



BF - DPO - Growth and Compet. Credit 4 (P151275)

AFRICA | Burkina Faso | Macro Economics & Fiscal Management Global Practice |
IBRD/IDA | Development Policy Lending | FY 2015 | Seq No: 1 | ARCHIVED on 26-Dec-2015 | ISR21417 |

Implementing Agencies:

Key Dates

Key Project Dates

Bank Approval Date:02-Apr-2015

Effectiveness Date:30-Jun-2015

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:31-Dec-2015

Revised Closing Date:31-Dec-2015

Program Development Objectives

Program Development Objective (from Program Document)

The Program Development Objectives (PDOs) are to enhance the Government's ability to: (a) reduce costs in the agriculture and transport sectors; (b) improve transparency and accountability in public resource mobilization and management; and (c) reduce vulnerability to shocks.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	● Moderately Satisfactory
Overall Implementation Progress (IP)	--	● Moderately Satisfactory
Overall Risk Rating	--	● Low

Implementation Status and Key Decisions

Overall, the Growth and Competitiveness Credit series of four operations (GCC 1-4) achieved **11 out of 16 outcomes. Under the last operation GCC4 alone, six out of nine outcomes were achieved.** DO and IP ratings are MS due to the political transition following the unprecedented social uprising of October 2014, and a context of limited capacity in the administration. It's also important to highlight the strong collaboration between the World Bank, civil society and other donors/development partners in the context of the GCC series.

Despite the difficult political and economic context highlighted above, reforms have been implemented in areas like mining, anti-corruption law, justice and transport sector under the GCC4. In addition the revised procurement legal framework has improved thanks to the revision of the thresholds (from 5 million CFAF to 20 million CFAF) submission to the council of Ministers. The mining code and the anti-corruption laws were adopted by the National Transition Council (CNT), however, the bylaws decrees are not yet adopted to allow for a smooth implementation of these reforms on the ground. The new government and parliament will work closely with the Ministries of Rural Development, Mining and PFM to set up a plan to achieve the outstanding outcomes of the programmatic series. These actions could be directed in priority to the adoption of the bylaws on mining code and anti-corruption and the dissemination of the evaluation report of the input fund, including an increase in investment budget for line ministries.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	--	● Low
Macroeconomic	● Substantial	--	● Substantial



Sector Strategies and Policies	● Low	--	● Low
Technical Design of Project or Program	● Low	--	● Low
Institutional Capacity for Implementation and Sustainability	● Moderate	--	● Moderate
Fiduciary	● Low	--	● Low
Environment and Social	● Substantial	--	● Low
Stakeholders	● Low	--	● Low
Other	--	--	--
Overall	● Substantial	--	● Low

Results

Results Indicators

► Food reserves (tons metrics) (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	15000.00	20000.00	49916.50	50000.00
Date	30-Dec-2011	31-Dec-2012	15-Dec-2015	31-Dec-2015

Comments

The delay in procurement process has impacted negatively on the achievement of this indicator. However, "the boutiques temoin" are delivering cereals to vulnerable households at the lowest price this year as an evidence of the commitment from the government to reduce poverty. In addition, the indicator is likely to be achieved by the end of this year thanks to relatively good rainfall and the fact that selective bidders are currently delivering crops to SONAGESS accordingly to the terms of their contracts.

► Cotton production (tons metrics) (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	340000.00	400000.00	813457.00	800000.00
Date	31-Dec-2011	31-Dec-2013	15-Dec-2015	31-Dec-2015

Comments

Despite the decline in cotton price, farmers revenues increased slightly as a consequence of increase in cotton production. But the application of the input fund combine with the stabilization fund mechanism will help improve the revenues for farmers during the next harvest and contribute importantly in poverty reduction in cotton zones.



► Mining revenue (in percentage of GDP) (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.80	2.50	2.50	4.00
Date	31-Dec-2011	31-Dec-2012	15-Dec-2015	31-Dec-2014

Comments

Mining revenues have decreased sharply following the downturn of the global economy and the decrease in commodities prices. In this regards, gold price has slowdown of 27% in 2014 compare to 2012. The country fiscal space has decreased and has reduced subsequently the investments budget of about 10% compare to the previous years.

► Percent of budget for decentralized communities(in percentage of national budget) (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3.70	4.00	5.62	5.00
Date	31-Dec-2011	31-Dec-2012	15-Dec-2015	31-Dec-2015

Comments

Burkina Faso has faced to a challenging context in 2014. In fact, its economy has slowdown as a result of external chocks (decrease in commodities prices) and internal difficult political context. The budget execution has been challenging at this juncture as tax collection has dropped from 16.7 percent of GDP in 2013 to 15 percent of GDP in 2014. Also, the Transition Government has dismissed all the mayors in the communes and nominated new bodies called "special delegation" for each commune. Despite all these reasons, the budget allocated to decentralized communes stood at 5% of the overall budget and has increased compared to its level in 2011 and 2012.

► Capitalization of the stabilization fund is at least 6 billion CFAF(billion CFAF). (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	5.00	--	6.00	6.00
Date	31-Dec-2011	--	15-Dec-2015	31-Dec-2015



► Average waiting time for customs clearance in Ouaga Inter reduced by 50 percent.(number of days) (Days, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	4.00	4.00	4.00	2.00
Date	31-Dec-2011	31-Dec-2013	15-Dec-2015	31-Dec-2015

Comments

This outcome has impacted the customs performance in term of revenues collection at Ouaga as imports of merchandises are cleared in a shorter delay and more truckers are checked and cleared on a daily basis.

► Public revenue generated by the mining sector is increased to 4% of GDP.(in percentage of GDP) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.80	2.50	2.50	4.00
Date	31-Dec-2011	31-Dec-2013	15-Dec-2015	31-Dec-2015

Comments

This indicator was not achieved because of decline in gold price about 27% from the middle of 2013 until now. The country has been vulnerable to this on the revenues side and growth front.

► Capitalization of the input fund is at least 10 billion CFAF (billion CFAF) (Amount(USD), Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	10.00
Date	31-Dec-2011	02-Jun-2014	15-Dec-2015	31-Dec-2015

Comments

The delay in the use of the input fund has jeopardized the expected decrease in input prices. However, the cotton farmers' revenues have increased slightly in the context of slowdown in the global demand. The use of this financial tool during the period 2016/2017 harvest will surely impact on the input price. Burkina Faso will be the first country experiencing such mechanism in the region which could be implement also in and other countries like Benin.



- The Support Fund for Women's Income-Generating Activities (FAARF) reaches over 80,000 beneficiaries nationwide, with a total loan portfolio of more than CFAF 4.5 billion. (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	70000.00	87000.00	130757.00	80000.00
Date	31-Dec-2011	30-Sep-2013	15-Dec-2015	31-Dec-2015

Comments

According to the statistics produced by the FAARF, the number of women operating in the informal sector has increased by 15% and those operating in the formal sector have increase their assets thanks to the loans obtained from the FAARF. By the middle of December 2015, the loans amounted about 8,2 CFAF billion. In addition, the audit report has been helpful in ranking FAARF as micro finance institution compliant with financial norms.

- The national food reserve and emergency food stocks are increase to at least 50,000 and 10,000 tons, respectively (tons metrics) (Metric ton, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	25000.00	35000.00	49915.50	50000.00
Date	31-Dec-2012	30-Sep-2013	15-Dec-2015	31-Dec-2015

Overall Comments

Comments

The end target of this indicator was not achieved as expected by December 2015. The main reason is that the procurement process has been longer than planned as the contracts was signed by December 2014. Fortunately, the government has handled this fairly and the national food security stock raised at 35 923. 29 tons by end June 2015 and is now at 49 915 tons metrics. In the same vein, the emergency food stocks was about 740 tons by end 2014 but the purchase of grains amounting to 19 900 tons has been helpful in rebuilding the stock which stood at 13 756 tons by end June 2015 and is now close to the end target (24 000 tons) . These achievements are very important for country like Burkina which has faced many chocks (floods, droughts...) and will be helpful in addressing poor household's vulnerabilities through the "Boutiques temoins".

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P151275	IDA-56090	Effective	XDR	35.50	35.50	0.00	35.50	0.00	100%
P151275	IDA-D0440	Effective	XDR	35.50	35.50	0.00	35.50	0.00	100%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P151275	IDA-56090	Effective	02-Apr-2015	15-Apr-2015	30-Jun-2015	31-Dec-2015	31-Dec-2015
P151275	IDA-D0440	Effective	02-Apr-2015	15-Apr-2015	30-Jun-2015	31-Dec-2015	31-Dec-2015

Tranches**Restructuring History**

There has been no restructuring to date.

Related Operations

P126207-BF- First Growth and Competitiveness Credit (GCC-1) ,P132210-Second Growth and Competitiveness Grant ,P146640-BF - DPO - Growth and Compet. Credit 3