

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA14599

Date ISDS Prepared/Updated: 18-Nov-2015

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Burkina Faso	Project ID:	P155121
Project Name:	Economic Governance and Citizen Engagement Project (P155121)		
Task Team Leader(s):	Maimouna Mbow Fam		
Estimated Appraisal Date:	16-Nov-2015	Estimated Board Date:	18-Feb-2016
Managing Unit:	GGO13	Lending Instrument:	Investment Project Financing
Sector(s):	Central government administration (60%), Public administration- Other social services (40%)		
Theme(s):	Managing for development results (30%), Public expenditure, financial management and procurement (50%), Other accountability/anti-co rruption (20%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	30.00	Total Bank Financing:	30.00
Financing Gap:	0.00		
Financing Source			Amount
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			30.00
Total			30.00
Environmental Category:	C - Not Required		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The proposed development objective of the project is to enhance domestic revenue mobilization and improve the use of public resources by strengthening accountability mechanisms, revenue collection systems and public expenditure management.

3. Project Description

The main objective of the 5-year project is to assist the Government of Burkina Faso (GoBF) in improving core areas of economic governance and citizen engagement, including (i) developing mechanisms for social accountability, transparency and access to information on the management of public funds, including strengthening capacities of audit institutions, the judiciary and the civil society to fight fraud and corruption; (ii) increasing fiscal space through the modernization of tax and customs systems and the improvement of revenue collection capacities; and (iii) strengthening the public expenditure management, including the procurement system efficiency and the predictability and control in budget execution.

By strengthening civil society participation and monitoring of public services, the first component will facilitate and foster transparency in improving public sector service delivery outcomes and consolidating accountability mechanisms and capacity to fight fraud and corruption. The second component aims at addressing shortcomings in government effectiveness by increasing fiscal space and domestic revenues collection and streamlining budget management systems and procurement processes. In addition, the introduction of a customer-care approach through a simplification of tax and customs clearance procedures will create conditions for a more accessible tax administration to citizens and a better tax compliance.

Component 1: Strengthening Citizen Engagement and Accountability (US\$8 million). The objective of this component is to improve public sector transparency and accountability and strengthen civil society capacity to monitor public sector performance and service delivery. To achieve this, it will support a series of complementary activities that are critical to strengthening the enabling environment for improved public transparency, accountability and participation. These activities include: (i) enhancing access and use of public information as a prerequisite for meaningful engagement; (ii) strengthening citizens' monitoring and feedback of the delivery of public services in the health and education sectors; and (iii) implementing the measures set out in the fraud and anti-corruption law to promote integrity in the management of public resources.

Sub-component 1.1: Enhancing Public Sector Transparency (US\$2.0 million)

Objective: The purpose of this sub-component is to enhance transparency in the public sector by supporting both the supply and demand for information through supporting proactive information disclosure in the finance, education and health sectors and the utilization of disclosed information to improve accountability in the public sector.

Activities to be financed are the following:

- i) Enhancing proactive disclosure of information: this activity seeks to upgrade and standardize information disclosure practices at MEF, MENA and MOH including the production and dissemination of citizen/user friendly budgets, in partnership with the CIFOEB Platform; sub-activities include: (a) preparing and adopting information and data disclosure guidelines, initially relating to budget information and expanded to cover broader financial information and service delivery performance; (b) updating the MEF, MOH and MENA websites in order to develop a coherent online presence with user-friendly content and functionalities, in partnership with ANP-TIC, and (c) supporting MEF in the preparation and dissemination of a citizens' budget to demystify national budgets focusing on allocations on specific goods and services for different sectors and regions and preparing an accompanying strategy to sustain its production and broad dissemination.
- ii) Stimulating utilization of disclosed information: sub-activities include: (a) building capacity for

independent budget monitoring and analysis by civil society through the CIFOEB Platform, among others and (b) supporting increased quantity and quality of media coverage on the mobilization and use of public resources through the provision of capacity building to journalists on budgetary processes and service delivery, in partnership with the Burkina Faso Journalists Association.

Sub-component 1.2: Developing Accountability Mechanisms in Service Delivery (US\$2.5 million)

Objective: The purpose of this sub-component is to develop a citizen-orientated approach to service delivery by supporting monitoring and feedback mechanisms in the delivery of services in the health and education sectors.

Activities to be financed are the following:

(i) Promoting accountability at the sector level: (a) Supporting action oriented capacity building for sector stakeholders on citizen engagement, including both ministry staff and civil society; (b) implementing a Memorandum of Understanding (MoU) between the Ministry and civil society to establish a Citizen Engagement Committee in Education and Health Ministries to jointly design, carry out and oversee project activities in the health and education sectors covered by this subcomponent; (c) establishing a functional customer service unit, including a multi-level grievance redress mechanism (GRM) system to address service delivery issues; (d) developing and adopting, by project mid-term, a sector wide citizen engagement strategy in each Ministry; and (e) supporting systematic tracking and reporting on sector spending by the MoH and MENA, to foster efficiency and accountability in the use of resources.

(ii) Developing a third party monitoring and feedback mechanism at the service provider level: Piloting a third party accountability mechanism at the point of service involving users, service providers and civil society to improve local service delivery and inform regional/national sector policies in the health and education sectors. The approach will include geo-referenced ICT integration to enable online tracking of results and the presentation of findings at various levels of government to inform policy in collaboration with ANP-TIC.

(iii) Providing technical assistance to set up ICT Platform for Tracking Feedback from Communities: In collaboration of civil society actors and government counterparts, the PCU will assess the potential for supporting an ICT platform in the health and education sectors to (a) strengthen the engagement of communities in monitoring public services by getting information to the communities and making that information available to others; and (ii) promoting accountability around outcomes by ensuring that relevant stakeholders take the necessary actions in a timely manner to address service delivery constraints.

(iv) Building civil society capacity for independent monitoring and advocacy: The project will support capacity building for civil society, through targeted technical assistance, to play a more proactive role in service delivery monitoring and advocacy in partnership with, among others, the CNOSC/BF National Network of CSOs. The Network will: (a) carry out independent oversight of the activities implemented under this sub-component and prepare an annual report on the activities and (b) organize an annual review and learning event on good governance (Good Governance Forum) with participating ministries and other project stakeholders of this component (ASCE, ANP-TIC) to promote knowledge sharing and outreach in good governance practices and inform sectorial policies.

Sub-component 1.3: Consolidating Mechanisms and Capacity to Fight Fraud and Corruption (US \$3.5 million)

Objective: The purpose of this sub-component is to consolidate mechanisms and enhance the

capacity for fighting fraud and corruption in the public sector in order to address impunity in corruption cases.

Activities to be financed are the following:

- i) Strengthen institutional capacity to implement anti-corruption laws: Sub-activities include: (a) establishing an asset declaration system at the ASCE by defining clear procedures and guidelines and supporting an effective information system; (b) supporting the establishment of an anti-corruption unit at the ASCE by developing procedures and guidelines for investigation and ‘on the job’ technical assistance to carry out investigations; (c) developing and implementing a communication strategy on anti-corruption law, carried out as a partnership between ASCE and REN-LAC and (d) supporting REN-LAC to develop and implement an independent monitoring tool to track the implementation of the anticorruption law;
- ii) Improving adjudication of corruption cases by: (a) supporting the operationalization of the anti-corruption criminal branches of the First Instance Courts of Bobo-Dioulasso and Ouagadougou, and (b) financing independent monitoring by REN-LAC of corruption cases submitted to the First Instance Court in coordination with ASCE, to enhance transparency around the submission, adjudication and prosecution rates of anticorruption cases at these courts.

Component 2: Improving domestic revenue mobilization and public expenditure management (US \$14.0 million). The objective of this component is to increase fiscal space, domestic revenue collection and enhance the performance of public spending and the delivery of efficient public services.

Sub-component 2.1: Broadening the Tax Base and simplification of customs clearances and tax procedures (US\$3.0 million)

Objective: The objective of this sub component is (i) to ensure a better distribution of the tax effort amongst taxpayers based on their level of income and a proper management of the VAT for the improvement of its productivity and (ii) to introduce a customer-care approach through a simplification of tax and customs clearance procedures and a more accessible tax administration to citizens.

Activities to be financed in this area are the following:

- (i) Enhancing reliability of the tax base: sub-activities include: (a) conduct a general census of taxpayers to identify geographically and register all taxpayers, notably those of the informal sector ; (b) audit, overhaul of the tax identification files and establishment of a national tax identification number for companies and associations; (c) examine possibilities of reorganising VAT billing and revision of eligibility criteria to VAT collection and liability threshold and,(d) census of the regulated occupations and study on the impact of the single and global taxation on income.
- (ii) Streamlining Customs Clearance Procedures and Tax Noncompliance Investigation: Sub-activities include: (a) development, adoption and publishing of the General Tax Code (CGI), its application regulations and administrative doctrine; (b) drafting of a manual of procedures, development of professional monographs, sector studies, practical guidebooks for fiscal verification and training of tax officers on these tools; (c) acquisition of quality and quantity control instruments for hydrocarbons to equip the customs administration with adequate control tools to perform counter-expertise of the presented declarations and secure revenue of petroleum products; and (d) development and rollout of a communication plan to develop civic spirit around tax issues.

Sub-component 2.2: Enhancing Revenue and Budget Management Information Systems (US\$7.0

million)

Objective: The objective of this component is to enhance the existing IT systems developed by the MEF to support the modernization of the revenue administration and budget management practices. It will finance the upgrade and adaptation of the existing IT systems that will support the management of revenue, the new budget preparation and execution framework, enhance the fiscal reporting capabilities and system capacity and performance.

Activities to be financed are the following:

- (i) Modernizing the revenue administration IT systems: Sub-activities include: (a) technical assistance to enhance the network perimeter security posture and increase the internet access bandwidth; (b) technical assistance with UNCTAD to activate additional modules in ASYCUDA World and change management to facilitate the adoption of the tools by users; and (c) upgrade the network, security and hardware infrastructure to support applications rollout to remote offices; and, (d) provide technical assessment to the Tax administration to finalize the functional upgrade of SYNTAX++ by adding more functionalities for systems enhancement and interfacing with core PFM information systems, including ASYCUDA World and other PFM IT systems.
- (ii) Upgrade and adaptation of the existing budget management information systems: Sub-activities include: (a) network infrastructure capacity and performance enhancement; (b) primary data centre rehabilitation and disaster recovery centre setup; (c) systems integration and master data management; (d) technical assistance and advisory services for the Financial Management Information Systems FMIS adaptation and rollout; and (e) various training and capacity building activities necessary to upgrade and provide the required level of support to the system users.

Sub-component 2.3: Strengthening Public Procurement Management and Capacity (US\$1.5 million)

Objective: The overall objective of this sub-component is to improve public procurement practices by enhancing the efficiency, performance and accountability of procurement process in education, health and infrastructures.

Activities to be financed: The project will support three line Ministries: Education, Health and Infrastructures to establish functional procurement units appropriately staffed with trained procurement personnel from the civil service to enhance procurement practice. It will include the following:

- (i) technical assistance to the contracting authorities: Sub-activities include: (a) developing and disseminating techniques and procedures for the use of new procurement tools in particular contracts under framework agreements and multi-year contracts, and building capacity of the actors to improve application of these tools; and (b) piloting a feedback mechanism at the service provider level to support improved monitoring of key infrastructures projects (including procurement and execution of contracts and physical verifications).
- (ii) development of electronic systems to enable: (a) electronic transactions between the contracting authorities and the procurement control body and regulatory body, and (b) the establishment of a contracts database for statistics and archiving purpose.
- (iii) professionalization of the procurement function: A consultant will support the Public Procurement Regulatory Body (ARCOP) to conduct a procurement capacity and training needs assessment and study possibilities to introduce minimum required qualifications for procurement function and a certification process to ensure standard qualification. Possibilities of partnership with

the Public Finance Administration School (ENAREF) or other institutions will be developed to provide sustainable public procurement training.

Sub component 2.4: Cash, Debt and Treasury Management (US\$1.0 million)

Objective: The objective of this sub-component is to strengthen the management of cash and debt to minimize net interest cost and ensure cash is available to meet commitments and obligations for service delivery and eliminate arrears accumulations.

Activities to be financed: (i) elaboration of a cash management database and cash flow forecasting model to improve forecasts of cash requirements from MDAs and ensure that all tax revenues are paid promptly into Treasury accounts, (ii) improvement of debt management and operational risks; (iii) update and dissemination of a manual of procedures for debt management; (iv) enhanced data coverage and retrocession of guarantees, (v) functional enhancement of the debt and cash management information system; (vi) technical assistance to assist the Government to improve its liquidity management and the predictability of budget releases to line ministries, (vii) capacity building of the staff in key areas of debt and cash management; (viii) technical assistance and advisory services for the implementation of an Electronic Fund Transfer to secure and centralize cash and check collection.

Sub component 2.5: Strengthening predictability and control in budget execution (US\$1.5 million)

Objective: The objective of this component is (i) to support the Government of Burkina Faso in enhancing the effectiveness of its overall internal controls system, and (ii) reset the focus of internal and external auditing to a more risk-based approach across MDAs.

Activities to be financed include the following:

- (i) Establishing functional directorate of public procurement and financial control: the project will support (a) the diagnosis of the high level of rejections and financial control's justifications and an action plan for appropriation managers, (b) the definition of a modulated control at the financial control level and revision of the control standards/manual, and (c) capacity building for financial controllers, in accordance with the new control standards to be implemented.
- (ii) Establishing functional internal audit units across MDAs: the project will finance (a) update of procedures and operational tools to better focus on the risk based approach and trainings on risk assessment techniques, risk based audit, (b) the re-assessment of risk mappings of key line ministries, (c) technical support from ASCE of internal audit units through the development of a quality assurance mechanism and continued professional development to reinforce effectiveness of internal audit function and (d) equipment of some internal audit units.
- (iii) Assisting the Supreme Audit Institution (CoC) in implementing a risk-based audit approach and performance audits:

The activities to be supported include: (a) the development and implementation of a risk-based audit approach and other modern methodologies and tools in auditing; (b) the enhancement of the coordination between internal audit and external audit; and (c) developing auditor capacity in conducting performance and special audits.

Component 3: Rapid Response Facility (US\$6.0 million). The objective of this component is to provide implementation support for additional priorities that could stem from the new Authorities and the evolution of the economic governance reform agenda (revised country governance strategy)

that address key binding constraints (institutional, regulatory, capacity, governance, etc) of public services.

This component will introduce a transparent funding mechanism to support governance and PFM reform activities based on government's additional priorities and changes on the ground. Many areas related to PFM new regulations such as the implementation of performance based budgeting, the introduction of multi-year budgeting, the devolution of commitment authority to line ministries, the modernization of public investment management practices will entail significant reorganization of ministries and entities and development of new tools. The Fund will finance any request regarding the above- mentioned WAEMU reforms and all complementary activities that are critical to strengthening the enabling environment for improved public transparency, accountability and participation. The RRF will provide fast-track support to the evolution of the POSEF Priority Action Plan. Additionally, RRF aims to encourage and stimulate innovation among public entities toward the improvement of quality and relevance of their services through the implementation of improved governance practices or reforms. It will also include provision of 'small grants' to civil society organizations, through competitive basis, to finance civic engagement in public oversight; and innovative engagement towards re-establishing government credibility.

Activities to be financed are the following: The RRF will finance all complementary activities that are critical to strengthening the enabling environment for improved public transparency, accountability and participation. The support envisaged under the RRF includes: (a) goods and equipment; (b) consultants; and (c) consultations, and workshops. The eligible criteria are based on the scope of the project as defined in the PDO, the relevance of the proposed activities and the performance of implementing entities. The Project steering committee will examine all requests submitted by all entities. The project fund will finance the development of relevant programs or implement urgent reforms with strong links to Country Economic Governance Strategy. More details on the eligibility of activities and selection criteria will be further fleshed out in the Project Implementation Manual.

Component 4: Project Management Support (US\$2.0 million). The objective of this component is to establish an effective and efficient project coordination and administration function during the implementation of the project.

Sub-component 4.1 Project Management and Central Coordination (US\$1.5 million)

The objective of this sub-component is to support a coordination function that would provide leadership and management of the overall governance program including this project, and to ensure that the specific project objectives are met on time, on quality and in line with the allocated funds. It will also be responsible for providing technical leadership in articulating, guiding and monitoring the overall economic governance reforms across GoBF.

Key activities to be financed will include technical assistance support to the implementing units, consultancies, goods including computers and accessories expenses, operational expenses, project coordination and procurement of goods and services, financial management and training/ sensitization.

Sub-component 4.2 Monitoring, Evaluation, Independent Review and Communication (US\$0.5 million)

The objective of this sub-component is to enhance the project performance through effective tracking

of project activities to allow continuous assessment of the overall performance of the project and quality feedback to the Project institutional coordination mechanism and stakeholders.

Activities to be financed under the sub-component will include (i) strengthening Monitoring and Evaluation (M&E) capacity to coordinate work plans and identify key indicators of progress for each activity, and report to management and focal points on implementation of all activities; (ii) conducting regular independent reviews of the project and (iii) strengthening communication to link closely with the M&E by responding to areas of slow progress with appropriate change management activities.

4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The project is not expected to have an adverse social or environmental impacts. It will not entail any civil works or prepare civil works, or other physical interventions, besides some minor renovations (mainly painting), at the existing Datacenter, under component 2.2.

5. Environmental and Social Safeguards Specialists

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	No	The project is not expected to have any adverse environmental or social impacts.
Natural Habitats OP/BP 4.04	No	The project will not affect natural habitats.
Forests OP/BP 4.36	No	The project will not have any impact on forests.
Pest Management OP 4.09	No	The project does not entail any pest management.
Physical Cultural Resources OP/BP 4.11	No	The project will not entail any movement of earth, excavations or other civil works (besides some minor interior renovations of the existing data center).
Indigenous Peoples OP/BP 4.10	No	There are no Indigenous Peoples in the project area.
Involuntary Resettlement OP/BP 4.12	No	The project will not lead to involuntary resettlement.
Safety of Dams OP/BP 4.37	No	The project does not involve construction of or reliance on dams.
Projects on International Waterways OP/BP 7.50	No	The projects does not impact on international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in any disputed areas.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

N/A
2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
N/A
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
N/A
4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
N/A
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
N/A

B. Disclosure Requirements

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.
If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level

The World Bank Policy on Disclosure of Information			
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
All Safeguard Policies			
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input checked="" type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Maimouna Mbow Fam
<i>Approved By</i>	

Safeguards Advisor:	Name: Johanna van Tilburg (SA)	Date: 19-Nov-2015
Practice Manager/ Manager:	Name: Guenter Heidenhof (PMGR)	Date: 19-Nov-2015