						
• Overall out-of-stock rate	< 10 %	0.20%	8 %	0.20%	5 %	5 %
• Out-of-stock rate at the district level	-					
3.1. Proportion of CSPSs with operating MEG supply depots (survey)		95 %				
4. Affordability of health care						
4.1. Cost of medical services at primary care centers (CMA, CSPS) (survey)						
❖ Cystocic childbirths	11,503	10,220		9,298		
❖ Caesarian sections	45,609	46,654		46,654		
❖ Intestinal blockages	51,730	41,644		46,635		
❖ Hernias	36,593	38,254		35,612		
5. AIDS and STDs						
5.1. Out-of-stock rate for screening reagents at blood banks						
5.2. Number of persons screened and treated by care services/hospital and outpatient care				873*		
* Incomplete data from the Outpatient Treatment Center						

Table 6: Social Expenditure

	Budget 1999	Budget 2000	2001			2002			Forecast 2003*		
	Actual	Actual	Budget	HIPC	Total	Budget	HIPC	Total	Budget	HIPC 2003	Total
TOTAL	70 000,2	69 863,5	73 861,4	6 559,2	80 420,6	88 920,9	50 764,8	139 685,7	93383,5	28 600,0	121 983,3
Personnel	37 666,9	39 698,9	41 989,4	1 102,0	43 091,4	42 870,8	1 813,6	44 684,4	48 139,9	1 465,4	49 605,3
Goods and services	6 660,8	6 921,6	7 470,7	532,5	8 003,2	9 176,3	13 509,3	22 685,6	11 664,9	7 728,7	19 393,6
Current transfers	14 015,1	14 046,5	13 777,2	58,0	13 835,2	16 369,8	4 587,7	20 957,5	17 615,7	1 647,8	19 263,5
Capital expend.	11 657,4	9 196,5	10 624,1	4 866,7	15 490,8	20 504,0	30 854,2	51 358,2	15 963,0	17 757,9	33 720,9
Health	24 115,7	23 261,0	25 406,4	1 892,6	27 299,0	29 576,8	16 603,6	46 180,4	32 122,3	9 724,0	41 846,3
Personnel	7 504,1	7 988,1	8 958,4	966,0	9 924,4	9 875,6	1 318,8	11 194,4	10 909,4	1 277,8	12 187,2
Goods and services	3 775,3	3 759,8	4 128,3	367,8	4 496,1	4 690,3	10 056,7	14 747,0	5 792,8	4 501,1	10 293,9
Current transfers	8 688,2	8 891,7	9 655,6	0,0	9 655,6	10 128,6	0,0	10 128,6	10 860,5	200,0	11 060,5
Capital expend.	4 148,1	2 621,4	2 664,1	558,8	3 222,9	4 882,3	5 228,1	10 110,4	4 559,6	3 745,1	8 304,7
Basic education and literacy	29 354,1	29 898,0	32 335,7	2 731,9	35 067,6	35 061,1	16 975,8	52 036,9	42 863,0	9 380,8	52 243,6
Personnel	21 929,6	23 298,5	24 614,7	136,0	24 750,7	23 762,9	494,8	24 257,7	30 442,5	187,6	30 630,1
Goods and services	2 340,9	2 538,0	2 927,5	164,7	3 092,2	3 437,1	2 529,3	5 966,4	4 084,5	1 975,2	6 059,7
Current transfers	2 137,4	2 066,3	1 938,9	0,0	1 938,9	2 892,2	0,0	2 892,2	3 357,6	0,0	3 357,6
Capital expend.	2 946,2	1 995,2	2 854,6	2 431,2	5 285,8	4 968,9	13 951,7	18 920,6	4 978,4	7 218,0	12 196,4
Infrastructure, transport, and housing	0,0	0,0	0,0	1 876,7	1 876,7	3 818,1	4 058,5	7 876,6	0,0	2 459,6	2 459,6
Personnel	0,0	0,0	0,0	0,0	0,0	1 026,2	0,0	1 026,2	0,0	0,0	0,0
Goods and services	0,0	0,0	0,0	0,0	0,0	88,1	0,0	88,1	0,0	0,0	0,0
Current transfers	0,0	0,0	0,0	0,0	0,0	105,6	0,0	105,6	0,0	0,0	0,0
Capital expend.	0,0	0,0	0,0	1 876,7	1 876,7	2 598,2	4 058,5	6 656,7	0,0	2 459,6	2 459,6
Employment, labor, and youth	1 567,5	1 283,0	596,8	0,0	596,8	1 455,4	1 901,0	3 356,4	1 628,9	998,0	2 626,9
Personnel	206,2	229,0	201,7	0,0	201,7	216,6	0,0	216,6	291,7	0,0	291,7
Goods and services	105,8	95,9	72,5	0,0	72,5	147,8	0,0	147,8	213,8	0,0	213,8
Current transfers	1 091,8	875,6	251,4	0,0	251,4	778,4	265,0	1 043,4	874,0	258,0	1 132,0
Capital expend.	163,7	82,5	71,2	0,0	71,2	312,6	1 636,0	1 948,6	249,3	740,0	989,3
Promotion of women	256,2	200,1	211,2	0,0	211,2	345,6	1 901,6	2 247,2	323,7	874,6	1 198,3
Personnel	65,4	80,7	101,9	0,0	101,9	107,4	0,0	107,4	109,2	0,0	109,2
Goods and services	50,6	65,8	61,3	0,0	61,3	109,4	30,6	140,0	100,5	0,0	100,5
Current transfers	17,0	3,5	10,0	0,0	10,0	17,1	0,0	17,1	51,5	103,0	154,5
Capital expend.	123,2	50,1	38,0	0,0	38,0	111,7	1 871,0	1 982,7	62,5	771,6	834,1
Social services and welfare	1 721,4	1 877,7	1 890,8	0,0	1 890,8	2 397,3	1 074,0	3 471,3	2 753,9	600,6	3 354,5
Personnel	1 035,8	1 118,9	1 270,4	0,0	1 270,4	1 288,9	0,0	1 288,9	1 585,7	0,0	1 585,7
Goods and services	74,5	83,3	49,6	0,0	49,6	181,7	40,3	222,0	190,7	68,7	259,4
Current transfers	515,2	550,6	508,1	0,0	508,1	720,5	574,0	1 294,5	815,6	0,0	815,6
Capital expend.	95,9	124,9	62,7	0,0	62,7	206,2	459,7	665,9	161,9	531,9	693,8

	Budget 1999	Budget 2000	2001			2002			Forecast 2003*		
	Actual	Actual	Budget	HIPC	Total	Budget	HIPC	Total	Budget	HIPC 2003	Total
Agricult., water and fishery resources	5 875,8	6 171,5	6 596,9	0,0	6 596,9	7 402,5	3 458,6	10 861,1	10 861,1	2 116,4	12 318,6
Personnel	4 324,6	4 159,8	3 958,6	0,0	3 958,6	3 730,9	0,0	3 730,9	4 006,7	0,0	4 006,7
Goods and services	93,8	105,9	82,7	0,0	82,7	223,7	599,1	822,8	567,44	770,7	1 338,1
Current transfers	602,8	604,5	478,1	0,0	478,1	644,6	713,0	1 357,6	716,5	0,0	716,5
Capital expend.	854,6	1 301,3	2 077,5	0,0	2 077,5	2 803,3	2 146,5	4 949,8	4 911,6	1 345,7	6 257,3
Livestock	1 749,3	1 943,7	1 968,7	58,0	2 026,7	2 375,5	1 975,6	4 351,1	1 724,4	1 144,0	2 868,4
Personnel	1 052,0	1 175,9	1 257,9	0,0	1 257,9	1 227,7	0,0	1 227,7	440,9	0,0	440,9
Goods and services	83,3	91,3	77,6	0,0	77,6	116,0	253,3	369,3	396,8	413,0	809,8
Current transfers	135,4	221,5	203,2	58,0	261,2	243,2	863,9	1 107,1	275,9	0,0	275,9
Capital expend.	478,6	455,0	430,0	0,0	430,0	788,6	858,4	1 647,0	610,8	731,0	1 341,8
Environment	5 360,2	5 228,5	4 854,9	0,0	4 854,9	6 488,6	419,3	6 907,9	3 405,1	0,0	1 765,2
Personnel	1 549,2	1 648,0	1 625,8	0,0	1 625,8	1 634,6	0,0	1 634,6	1 651,0	0,0	353,8
Goods and services	136,6	181,6	71,2	0,0	71,2	182,2	0,0	182,2	318,4	0,0	318,4
Current transfers	827,3	832,8	731,9	0,0	731,9	839,6	0,0	839,6	664,9	0,0	664,1
Capital expend.	2 847,1	2 566,1	2 426,0	0,0	2 426,0	3 832,2	419,3	4 251,5	428,9	0,0	428,9
Information	0,0	0,0	0,0	0,0	0,0	0,0	225,0	225,0	0,0	215,0	215,0
Personnel	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Goods and services	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Current transfers	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Capital expend.	0,0	0,0	0,0	0,0	0,0	0,0	225,0	225,0	0,0	215,0	215,0
Shared expend.*	0,0	0,0	0,0	0,0	0,0	0,0	2 171,8	2 171,8	0,0	1 086,8	1 086,8
Personnel	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Goods and services	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Current transfers	0,0	0,0	0,0	0,0	0,0	0,0	2 171,8	2 171,8	0,0	1 086,8	1 086,8
Capital expend.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0

* Draft 2003 budget law.

Table 7: SECTORAL GROUPS FOR MONITORING PRSP: Composition and Responsibilities

Sectoral working groups	Composition	Responsibilities
<p><i>Macroeconomic framework and budgetary management group</i> <u>President:</u> Secretary General, Ministry of Economy and Finance <u>Vice-President:</u> Executive Secretary, STC/PDES <u>Rapporteurs:</u> DEP, STC-PDES</p>	<p>Ministry of Economy and Finance: DGB, DCCF, DG-TCP, DEP, IGF, DGI, DGD, INSD, DG-COOP, DGEP, STC-PDES, DCMP (communication)...</p> <p>TFP: WAEMU, BCEAO, WADB, IMF, World Bank and bilateral TFP providing budgetary support...</p> <p>Civil society: SPONG, APBEF,</p>	<p>1/ Monitoring the macroeconomic situation and public finances (including management of HIPC funds), use of budgetary management instruments (CDMT, program-budgets, public expenditure reviews, etc.) and the action plan for strengthening budgetary management.</p> <p>2/ Production of quarterly summary reports on the above points, for the Interministerial Technical Committee for Monitoring the PRSP</p>
<p><i>Economic Competitiveness Group</i> <u>President:</u> Secretary General of Ministry of Commerce, Enterprise Promotion and Handicrafts <u>Vice-President:</u> Secretary General of Ministry of Transport and Tourism <u>Rapporteurs:</u></p>	<p>DEPs from following ministries: MCPEA, MTT, METSS, MMCE, MJPDH. MCPEA: IGAE, Privatization Commission, Directorate-General of Commerce, National Foreign Trade Office, Centre des Guichets Uniques, PASP II, National Commission on Competition and Consumption, DCPM (communication) MEF: STC-PDES, DGEP, DGI, DGD, ... MTT: Conseil Burkinabè des Chargeurs, Direction Générale de l'Energie, SONABEL, SONABHY Technical and Financial Partners (TFP): Civil society: Director-General of the Chamber of Commerce, Industry, and Crafts, GPI,...</p>	<p>1/ Monitoring and evaluation of reforms and initiatives for enhancing the competitiveness of the national economy: implementation of the private sector development strategy, the program for privatizing public enterprises, activities of the national investment commission and the behavior of private investment, reform to reduce the cost of production factors (water, electricity, oil and gas, telecommunications, transport).</p> <p>2/ Production of quarterly summary monitoring reports for the Interministerial Technical Committee.</p>
<p><i>Health Group</i> <u>President:</u> Secretary General, Ministry of Health <u>Vice-President:</u> Coordinator the PNDS <u>Rapporteurs:</u> DEP/Health/MASSN & STC-PDES ?</p>	<p>DEP/DAF/DRH of Ministries of Health and Social Action, Directorate-General of Public Health, DCPM (communication), National Public Health Laboratory, CAMEG, Office of Hygiene, ONEA (sanitation), INSD, DGEP, STC-PDES Representatives of TFP involved in implementing the PNDS; Civil society associations working in the health sector</p>	<p>1/ Monitoring implementation of the National Health Development Plan: status of physical and financial activities under the 3-year plan, both those covered in the budget (including those externally financed) and those financed by HIPC funds; programs underway through the national AIDS/HIV strategy (PPLS,...) and activities of the CNLS, the MEG program and the hygiene program: sanitation, water...</p> <p>2/ Production of quarterly summary reports on the above points, for the Interministerial Technical Committee for Monitoring the PRSP</p>
<p><i>Education Group</i> <u>President:</u> Secretary General, Ministry of Basic Education and Literacy <u>Vice-President:</u> Coordinator of the PDDEB <u>Rapporteurs:</u></p>	<p>DEP/DAF/DRH of the ministries of basic education and literacy, social action, the education projects bureau, the National Literacy Institute, DCPM (communication), the Pre-School Office (social action), Office of Vocational Training (employment), INSD, DGEP, STC-PDES, Representatives of TFP and civil society associations working in the education sector</p>	<p>1/ Monitoring implementation of sector programs (PDDEB, pre-school, post-primary education, technical and vocational education, etc.)</p> <p>2/ Production of quarterly summary reports on the above points, for the Interministerial Technical Committee for Monitoring the PRSP</p>

Sectoral working groups	Composition	Responsibilities
<p><i>Rural development and food security group</i> <u>President:</u> SG/Ministry of Agriculture, Water and Fishery Resources <u>Vice-Presidents:</u> SG/MECV/MRA <u>Rapporteurs:</u> DEP/MA/MRA/MEE</p>	<p>DEPs/ of ministries of agriculture, livestock, environment and water, infrastructure, status of women, SP/CPSA, PNGT II, CONAGESE, Director-General of Water, Director-General of Rural Roads, the karité project and FAARF, INSD, DGEP, STC-PDES, representatives of the TFP and civil society associations working in the sector, DCPM (communication)/Agri</p>	<p>1/ Monitoring implementation of the rural development strategies: agriculture, livestock, environment, and water. - status of preparation and execution of the various action plans 2/ Production of quarterly summary reports on the above points, for feedback from the Interministerial Technical Committee</p>
<p><i>Good Governance and Decentralization Group</i> <u>President:</u> Executive Secretary for Good Governance <u>Vice-President:</u> Secretary General of MFRE <u>Rapporteurs:</u> SEBG, DEP/MFPRE, MATD</p>	<p>Units established under the Executive Secretariat for Good Governance (Prime Minister) together with representatives of the TFP and civil society organizations working to promote good governance, DC/PM, DCPM/MC.</p>	<p>1/ Monitoring and evaluation of all actions and reforms for reinforcing the values and rules of good governance in the management of public affairs, in consolidating the rule of law, democracy and the promotion of sustainable human development (citizen empowerment and participation in decision making and development processes; promoting efficiency, transparency and accountability in public management; proper handling of conflicts of interest; independence for the judiciary and fair and impartial performance by the courts; freedom of expression and opinion; reorganization of the public administration with a view to redistributing responsibilities to decentralized bodies; organization, technical and operational strengthening of electoral and oversight institutions. 2/ Production of quarterly summary reports on the above points, for the Interministerial Technical Committee.</p>
<p>Local PRSP monitoring committees</p>	<p>MATD: DG-Decentralization, DEP, AMBF CND, FICOM DGEP/STC-PDES Representatives of TFP and civil society involved in implementing the TOD and in executing local development programs.</p>	<p>1/ Analysis of local implementation of sectoral policies (status and outlook): budget performance by decentralized entities and local governments (including foreign assistance), analysis of results, using defined indicators; monitoring local development programs; 2/ Production of quarterly summary reports on the above points, for the Interministerial Technical Committee.</p>

**Table 8. PRSP—INDICATIVE WORK PROGRAM
FOR THE PERIOD JULY 2002-DECEMBER 2003**

PERIOD	PRSP ACTIVITIES	OTHER ACTIVITIES
July 2002	<ul style="list-style-type: none"> - National conference on PRSP - CMS/PRSP coordinator meets with civil society - Evaluation of second year of PRSP activities (base: achievements 2001) and review of objectives for 2002-2003 - Use of sectoral data from the 2002 INSD surveys to plan further measures 	<ul style="list-style-type: none"> - Budgetary negotiations begin - Review SBC – PRSP - Validation of action plan for strengthening budget management by the PRGB steering committee - Adoption by government of the PRGB action plan
August 2002	<ul style="list-style-type: none"> - Finalization of evaluation report on 2nd year of PRSP - public meeting on organizing the PRSP review process 	<ul style="list-style-type: none"> - adoption of amendments to 2002 budget law - Finalization draft budget for 2003 - Sixth review of the PRGF program
September 2002	<ul style="list-style-type: none"> - Meeting of the interministerial monitoring committee: review of the PRSP evaluation report - Meeting of the ministerial oversight committee: validation of the PRSP evaluation report - PRSP workshop for provincial press correspondents - MFB/MFB meeting with development partners 	<ul style="list-style-type: none"> - Council of Ministers adopts draft budget for 2003 /Sends it to Parliament - Preparation of CASRP III - Presentation to government of evaluation report for the 2nd year of the PRSP
October 2002	<ul style="list-style-type: none"> - Meetings of sectoral groups - Meeting of interministerial monitoring committee - Launch of PPA & EP3 surveys 	<ul style="list-style-type: none"> - Review of the Draft Budget 2003 by National Assembly
November 2002	<ul style="list-style-type: none"> - Awareness sessions about PRSP in ministerial departments - Workshop on preparation of the PRSP review process: guidelines, activities, and timetable 	<ul style="list-style-type: none"> -Awareness workshop for budget officials (DEP/DAF of ministries and institutions) on budget programming tools: CDMT, program-budget, RDP -evaluation of application of the SBC-PRSP protocol
December 2002	<ul style="list-style-type: none"> - MFB/MED meets with development partners - launch of surveys to collect data on the schools 	<ul style="list-style-type: none"> -Adoption of the budget for 2003
January 2003	<ul style="list-style-type: none"> -Meetings of sectoral groups -Meeting of the interministerial monitoring committee - President of CTS/PRSP meets with partners from civil society - workshop to launch the PRSP review process 	
February 2003	<ul style="list-style-type: none"> -Meeting of the ministerial oversight committee -Presentation of results from the PPA survey 	<ul style="list-style-type: none"> -IMF/WB mission to negotiate the new 3-year program -Evaluation /negotiation of CASRP III -Discussions with AfDB on guidelines for the PASRP II - Collect basic data for CDMT 2004-06
March 2003	<ul style="list-style-type: none"> - Presentation of provisional data from school surveys -Continuing work on the PRSP review 	<ul style="list-style-type: none"> -Work on CDMT 2004-2006: scoping, preparatory workshop, feedback workshop

PERIODS	PRSP ACTIVITIES	OTHER ACTIVITIES
April 2003	-By mid-April at latest: meetings of sectoral groups -End April: meeting of interministerial monitoring committee	- mid-April: adoption of CDMT 2004-2006 works by Council of Ministers - end April: signature of the budget circular
May 2003	Meeting of the ministerial oversight committee	-Breakdown of budget circular and beginning of preparation of draft budgets
June 2003	- Evaluation of the third year of PRSP implementation - Presentation of the third priority works survey - Activities under the PRSP review	- Evaluation SBC-PRSP
July 2003	-Validation of the CM of the evaluation report on the 3rd year of the PRSP	
August 2003	- Activities under the PRSP review	
September 2003	- Revision of the PRSP -Revised PRSP reviewed by the interministerial technical committee	-Review of the PRGF program -Discussions with World Bank on guidelines for the new SAC
October 2003	-Adoption by the CM of the revised PRSP -Transmission of the revised PRSP to the TFP	
November 2003	-workshop to organize implementation of the revised PRSP -Govt. Meets with TFP to discuss support for implementing the PRSP	
December 2003	Awareness and outreach program for the PRSP revised	
January 2004	Implementation of the revised PRSP begins	

Table 9. PRSP-MATRIX OF MEASURES (NONCOMPREHENSIVE) FOR 2002–03

FOCUS/OBJECTIVE	2002	2003
1. ACCELERATE ECONOMIC GROWTH AND BASE IT ON EQUITY.		
<p>1.1 Stabilization of the macroeconomic framework</p> <ul style="list-style-type: none"> - Improve the establishment of the macroeconomic framework. <ul style="list-style-type: none"> - Improve and accelerate the formulation of sectoral policies. 	<ul style="list-style-type: none"> - Formulate and implement an action plan for improving the process of establishing the macroeconomic framework, including a training component. - Accelerate the production of the national accounts to enhance the reliability of the macroeconomic framework. - Conduct a national budget-consumption survey. - Begin recording existing sectoral policies and quantified three-year action plans. - Make arrangements for the work of formulating sectoral policies and quantified three-year action plans. 	<ul style="list-style-type: none"> - Complete the recording of existing sectoral policies and quantified three-year action plans. - Carry out sectoral analyses of the recurrent charges resulting from sectoral investment programs. - Organize training seminars for DEP and DAF staff on the formulation of sectoral policies and quantified three-year plans and on investment programming and budgeting.
<p>1.1 Budget management</p> <ul style="list-style-type: none"> - Harmonize the financial laws with the five pertinent WAEMU directives. - Improve revenue management. 	<p>Adopt the laws that are in conformity with the five directives.</p> <ul style="list-style-type: none"> - Finalize the terms of reference (TOR) for the study on preparing integrated revenue procedures. - Set up a steering committee for the project to prepare integrated revenue procedures and establish a schedule for implementation of the work. - Carry out a topographical survey. - Begin the computerization of assessment and collection units. - Strengthen the delayed and ex-post audits of customs declarations. - Reinterpret the laws on service rates and on the organization and operations of revenue-collecting agencies. - Start the preparation of a manual of harmonized procedures for verification methods. - During budget preparation, organize an annual meeting of the government 	<ul style="list-style-type: none"> - Adopt the regulations for implementing the new laws and establish the prerequisites for their enforcement. - Begin implementing the project for preparing integrated revenue procedures. - Implement measures for improving the revenue programmed in the 2003–05 medium-term expenditure framework (CDMT) and in the 2003 budget circular. - Complete the topographical survey. - Continue the computerization of assessment and collection units. - Increase the human and physical resources of the audit units. - Carry out, for the users of public utilities, an information and sensitization campaign on service rates. - Improve revenue forecasting tools and methods; train staff assigned to this work.

<p>- Improve the predictability of budget and project assistance.</p> <p>Budget expenditure management</p> <ul style="list-style-type: none"> - Accelerate the process of budget execution devolution. - Improve the control electricity, water, and telephone consumption. <p>- Improve the control of wage bill growth.</p> <p>Expenditure from HIPC funds</p> <ul style="list-style-type: none"> - Improve budget classification control. - Improve the monitoring of state assets through the establishment of material accounting. 	<p>and its partners providing budgetary assistance.</p> <ul style="list-style-type: none"> - Systematize the meetings of units involved in the management of external assistance. - Systematize the periodic reviews of project portfolios with technical and financial partners. <p>- Complete the study on devolution of the authorization of budget expenditure payments.</p> <p>- Set up a commission to process the pertinent studies.</p> <ul style="list-style-type: none"> - Adjust staffing and correct the anomalies in the single database. - Organize a workshop on personnel management for human resource directors. - Include the programming of HIPC funds in the 2003–05 CDMT. - Train users of the automated expenditure procedures. <p>- Establish an inventory of all state assets.</p>	<ul style="list-style-type: none"> - Begin the experience of devolution of payment authorization at Bobo-Dioulasso. - Break down, by ministry, the appropriations for electricity, water, and telephone consumption in the 2004–06 CDMT. - Include expenditure from HIPC funds in the 2003 Budget Law. - Complete the assets inventory and introduce material accounting, using appropriate software.
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<p>1.2 Competitiveness and input cost</p> <ul style="list-style-type: none"> - Make up the peak-hours electricity deficit. Reduce kilowatt per hour costs. Accelerate the energy sector reform. Pursue the liberalization of the telecommunications sector. 	<ul style="list-style-type: none"> - Begin the process of implementing the project to increase the capacity of the Ouagadougou Consumer Center. - Begin the process of extending the connecting line with Côte d'Ivoire from Bobo to Ouaga. - Carry out the actions needed prior to liberalization of the sector. - Improve competition in the telecommunications sector. 	<ul style="list-style-type: none"> - Install additional capacity at the Ouagadougou Consumer Center. - Begin the work of extending the Bobo-Ouaga line. - Continue the process of privatizing SONABEL. - Accelerate the process of opening up the capital of SONABHY to private interests. - Complete the privatization of ONATEL.
<p>1.2 Support for the productive sectors</p> <p>Rural development</p>	<ul style="list-style-type: none"> - Accelerate the introduction of the subsectors' action plans. - Pursue efforts to harness water through the construction of reservoirs (small dams, <i>boulis</i> [small ponds]) and the induced rainfall program. - Facilitate producers' access to inputs and farm equipment. - Pursue the opening up of production areas for the construction of rural roads. 	<ul style="list-style-type: none"> - Accelerate the setting up of the rural electrification fund. - Continue the rural roads construction program and maintain the roads built.
<p>2. GUARANTEE ACCESS TO BASIC SOCIAL SERVICES FOR THE POOR.</p>		
<p>2.1 Basic education</p> <ul style="list-style-type: none"> - Raise the basic education indicators (admissibility, enrollment, literacy rates...). 	<ul style="list-style-type: none"> - Begin implementation of the 10-year basic education development plan. - Assume liability for the fees of the parents of schoolgirls in the 20 provinces with the lowest enrollment rates. - Capitalize the national literacy fund. 	
<p>2.2 Health</p> <ul style="list-style-type: none"> - Increase the visitor rate of first-tier health care units. Improve the accessibility of health care and generic drugs. 	<ul style="list-style-type: none"> - Improve reception arrangements in the health and social promotion centers (CSPS): staff training. - Increase to 80 percent the proportion of CSPS meeting staffing standards. - Conduct studies on personnel motivation. - Harmonize the fee structure for services in outlying units. - Ensure that the decrease in the margins of the Essential and Generic Drug Purchasing Center (CAMEG) is better reflected in the prices of 	<ul style="list-style-type: none"> - Increase to 85 percent the proportion of CSPS meeting staffing standards. - Draw up an action plan for implementation of a personnel motivation policy.

Improve the vaccination coverage of population groups.	essential and generic drugs. - Pursue the vaccination campaigns within the framework of the enhanced vaccination program.	
2.3 Access to safe water Pursue achievement of the objective of one water supply point per 300 inhabitants.	- Achieve 1,000 water supply points.	- Achieve 1,000 water supply points.
3. INCREASE EMPLOYMENT OPPORTUNITIES AND GAINFUL ACTIVITIES FOR THE POOR.		
	- Improve producers' access to credit. - Promote the diversification of agricultural productions through the development of irrigation farming. - Support the emergence of organizations of agricultural producers and livestock rearing professionals. - Support the establishment of dairies.	
4. PROMOTE GOOD GOVERNANCE.		
4.1. Democratic governance - Consolidate the rule of law and democracy by continuing implementation of the institutional reforms and the justice action plan.	- Establish the high courts resulting from the justice reform.	
4.2. Economic governance	- Adopt the appropriations accounts bill for fiscal 2001. - Settle the nominal accounts for the years prior to 2000. - Produce the 2000 and 2001 nominal accounts. - Produce the quarterly balances of the Treasury accounts.	- Adopt the appropriations accounts bill for fiscal 2002. - Produce the balances of the Treasury accounts.
4.3. Local governance	- Accelerate the implementation of the decentralization policy. - Accelerate the process of devolving budget execution payments authorization.	
5. POVERTY ASSESSMENT AND MONITORING		
Operations of the poverty monitoring mechanism	See Table 8 on the work schedule.	See Table 8 on the work schedule.
	- Prepare TOR for the PRSP sectoral monitoring groups. - Extend the monitoring mechanism to include the local development program. - Ensure that the sectoral monitoring groups meet regularly. - Begin the third priority survey of household living conditions.	- Undertake a new priority survey on household living conditions. - Produce the results of the third priority survey.