

PROGRAM INFORMATION DOCUMENT (PID)
CONCEPT STAGE

Report No.: 36020

Operation Name	Poverty Reduction Support Credit (6)
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	P078996
Borrower(s)	GOVERNMENT OF BURKINA FASO
Implementing Agency	INISTRY OF FINANCE AND BUDGET AND OTHER MINISTRIES
Date PID Prepared	April 07, 2006
Estimated Date of Appraisal Authorization	April 28, 2006
Estimated Date of Board Approval	June 20, 2006

1. Key development issues and rationale for Bank involvement

The proposed PRSC-6 is the third in a series of three annual operations supporting the implementation of Burkina Faso's second Poverty Reduction Strategy in 2004-2006. PRSP-2 builds on the achievements of the first PRSP while innovating 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 a unified budget support framework. Achievements under the previous PRSCs are generally positive as illustrated by an 8 percent reduction of poverty incidence between 1998 and 2003. The proposed operation is fully aligned with the Africa Action Plan and the Bank's FY06-09 CAS.

2. Proposed objective(s)

PRSC-6 will support PRSP objectives of: (i) raising growth and equity in a stable macroeconomic environment, thus ultimately 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.

3. Preliminary description

- a. The proposed PRSC-6 has three components consistent with the four PRSP pillars: (i) growth and employment creation; (ii) human resource development; and (iii) good governance.
- b. Under the growth and employment creation component, the proposed operation supports reforms in the rural, telecommunication, and energy sectors as well as on investment climate (labor market, regulatory framework) to lower factor costs, increase productivity and favor new investments.
- c. The second component includes policies in the education, health, social protection and water infrastructure, to lower the cost of services, increase access, improve service quality, and reinforce monitoring and evaluation.

- d. The third component encompasses policy measures to strengthen budget formulation, budget execution, procurement, budget management and ex-post control, public sector reform and decentralization, and environmental management.

4. Environment Aspects

The Bank has determined that the specific actions supported under the proposed PRSC-6 are not expected to have a significant effect on Burkina's environment and natural resources. The potential environmental and social impacts of the series of PRSC 6-9 stem from its sectoral coverage. However, these impacts, which are mainly linked to the measures for rural development, divestiture program and reform of the energy sector, as well as to investments in education and health, should not be extensive; nor will they be irreversible.

Furthermore, there is a close and direct link between PRSC-6 and the sectoral investment projects as regards compliance with environmental and social safeguards, and 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; and (vi) the Urban Environment project.

5. Tentative financing

Source:	(\$m.)
BORROWER/RECIPIENT	0
INTERNATIONAL DEVELOPMENT ASSOCIATION	60
IDA GRANT FOR DEBT VULNERABLE	0
Total	60

6. Contact point

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