

PROGRAM INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: AB1346

Operation Name	Poverty Reduction Support Credit (5)
Region	AFRICA
Sector	General public administration sector (35%);Health (20%);Other industry (15%);General agriculture, fishing and forestry sector (15%);Primary education (15%)
Project ID	P078995
Borrower(s)	GOVERNMENT OF BURKINA FASO
Implementing Agency	Ministry of Finance and Budget
Date PID Prepared	January 23, 2005
Estimated Date of Appraisal Authorization	March 15, 2005
Estimated Date of Board Approval	April 28, 2005

1. Key development issues and rationale for Bank involvement

1. The proposed poverty reduction support credit (PRSC-5) is the second in a series of three annual operations supporting the implementation of the revised PRSP in 2004-2006 in Burkina Faso, in line with the Bank's 2000 CAS and the 2003 CAS progress report. Achievements under the previous PRSCs are positive as illustrated by an [8] percent reduction of poverty incidence between 1998 and 2003. In addition, the government has adopted a revised PRSP that builds on the achievements of the first PRSP while improving the latter on several dimensions: it is grounded on a stronger participatory basis, has a more effective M&E system, and benefits from improved donor coordination through the adoption of an unified budget support framework. In that context, continuous support under this operation is warranted.

2. Proposed objective(s)

2. PRSC-5 will support PRSP objectives of : (i) raising growth and equity in a stable macroeconomic environment, and reducing the incidence of poverty; (ii) increasing access to and quality of basic social services; (iii) improving employment and income opportunities for the poor; and (iv) improving governance with a particular emphasis on public sector management and budget management reforms.

3. Preliminary description

3. The proposed poverty reduction support credit (PRSC-5) is the second in a series of operations supporting the implementation of the revised PRSP for the period 2004-2006. The revised PRSP has four strategic pillars: (i) accelerating broad-based growth; (ii) promoting access to social services; (iii) increasing employment and income-generating activities for the poor; and (iv) promoting good governance. As for PRSC-4, PRSC-5 supports three components of measures consistent with the four pillars of the PRSP: (i) growth and employment creation; (ii) human resource development; and (iii) good governance. Under the growth and employment creation component, PRSC-5 supports reforms in the cotton, rural sector, telecommunication, and energy sectors as well as the labor market to lower factor costs, increase productivity and favor new investments. The second component of the credit includes policies in the education, health, social protection, and water sectors to build infrastructure, lower the cost of services, improve service quality, and reinforce monitoring and evaluation. The third component encompasses policy measures to strengthen budget formulation, execution, procurement, budget control, public sector performance, decentralization, and environmental management. The

proposed operation is an integral part of the Bank's strategy presented in the 2000 CAS and the 2003 CAS progress report.

4. Environment Aspects

4. The Bank has determined that the policies supported by the proposed PRSC-5 are not likely to cause significant effects on Burkina's environment and natural resources. As noted in the environmental assessment attached to the program document of PRSC-4¹, the potential environmental and social impacts of the series of PRSC-4-6 stem from its sectoral coverage., but these impacts, which are mainly linked to the measures for rural development, privatization of ONATEL and reform of the energy sector, as well as to investments in education and health, should not be extensive; nor will they be irreversible.

5. However, there is a close and direct link between PRSC-5 and the sectoral investment projects as regards compliance with environmental and social safeguards, and most of these accompanying sectoral investment operations have their own environmental management plans (EMPs) formulated to offset the main environmental and social impacts identified during their evaluation. These sectoral EMPs are the basis to guarantee compliance with Bank requirements and policies, and can be found in the Environmental Assessments (EAs) of the respective projects. These projects are: (i) the Community-based Rural Development project; (ii) the Basic Education Sector project; (iii) the Response to HIV/AIDS project; (iv) the Competitiveness and Enterprise Development project; (v) the Energy project; (vi) the Urban Environment project.

6. PRSC-5 is also providing support to measures aiming at strengthening government's capacity for environmental and natural resource management: (i) implementation of the key measures in the capacity-building plan developed under PRSC-2 in the budget for 2004 and 2005 and inclusion of the measures in the 2005-2007 MTEF; (ii) ongoing creation of cells in sectoral ministries in order to strengthen compliance with national regulations; (iii) improved supervision of the management of ligneous forest resources by means of effective improvements and promotion of biomass energy; (iv) supervision of other IDA projects and of implementation of recommendations for IDA projects already visited.

5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	0
INTERNATIONAL DEVELOPMENT ASSOCIATION	27.6
Total	27.6

6. Contact point

Contact: Abdoulaye Seck

Title: Senior Economist

Tel: (202) 473-4508

Fax: (202) 614-1655

Email: Aseck1@worldbank.org

¹ Burkina Faso. Program document for PRSC-4. Annex 9. Report No. 28293-BUR. April 14, 2004.

