



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 10-Jan-2022 | Report No: PIDC255729

**BASIC INFORMATION****A. Basic Program Data**

Country Burkina Faso	Project ID P177875	Parent Project ID (if any)	Program Name Burkina Faso Local Governance for Basic Services & Resilience Program
Region AFRICA WEST	Estimated Appraisal Date 17-Jun-2022	Estimated Board Date 19-Sep-2022	Does this operation have an IPF component? No
Financing Instrument Program-for-Results Financing	Borrower(s) Ministry of Finance, Economy and Development	Implementing Agency Ministry of Civil Service, Ministry of Decentralization and Territorial Administration	Practice Area (Lead) Governance

Proposed Program Development Objective(s)

The PDO is to improve the institutional and service delivery performance of target Municipalities and Deconcentrated Technical Structures.

COST & FINANCING**SUMMARY (USD Millions)**

Government program Cost	300.00
Total Operation Cost	150.00
Total Program Cost	150.00
Total Financing	150.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	150.00
World Bank Lending	150.00



Concept Review Decision

The review did authorize the preparation to continue

B. Introduction and Context

Country Context

- Burkina Faso experienced profound political changes in recent years and was classified in 2020 as a Fragile and Conflict-Affected State (FCS) under mounting insecurity.** Long considered relatively stable institutionally, the country witnessed the sudden end of the nearly three-decade rule of the President of the Republic in 2014. The security environment has deteriorated since 2017, with persistent armed conflict rampant in five of the country's 13 regions. 2,303 conflict-related deaths occurred in 2020 and 2,216 in 2019, as compared to a reported 303 deaths in 2018. As of October 4th, 1,643 deaths were reported in 2021.¹
- As a result of the sharp increase in violence, Burkina Faso is also grappling with major population displacement and a food security crisis.** As of July 31, 2021, the country had identified 1,368,164 internally displaced people (IDP). This represents more than a 45-fold increase during the Country Partnership Framework (CPF) period (FY18 -FY 23), up from 30,000 in June 2018, and is the highest in the Sahel region. An associated food security crisis, mainly driven by conflict, insecurity, and displacement, is developing in the country, affecting 2.86 million Burkinabè.²
- Weak service delivery has further deteriorated with the increase in violent conflict and is eroding social cohesion.** As of July 31, 2021, more than 2,244 schools were closed, and 305,000 students were out of classrooms. 85 health facilities were also closed and 271 were operating at minimum levels, depriving an estimated 892,952 people from access to basic health care.³ The regions of Sahel, East, and Centre-North are hit hardest. Recurrent strikes are disrupting the functioning of the public sector, further weakening the State's service delivery capacity and its ability to maintain a positive presence across the territory.
- The global effect of the Corona Virus Disease 2019 (COVID-19) pandemic has derailed Burkina Faso's economic and social trajectory.** With 14,640 registered COVID-19 cases as of October 14, 2021, the direct impact of the pandemic on the health system has remained under control, although it has exposed hospitals' governance, management, and financial difficulties. More damaging were the indirect economic effects of the global slowdown and domestic containment measures. A preliminary assessment of the pandemic's economic implications shows a sharp economic slowdown in 2020 with growth of 2 percent, compared to a pre-pandemic forecast of 6 percent, and a 2 percent drop in per capita income leading to about 400,000 additional poor. Conflict and declining social cohesion hinder an effective response to the pandemic, which continues to present a serious health risk for the country because of a weak health services system and the difficulty of social distancing in crowded poor neighborhoods where a high proportion of households depend on daily earnings for survival. Government resources are constrained by the security situation.
- In response to the humanitarian, development, and peacebuilding challenges, the Government of Burkina Faso (GoBF) adopted a Sahel Emergency Program (*Programme d'Urgence pour le Sahel – PUS /Burkina Faso*) and a**

¹ Armed Conflict Location & Event Data Project (ACLED): <https://acleddata.com>.

² UN OCHA : <https://reliefweb.int/report/burkina-faso/burkina-faso-humanitarian-snapshot-31-july-2021>.

³ Ibid.



strategy to reduce conflict and violence. The PUS was launched in 2017 in two regions and expanded to cover four additional regions in 2019. In December 2020, the Government adopted a Strategy for the Prevention and Management of Conflict and Violence that identifies five challenges responding to the key drivers of conflict: (1) reinforcing the security of persons, property, and regions, (2) improving the climate of trust of the population toward the State, (3) improving the quality of and access to basic services, (4) reinforcing the resilience of the population in zones threatened by terrorists, and (5) improving administrative and local governance.

6. In parallel, the Government adopted in June 2021 a new National Economic and Social Development Plan 2021 – 2025, which addresses conflict drivers to foster resilience. The new plan aligns with the conflict analysis findings completed as part of the Prevention Peace Building Assessment. It includes priorities for prevention, peacebuilding, and resilience to ensure a positive State presence across territories. The plan recognizes municipalities’ dual challenge of providing public services to both the host populations and to IDP. In this regard, it recommends that IDP’s needs be consistently integrated into the planning and provision of basic services at the local level.

7. In this context, the GoBF launched the Model Municipalities Program (ICM) in June 2021, which stems from the recognition of the pivotal role of municipalities in restoring the social contract. As front-line public service providers, municipalities represent the first interface between citizens and the State. As Burkina Faso is entering its third cycle of decentralization, the initiative aims to promote a healthy emulation between municipalities to transform them into high performing and accountable entities providing citizens with access to quality services for inclusive and sustainable local development.

8. The Program for Results (PforR) accompanies this effort and adopts a citizen-centric approach to public service delivery with a focus on municipalities’ performance and accountability for results. This requires simultaneously supporting decentralization and deconcentration reforms by empowering and promoting collaboration between municipalities and the line ministries’ Deconcentrated Technical Services (DTS) as well as other Government authorities involved at the local level (governors, high-commissioners, and prefects), and enhanced citizen monitoring and oversight of public action.

Sectoral (or multi-sectoral) and Institutional Context of the Program

Note to Task Teams: This section should provide a brief overview of the sector (or multiple sectors) and relevant sectoral (or multi-sectoral) institutions, focusing on the key challenges and government’s strategies to address them. (not more than one page.)

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9. The decentralization process initiated in recent years has produced tangible results. They relate to strengthening the development planning process and improving the regulatory and institutional framework. Regarding *strengthening the planning process*, the achievements include (i) development of the National Decentralization Policy (2017-2026), and (ii) updating of regional and communal development plans to consider the delivery of quality and accessible local public services. At the *regulatory level*, the main texts adopted relate to the transfer of competences and resources to local governments, and the redefinition of the role of decentralized financial services, considering the principle of free administration of local governments (abolition of a priori control in favor of a posteriori control).⁴ At the *institutional level*, the main achievements concern: (a) establishment of municipalities across the country to

⁴⁴ Law No 010/98/AN, Law No 14-2006/AN, and Law No 055-2004/AN.

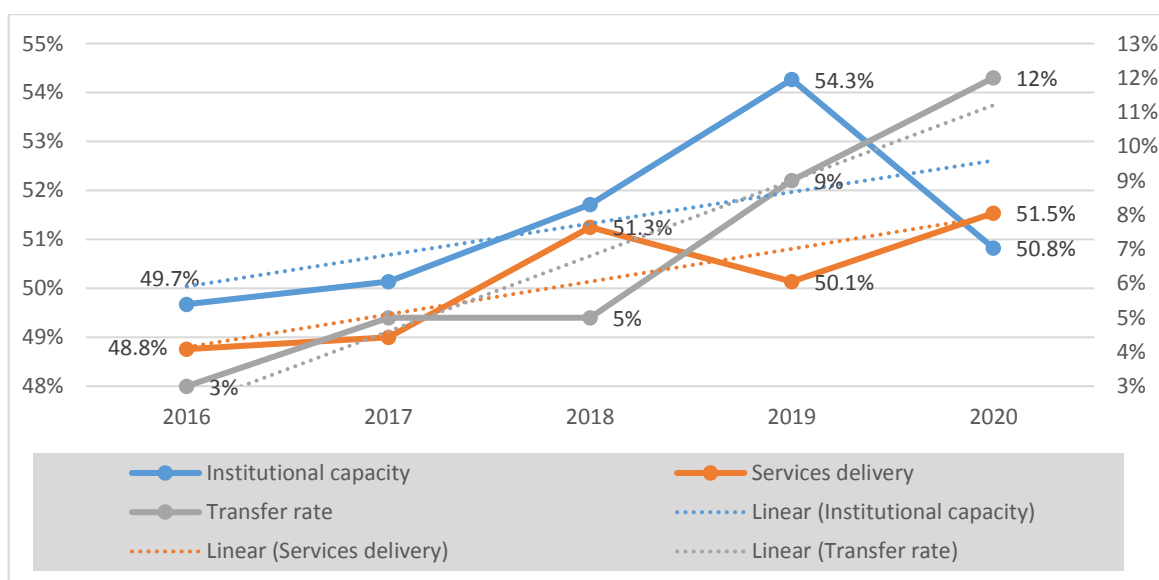


bring the citizens closer to the State, (b) creation of the Local Government Development Agency (*Agence de Développement des Collectivités Territoriales – ADCT*) to improve local development and (c) operationalization of the Local Development Mining Fund to increase local governments' investment capacity.

10. **However, despite the achievements, Government effectiveness in delivering core public services at the local level is hampered by highly centralized decision-making and inefficient intergovernmental cooperation at local level.** Progress towards the implementation of deconcentration and decentralization reforms has been slow. The high concentration of financial and human resources (respectively 88 percent and 52 percent)⁵ at the central level continues to limit the administration’s capacity to respond to the needs and expectations of citizens. Other challenges include: an incomplete organizational and institutional process; insufficient appropriation of roles and attributions; a weak culture of performance and accountability for results; insufficient articulation between deconcentration and decentralization; difficulties of collaboration between DTS, municipalities, and other actors involved at the local level (governors, high-commissioners, prefects); and inadequate infrastructure, human, material, and financial resources.⁶

11. **Limited capacity and accountability towards citizens in the management of public resources also affect local service delivery.** The increased share of resources transferred to the municipalities (from 3 percent in 2016 to 12 percent in 2021) has not translated into significantly improved service delivery because of limited capacity and insufficient accountability (Figure 1).⁷ Fiscal transfers to municipalities do not factor in performance in service delivery in the allocation of resources, which rely only on population size and poverty depth. Municipalities do not sign annual performance agreements with the Government, and support to municipalities is not included in the performance evaluation of DTS, high-commissioners, and prefects. As a result, there is sufficient incentive for these entities and actors to perform effectively. Moreover, there is still only limited citizen monitoring and oversight of public action, depriving central and local governments of the opportunity to improve their performance based on citizen feedback.

Figure 1 : Share of Budget Transferred to the Municipalities and Institutional Capacity and Service Delivery Performance Scores



⁵ Burkina Faso Functional Reviews of the Education, Health, Justice, and Civil Service sectors, December 2021

⁶ Burkina Faso Functional Reviews of the Education, Health, Justice, and Civil Service sectors, December 2021

⁷ Burkina Faso Public Expenditure Review, Chapter 4 – Improving the Financial Management System for Better Delivery of Education and Health Services at Local Level, December 2021



Source: Burkina Faso Public Expenditure Review, December 2021 / *Suivi de la Performance Municipale* (SUPERMUN) annual data

12. **Finally, shrinking fiscal space is affecting the level and predictability of financial transfer to the municipalities, and thus local service delivery.** The target of 15 percent of fiscal transfer to the municipalities by 2020 was not met, despite the country's efforts, because of wage bill and security expenditure increases. The share of the wage bill as a percentage of total gross domestic product (GDP) increased from 6.5 percent in 2016 to 9 percent in 2020.⁸ Security spending also recorded a significant increase of 189 percent between 2017 and 2019 in nominal terms as a response to the deterioration of the regional security context, crowding out resources for core public service delivery.⁹ Spending associated with the COVID-19 pandemic and the massive influx of IDP put an additional strain on municipalities' already scarce resources. These factors also affected the predictability of fiscal transfer, with average delays of 3 months in funds transferred to the municipalities experienced over the last two years.

13. **As a result of these impediments, access to and quality of core public services (civil registration, education, health, water, and sanitation) delivered by municipalities as part of the decentralization process remain unequal.** According to SUPERMUN (Box 1), in 2020 only 54 percent of births were registered within the statutory deadline of two months; only 35 percent of schools received stationery and other essential supplies before the beginning of the school year on October 1st; 93 percent of schools canteens received food supplies for 3 months or less out of a 9-month school year; skilled birth attendance and vaccination of newborns were declining; 19 percent of health centers did not receive a sufficient supply of gas to maintain the cold chain; and 27 percent of the population did not have access to drinking water. In addition, ongoing data collected by the United Nation High Commissioner for Refugees (UNHCR) highlights a significant number of IDP with no birth certificate.

Box 1: SUPERMUN

The SUPERMUN framework was introduced in 2014 by the Local Government Support Project (P120517) with support from the World Bank's Development Impact Evaluation Department (DIME) and the German Institute for Global and Regional Studies (GIGA). Since then, it has been used to measure public service delivery performance and institutional capacity at the local level and to promote transparency and accountability. Over the past three years, SUPERMUN was further tailored to a low-tech and fragile environment and adapted to be operational in a context of COVID-19. The tool provides objective data needed to take policy action and to develop approaches that can improve services with meaningful impact on people's lives in a fragile environment. It is one of only a handful of such nationwide municipal performance monitoring tools globally, and unique in Sub-Saharan Africa.

SUPERMUN includes the following areas and indicators (see Annex 3 for a full list of indicators):

- **Institutional capacity:** This includes seven indicators on human resources, local government processes, local resource mobilization, and execution of procurement plans.
- **Service delivery:** This includes nine indicators on primary education and health, water and sanitation, and administrative services.

The survey bridges a critical data and knowledge gap on municipal performance and basic service delivery at the local level, which constrained evidence-driven approaches to resolving pressing development challenges in one of the world's poorest countries. It allows stakeholders to play a more active and informed role in the local development agenda in a fragile environment. SUPERMUN data is the key input for the annual Competition for Excellence in Local Governance (*Compétition pour l'Excellence dans la Gouvernance Locale* - COPEGOL), which contributes to improve capacity of municipalities to effectively engage with citizens and allow knowledge sharing on innovative governance approaches across municipalities. Additional applications include a municipal performance scorecard, which itself is an input into an innovative local government accountability scheme built on partnerships with local community-based organizations (CBOs). These two approaches (scorecard and CBO partnerships) were piloted and tested through randomized controlled trials embedded in the previous local government operation, with results forthcoming during preparation of the present project.

⁸ IMF Country Report No. 20/3024, November 2020.

⁹ Sahel Security expenditure management ASA (2020).



14. **Deconcentration and decentralization reforms continue to be a key priority of the GoBF's national development agenda to address the above-mentioned challenges.** The newly adopted Second Economic and Social Development National Plan (2021-2025) and the Five Year Action Plan (2022-2026) include strategic objectives on strengthening the deconcentration of services, decentralization, and local governance. In his keynote speech of February 2021 at the Parliament, the Prime Minister called for promoting a dynamic complementarity between the processes of decentralization and deconcentration of public administration.

15. **The GoBF also joined the Open Government Partnership (OGP) in 2016 in a bid to increase its accountability to citizens.** Under the theme "Efficiency of Public Administration", the 2019-2021 Action Plan includes commitments on modernizing the civil registry system (Commitment 5) and operationalizing the mechanism for recording and processing complaints and suggestions in public administration (Commitment 6).¹⁰

Relationship to CAS/CPF

16. **The proposed PforR is fully aligned with the World Bank FY18 - FY23 CPF and its Performance and Learning Review (PLR).** Specifically, the PforR will support the achievement of CPF objectives 3.2 "*Strengthen citizen engagement and public sector accountability*" and 3.3 "*Support decentralization*". While confirming the relevance of the governance focus area of the CPF, the PLR recommends the consolidation and revision of the three original CPF focus areas into two, of which one is "*Strengthen service delivery in fragile areas*". The PforR will contribute to this revised focus area by supporting the delivery of basic public services and increasing accountability to all citizens which are key to rebuilding trust between citizens and the state and restoring social cohesion.

17. **The PforR is aligned with the Africa West Region governance priority to strengthen core institutions for service delivery.** Specifically, the proposed operation will contribute to the West Africa Strategy regional priority 1 "*Rebuild trust between citizens and the state to create a new social contract*" and will support the achievement of its objective of "*Strengthening core functions of the State to improve service delivery and mitigate fragility*".

18. **In addition, the PforR is aligned with the GoBF Prevention and Resilience Allocation (PRA).** In December 2020, Burkina Faso became the first country to gain eligibility to the IDA19 PRA. In seeking PRA eligibility, Burkina Faso set quantitative conflict risk indicators and developed a Government strategy to reduce conflict risk. The strategy emphasizes the following priorities, which are at the core of the proposed PforR: (i) "*Building resilience in unstable, under-pressure, and prevention areas*" which will be sought through better efficiency of local governments in those regions; and (ii) "*Strengthening inclusive governance and the provision of essential services*" which will include supporting the resilience of Burkina Faso's health and education systems and implementing decentralization. Specifically, the proposed PforR is expected to contribute to the following milestones indicators set out in the PRA: (i) increase in the rate at which the investment budgets of local authorities are implemented, (ii) improved service delivery (education, health, and water sanitation) in selected municipalities, and (iii) share of state budget transferred to local authorities.

19. **Finally, the PforR will contribute to fragility conflict and violence (FCV) mitigation and reducing gender disparities.** The PforR intends to contribute to the reduction of FCV through improved public services delivery in civil registry, education, health, and water and sanitation for both the host population and IDP; thus, mitigating the risk of

¹⁰<https://www.opengovpartnership.org/documents/burkina-faso-action-plan-2019-2021>. Since joining, the GoBF has produced two Action Plans and a new Action Plan, covering the period 2021-2023, is under formulation.



conflicts among the population. The operation will also support the municipalities and DTS of the Ministry of Justice and the Ministry of Territorial Administration and Decentralization in the issuance of birth certificates to IDP, which include 52.62 percent women,¹¹ conflict prevention activities, the management of IDP camps, and the management of public affairs at local level. Gender will be promoted in the targeted services supported by the operation.

Rationale for Bank Engagement and Choice of Financing Instrument

Rationale for Bank Engagement

20. Burkina Faso is at a key stage of reform, providing an opportunity to strengthen institutional capacity to improve basic service delivery at the local level to mitigate fragility. This is a critical time to intervene in Burkina Faso, given the adoption by the GoBF of:

- The Second Economic and Social Development National Plan (2021-2025) in June 2021: this national plan includes strategic objectives related to the strengthening of local governments and modernization of public administration.
- The Five Year Action Plan (2022-2026) of the Decentralization Strategy in November 2021.
- The adoption of the National Strategy for Public Administration Modernization (2021-2025) in March 2021 and the implementation of the National Strategy of Administrative Deconcentration (2014-2023).

21. The World Bank has a well-recognized comparative advantage among development partners in enhancing decentralization and supporting public administration modernization, given its broad international experience, as well as being a key partner in the targeted sectors with strong policy dialogue in place. The World Bank has recently supported the GoBF's Public Sector Modernization Program (PMAP – P133216, PforR) and the Local Government COVID-19 and Resilience Response Project (PACT – P120517, IPF) which have now successfully closed.

Choice of Financing Instrument

22. The PforR is the most adequate Bank instrument to advance key structural reforms and build system capacity. Its financing modality provides the incentives for stronger collaboration and the achievement of results based on the government program, while providing flexibility to the client in achieving results. A PforR, rather than traditional financing of inputs through Investment Project Financing, will leverage those incentives to improve basic service delivery at the local level through stronger collaboration to consolidate decentralization and deconcentration reforms under the respective leadership of the Ministry of Territorial Administration and Decentralization (MATD) and the Ministry of the Civil Service, Labor, and Social Protection (MFPTPS). Development Policy Financing (DPF) would not be a suitable instrument since the legal and regulatory frameworks and institutional setting for decentralization and deconcentration have already been established over the last ten years. Upcoming challenges are related to implementation of the ambitious reforms included in the legal and regulatory framework, the operationalization of the ADCT and its performance evaluation framework.

¹¹ CONASUR report as of 31 August 2021



23. **The PforR instrument has been used successfully in a growing number of countries to improve the financing and institutional framework for service delivery and investment by municipalities.**¹² It appears well suited for this type of program as it allows support for an ambitious Government program of reforms and the achievement of concrete results. In particular, it aligns with the Head of State's ICM Program, which promotes performance contracts between the State and the municipalities.

24. **The choice of PforR instrument is also justified by the country's institutional readiness, evidenced by the successful implementation of two PforRs (PMAP and Water Supply and Sanitation Program P164293).**

- **Readiness of the budget system:** the GoBF has systems for multi-year programs and financial traceability in place through its budgeting-accounting system aligned with programs and sub-programs. Ongoing reforms are implemented with support from the World Bank funded Economic Governance and Citizen Participation Project (P155121) to improve information management systems and enforce the innovation introduced by the program budgets reforms.
- **Readiness of the Monitoring and Evaluation (M&E) systems:** As part of the budget reform program, being implemented since 2017, the GoBF has developed an M&E system built around the line ministries' directorates in charge of statistics and studies and the National Statistics and Demographics Institute. This system ensures data collection from the deconcentrated to the central levels for all performance indicators associated with the program's budget. In addition, at the local level, SUPERMUN is known as a nationwide municipal performance M&E tool (Box 1).
- **Readiness of governance institutions:** The GoBF has national governance entities that have demonstrated that they meet the required standards to (a) perform independent verification and investigation (High Authority for State Oversight and Fight Against Corruption (ASCE LC), (b) handle citizen complaints (Ombudsman of Burkina Faso and ASCE LC), (c) regulate the procurement system (Procurement Regulatory Authority - ARCOP), (d) carry out external audit (Court of Auditors), and (c) voice citizen concerns and exercise watch dog roles (Civil Society Organizations such the National Network for the Fight Against Corruption – RENLAC).
- **Readiness at a technical level:** the PforR would support activities building on past operations notably PMAP and PACT. This operation will consolidate reform by scaling up implementation and rely on SUPERMUN's performance evaluation framework, which has a strong track record and is accepted by stakeholders as a tool to stimulate performance. In addition, the functional reviews of the education, health, justice, and civil service sectors and chapter 4 of the Public Expenditure Review focusing on education and health service delivery at local level provide robust analytical underpinning to the PforR.

25. **PforR for public sector reform in FCV countries can be effective.** Drawing upon lessons learned from the PMAP have proven to be effective in Burkina Faso and in other FCV countries (e.g., Palestine, Nepal, Lebanon, and Pakistan).

C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

Program Development Objective(s)

26. The PDO is to improve the institutional and service delivery performance of target Municipalities and Deconcentrated Technical Structures.

¹² Examples of such operations include Tanzania Urban Local Government Strengthening Program (P118152), Uganda Support to Municipal Infrastructure Development Program (P117876), Ethiopia Local Government Development Project II (P133592), Tunisia Urban Development and Local Governance Program (P130637), and Morocco Municipal Performance Program (P168147).



PDO Level Results Indicators

27. PDO Indicators will measure progress toward the achievement of the PDO and they will include the following:

Results Area 1:

- Percentage of municipalities that have met the institutional performance threshold
- Percentage of target DTSs staffed based on their needs

Results Area 2:

- Percentage of school canteens operational during the school year
- Percentage of applicants (incl. IDP) who have received their birth certificates
- Percentage of citizen's grievances on school canteens timely and satisfactorily processed

D. Program Description

PforR Program Boundary

A. PforR Program Boundary

Summary of the Government program

28. **The Government program under finalization is structured around the Five Year Action Plan on Decentralization and the National Strategy for Public Administration Modernization adopted in 2021 by the Council of Ministers.** Its central objective is to improve the delivery of local services by introducing a performance-based grant incentive and leveraging the deconcentrated administrations (technical structures from the sectoral ministries, provinces, and regions) to strengthen the municipalities institutional capacity and resilience. This objective is also recognized in the National Development Framework adopted in June 2021, which emphasizes the role of municipalities as the key interface between state and citizens. Indeed, the municipalities' mandate on the provision of key basic services and infrastructure, taxation, standard administrative services, and the reception and treatment of citizen grievances makes them the first point of contact between citizens and public authorities. The deteriorated security context increases the pressure on municipalities to deliver local services to both hosting populations and the 1.4 million IDPs.

29. **The Government program is structured around four complementarity Pillars:** (i) Improving Service Delivered by Municipalities, (ii) Strengthening Municipalities' Financial Resources, (iii) Strengthening Institutional Capacities and Resilience of Deconcentrated Structures to support Municipalities, and (iv) Program Management. The Government Program aligns with the ICM and the "one child in school, one balanced meal per day" initiative included in the Head of State's Presidential Program. It reflects the GoBF's commitment to advancing decentralization reflected in further strengthening municipalities and deconcentrated administration to become real drivers of conflict mitigation by the provision of improved service delivery. The GoBF program aligns with and builds on their long-standing dialogue with the Bank and other donors.

30. **To maximize its impact, the Government program focuses its support to municipalities in provincial and regional capitals.** The rationale for this choice is supported in four areas: security, complementarity with DTSs, existing technical capacity, and synergy with other World Bank funded projects. *First*, the security context prevents work in rural municipalities, as regrettably demonstrated by constraints experienced by the Emergency Local Development and Resilience Project (P174315) that had to stop activities in certain localities because of the level of insecurity. But in all regions/provinces' capitals, public institutions including DTSs continue to function. In the most fragile regions, these capitals represent anchors of resilience of the presence of the State, and a frontline barrier to the expansion of insecurity, which is the reason why these cities are usually the first destination of IDPs fleeing neighboring areas. *Second*, with regard to program design and implementation, focusing on urban municipalities that also have DTSs



creates complementarity between the Program’s interventions. As the program aims to support both decentralized and deconcentrated institutions, this will create synergies among them and allow for stronger cooperation, which is one of the main objectives of the program as it represents a key lever to improve quality and coverage of services. *Third*, unlike the rural municipalities, those in the regions/provinces are already endowed with minimum technical capacity to implement the program and its innovations, which is an essential factor of success. *Fourth*, synergy with other World Bank funded projects at local level, including construction of roads, waterpoints, schools; development of socioeconomic infrastructure; and agro-silvo pastoral investments and strategic land planning (see Annex 5) will be critical to maximize impact and contain the spread of violence.

31. Through that scoping, the total number of municipalities supported by the program would be 40 (see full list in Annex 2). These 40 municipalities cover a population of 3.8 million people which represents 18 percent of the total Burkina Faso population. In addition, these 40 municipalities have a proven track record of resilience since they harbor more than 16 percent of the total number of IDPs (i.e., 225,620 people) while managing to preserve an overall continuity of public services. Focusing on an initially limited number of municipalities will increase the depth of the program in the targeted areas and will avoid sprinkling its funds and thus diluting its impact by including too many recipients.

Program boundaries

32. As a subset of the Government program under finalization, the PforR Program financed through this operation will include the two result areas described below. Table 1 summarizes the scope of the Government program (USD 300 million) and the definition of the PforR Program boundaries (USD 280 million) within the Government program. The activities outside the Program boundaries amount to USD 20 million and are associated to support to DTSS that are not directly linked to the selected services in the PforR (school supplies, school canteens, birth certificates, skilled birth attendance).

Table 1: Program boundaries

	Government program	Program supported by the PforR (PforR Program)	Reasons for non-alignment
Objective	To improve institutional capacity of local governments to deliver accessible and quality public services to the populations.	To improve the institutional and service delivery performance of target municipalities and DTSS.	The PforR aligns with the Government program objective while being more specific.
Duration	2022 - 2026	2022 - 2026	The PforR aligns with the Government program duration.
Geographic coverage	Municipalities and DTSS in 40 targeted regional and provincial capitals.	Municipalities and DTSS in 40 targeted regional and provincial capitals.	The PforR aligns with the Government program geographical scope.
Results areas	Pillar 1: Improving Service Delivered Municipalities. Pillar 2: Strengthening Municipalities’ Financial Resources.	Result Area 1: Strengthening Institutional Capacities and Resilience of Deconcentrated and Decentralized Entities. Result Area 2: Improving	The PforR aligns with the Government program while merging some pillars into two complementary result areas to increase synergy.



	<p>Pillar 3: Strengthening Institutional Capacities and Resilience of Deconcentrated to support Municipalities.</p> <p>Pillar 4: Program Management.</p>	quality and accountability of target basic services.	
Overall Financing (million USD)	300	280 (130 from GoBF budget and 150 from IDA)	The gap of USD 20 million represents activities outside the PforR boundaries. They mainly relate to DTSS' activities that are not directly linked to the selected services in the PforR.

PforR Result Areas

33. **Result Area 1: Strengthening Institutional Capacities and Resilience of Deconcentrated and Decentralized Entities.** This Result area will rely on three complementary levers (financial incentives, human resources, and technical assistance) in the 40 target municipalities.

34. **Result Area 2: Improving quality and accountability of target basic services.** This result area has a citizen centric approach and aims to simultaneously stimulate the supply and demand for quality public services through the improvement of three priority local services to strengthen the social contract (skilled birth attendance, birth certificate/civil registry, and school canteens/furniture) and better handle complaints from users of these services.

35. **The Program's progress will be monitored through a detailed Results Framework.** The proposed DLIs are focused on improvement of service delivery in education, health, and civil registry; institutional performance of municipalities and DTSS; as well as citizen feedback as a tool to enhance the quality of services. As much as possible the results framework will build on SUPERMUN data as identified in the lessons learned from the PACT Implementation Completion and Results Report.

Table 2. Proposed DLIs

Result Areas	Tentative DLIs	Objective
Result Area 1	DLI 1: Percentage of municipalities that have met the institutional performance threshold	Incentivize intergovernmental collaboration to strengthen institutional performance
	DLI 2: Share of institutional PBG in the State-fiscal transfer to municipalities	Improve accountability for results in the fiscal transfer
	DLI 3: Percentage of target DTSS' staffed based on their needs	Improve positive State presence for better service delivery
	DLI 4: Number of Memorandum of Understanding between target DTSS and target municipalities that have a satisfactory execution rate	
Result Area 2	DLI 5: Percentage of school canteens operational during the school year in target municipalities	Improve service delivery in education and student's attendance rates at schools. Reduce parents' out of pocket expenses
	DLI 6: Percentage of applicants (incl. IDP) who have received their birth certificate	* Strengthen relationship between citizen and State (birth certificate is the first contract between the individual and his country of birth). * Increase citizen access to public services (social protection programs, justice, job opportunities). * Improve reliability of statistics and demographic data



		for better planning in health, education, and agriculture.
	DLI 7: Percentage of skilled birth attendance in target municipalities	Reduce maternal and infant complications and deaths during childbirth
	DLI 8: Percentage of civil servants' grievances timely processed by the Ministry of Civil Service	Enhance accountability for better service delivery and foster accountability culture within the civil service
Result Area 1 & 2	DLI 9: Institutional and quality of service PBG are transferred to municipalities in a timely manner, based on a transparent and objective formula	Improve predictability and transparency of fiscal transfers

B. Fiduciary Aspects

36. **Fiduciary Systems Assessment objectives:** Based on the Program boundaries and expenditure framework, the procurement and financial management systems of the main implementing agencies (MATD/PACT, MFPTPS/SP MABG, ADCT, and municipalities) will be assessed to provide reasonable assurance that the funds will be used for the intended purposes with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability. Suitable measures will be agreed with the Government to overcome weaknesses identified during the assessment.

37. **Preliminary Risk Assessment:** Based on the Program design and activities; the institutional arrangements; and the preliminary boundaries provided in the PCN (*to be refined during pre-appraisal and appraisal*) initial assessment suggests the Program's fiduciary risk to be Substantial. It should be noted that (i) MATD and MFPTPS have respectively successfully implemented the PACT and the PMAP with no fiduciary exception. Key risks at this stage are (i) limited procurement and planning capacity of the municipalities exacerbated by the security context which requires adaption of the procurement regulations, (ii) lack of delegation of procurement authorities to the DTSs to perform some procurement tasks, (iii) weak accountability between the municipalities and the line ministries resulting from the absence of a deployment of the information management system at the local level, and (iv) delay in the transfer of grants to the municipalities. In addition, another risk pertaining to the fiduciary coordination (consolidated reporting, reconciliation between Program expenditures, and disbursements) of the Program among the various implementing entities was identified. Appropriate mitigation measures will be developed before appraisal. These measures will build on the lessons learned from PACT experience over the last 10 years with 349 municipalities in terms of (i) funds flow, (ii) consolidation of financial reporting, and (iii) procurement and auditing arrangements. They will inform the DLI matrix, the performance assessment framework, and the Program Action Plan.

C. Initial Environmental and Social Screening

1. **The program environmental and social risk is assessed as Substantial.** At this stage of preparation, the program does not involve any new construction. It will involve some rehabilitation of existing primary schools and primary health centers managed by the target municipalities. The program activities that will generate some Environmental and Social (E&S) risks and impacts are (i) rehabilitation activities, (ii) storage of food for the canteens of the target municipalities (more specifically the potential risks of food poisoning of children due to inappropriate storage), (iii) poor management of bio-medical goods and waste in health centers, and (iv) delays in the issuance of birth certificates, especially for IDP and other vulnerable people. All these risks could give rise to complaints from the beneficiary populations. The main potential social risk could be the exclusion of some beneficiaries or limited access to the grievance mechanism. A screening process will be put in place to ensure that the E&S risks and impacts associated with these activities will be addressed appropriately. The potential risks and impacts associated with the project's activities are related to: (i) resource efficiency and pollution prevention and management (sourcing of raw



materials for rehabilitation activities, water and energy use, dust, noise, potential contamination of water sources due to construction waste management); and (ii) occupational and community health and safety as well as human security. However, the potential risks and impacts associated with the civil works activities are expected to be reversible with appropriate mitigation measures. The client will ensure that appropriate measures are put in place to avoid, minimize, or mitigate these risks and impacts.

2. **Furthermore, the Program through Result Area 2 includes** (i) an indicator relating to the processing of complaints from target public services, (ii) the establishment of a complaints management system for public service users, and (iii) a performance indicator at the municipal performance framework related to the establishment of a complaints management committees at the municipalities level.

3. **The program will be implemented through the PACT/PIU and SP/MABG which have extensive experience of World Bank- financed projects** and the procedures and requirements related to the management of E&S risks and impacts. The PIUs have E&S specialists who are well experienced on the national E&S framework under which the program will be implemented.

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