



**OFFICIAL USE ONLY**

IDA/R2018-0371/1

November 16, 2018

**Closing Date: Thursday, November 29, 2018  
at 6:00 p.m.**

FROM: Vice President and Corporate Secretary

**Burkina Faso - Emergency Recurrent Cost Financing Project**

**Project Appraisal Document**

Attached is the Project Appraisal Document regarding a proposed grant to Burkina Faso for an Emergency Recurrent Cost Financing Project (IDA/R2018-0371), which is being processed on an absence-of-objection basis.

Distribution:

Executive Directors and Alternates  
President  
Bank Group Senior Management  
Vice Presidents, Bank, IFC and MIGA  
Directors and Department Heads, Bank, IFC, and MIGA





FOR OFFICIAL USE ONLY

Report No: PAD3155

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 72,400,000 MILLION

(US\$100 MILLION EQUIVALENT)

TO

BURKINA FASO

FOR A

EMERGENCY RECURRENT COST FINANCING PROJECT

NOVEMBER 14, 2018

Governance Global Practice

Africa Region

This document has a restricted distribution and may be used by recipients only in the performance of their official duties. Its contents may not otherwise be disclosed without World Bank authorization.

CURRENCY EQUIVALENTS

Exchange Rate Effective Oct 31, 2018

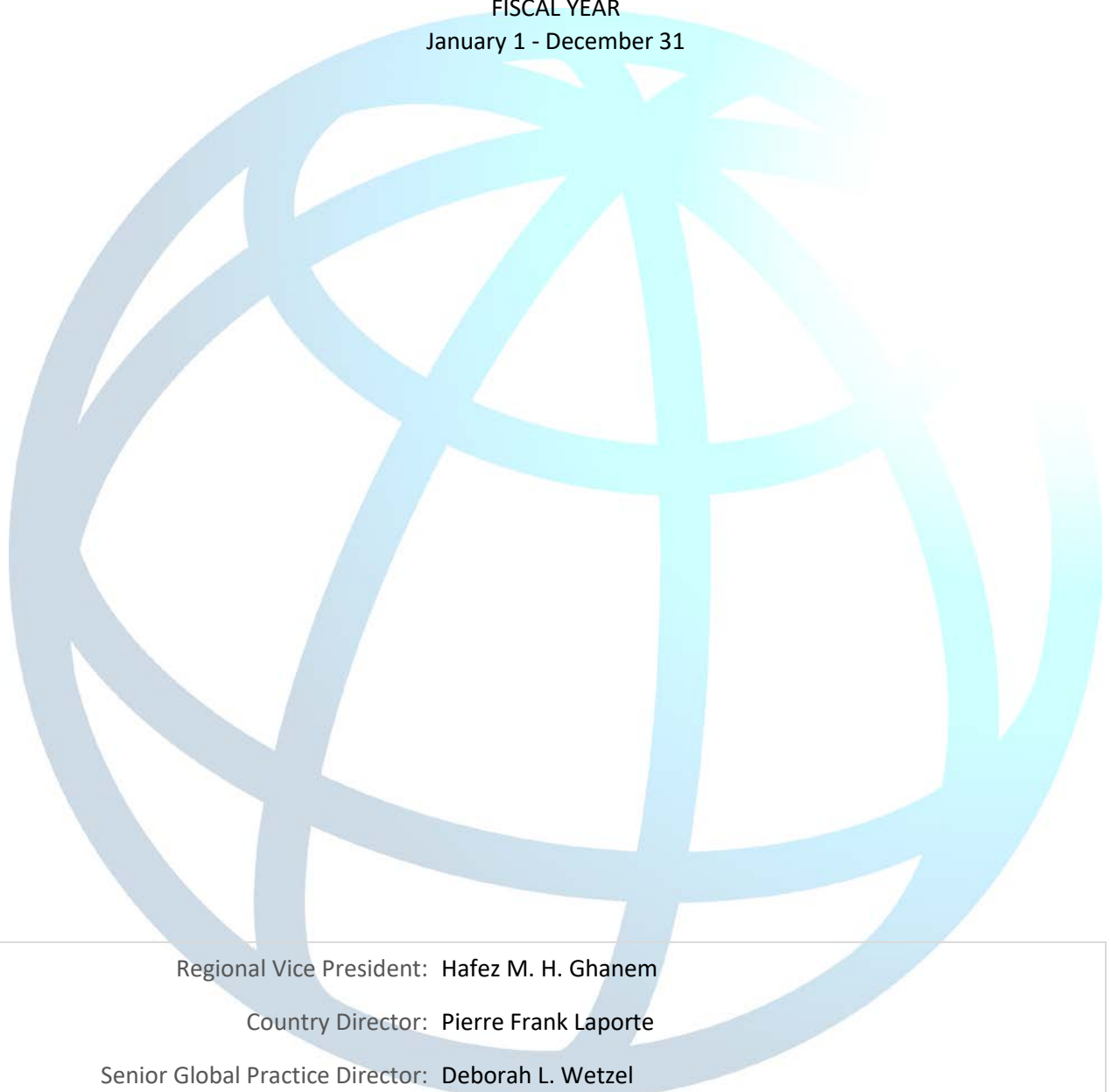
Currency Unit = CFA Franc (XOF)

XOF 579.55 = US\$1

US\$1 = SDR 0.7235

FISCAL YEAR

January 1 - December 31



Regional Vice President: Hafez M. H. Ghanem

Country Director: Pierre Frank Laporte

Senior Global Practice Director: Deborah L. Wetzel

Practice Manager: Alexandre Arrobbio

Task Team Leader(s): Veronique Kabongo, Ragnvald Michel Maellberg

## ABBREVIATIONS AND ACRONYMS

ASCE-LC	<i>Autorité Supérieure de Contrôle de l'Etat Et de Lutte Contre la Corruption</i> (Supreme Control and Anticorruption Authority of the State)
AWP&B	Annual Work Program and Budget
BF	Burkina Faso
CERC	Contingent Emergency Response Component
CGAB	<i>Cadre Général de Gestion Budgétaire</i> (General Framework for Managing Budget Support)
CPF	Country Partnership Framework
CSO	Civil Society Organization
DA	Designated Account
DCMEF	<i>Directeur du contrôle des marchés publics et de l'engagement financier</i> (Director of Control of Public Procurement)
DMP	<i>Directeur des marchés public</i> (Director of Public Procurement)
DPO	Development Policy Operation
ECF	Extended Credit Facility
EGCEP	Economic Governance and Citizen Engagement Project
EPSRP	Emergency Public Services Response Project
ERCFP	Emergency Recurrent Cost Financing Project
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standard
FM	Financial Management
GBV	Gender Based Violence
GDP	Gross Domestic Product
GDP	Gross Domestic Product
GPN	General Procurement Notice
GRS	Grievance Redress Services
HQ	Headquarter
IBM	Iterative Beneficiary Monitoring
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFR	Interim Financial Reports
IGF	<i>Inspection Générale des Finances</i> (General Inspectorat of Finance)
IMF	International Monetary Fund
IPF	Investment Project Financing
IT	Information Technology
LMP	Labor Management Procedures
M&E	Monitoring and Evaluation
MINEFID	<i>Ministère de l'Economie, des Finance et du Développement</i> (Ministry of Economy, Finance and Development)
NPF	New Procurement Framework
PA	Project Account
PCU	Project Coordination Unit
PDO	Project Development Objective

PEFA	Public Expenditure and Financial Assessment
PFM	Public Financial Management
PforR	Program for Results
PIM	Project Implementation Manual
PIMA	Public Investment Management Assessment
PNDES	<i>Plan Nationale de Developpement Economique et Social</i> (National Plan for Economic and Social Development)
POSEF	<i>Politique du secteur de l'économie et des finances</i> (Economic and Finance Sector Policy)
PPSD	Project Procurement Strategy for Development
PRC	Project Review Committee
SCD	Systematic Country Diagnostic
SEA	Sexual Exploitation and Abuse
SEIDP	Stakeholder Engagement and Information Disclosure Plan
SOE	Statement of Expenditures
SONAGESS	<i>Société nationale de Gestion du Stock de Sécurité Alimentaire</i> (National Food Security Stock Management Company)
SORT	Systematic Operations Risk-rating Tool
SPN	Special Procurement Notice
SDR	Standard Drawing Right
TA	Technical Assistance
ToR	Terms of Reference
TTL	Task Team Leader
UN	United Nations
US\$	United States Dollar
WAEMU	West African Economic and Monetary Union
WB	World Bank
WFP	World Food Program
WISN	Workload Indicators of Staffing Need
XOF	<i>Franc de la Communauté Financière de l'Afrique</i> (Franc of the Financial Community of Africa)



**TABLE OF CONTENTS**

**DATASHEET ..... 5**

**I. STRATEGIC CONTEXT ..... 14**

    A. Country Context..... 14

    B. Sectoral and Institutional Context..... 16

    C. Relevance to Higher Level Objectives..... 18

**II. PROJECT DESCRIPTION..... 20**

    A. Project Development Objective ..... 20

    B. Project Components ..... 20

    C. Project Beneficiaries ..... 23

    D. Results Chain ..... 23

    E. Rationale for Bank Involvement and Role of Partners ..... 23

    F. Lessons Learned and Reflected in the Project Design ..... 24

**III. IMPLEMENTATION ARRANGEMENTS ..... 25**

    A. Institutional and Implementation Arrangements ..... 25

    B. Results Monitoring and Evaluation Arrangements..... 26

    C. Sustainability..... 26

**IV. PROJECT APPRAISAL SUMMARY ..... 26**

    A. Technical, Economic and Financial Analysis ..... 27

    B. Fiduciary..... 28

    C. Legal Operational Policies..... 33

    D. Environmental and Social..... 34

**V. GRIEVANCE REDRESS SERVICES ..... 35**

**VI. KEY RISKS ..... 35**

**VII. RESULTS FRAMEWORK AND MONITORING ..... 38**

**ANNEX 1: IMPLEMENTATION ARRANGEMENTS AND SUPPORT PLAN..... 44**

**ANNEX 2: IMPLEMENTATION SUPPORT PLAN..... 62**

---



DATASHEET

**BASIC INFORMATION**

Country	Project Name		
Burkina Faso	Burkina Faso: Emergency Recurrent Cost Financing Project		
Project ID	Financing Instrument	Environmental and Social Risk Classification	Process
P169486	Investment Project Financing	Moderate	Urgent Need or Capacity Constraints (FCC)

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Disbursement-linked Indicators (DLIs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input checked="" type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	

Expected Approval Date	Expected Closing Date
30-Nov-2018	31-Dec-2021

Bank/IFC Collaboration

No

**Proposed Development Objective(s)**

Support the Government in enhancing food security readiness and delivery of core services in health and education in the crises affected regions.

**Components**



Component Name	Cost (US\$, millions)
Component 1: Payment of Recurrent Costs	74,000,000.00
Component 2: Support the replenishment of the National Food Security Stock	21,000,000.00
Component 3: Targeted technical assistance for enhanced deployment of state resources	4,000,000.00
Component 4: Project management	1,000,000.00

**Organizations**

Borrower: Burkina Faso

Implementing Agency: Ministry of Economy, Finance and Development (MINEFID)

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	100.00
<b>Total Financing</b>	100.00
<b>of which IBRD/IDA</b>	100.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	100.00
IDA Grant	100.00

**IDA Resources (in US\$, Millions)**

	Credit Amount	Grant Amount	Total Amount
National PBA	0.00	100.00	100.00
<b>Total</b>	<b>0.00</b>	<b>100.00</b>	<b>100.00</b>



**Expected Disbursements (in US\$, Millions)**

WB Fiscal Year	2019	2020	2021	2022
Annual	96.00	1.50	2.00	0.50
Cumulative	96.00	97.50	99.50	100.00

**INSTITUTIONAL DATA**

Practice Area (Lead)

Contributing Practice Areas

Governance

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

**Gender Tag**

**Does the project plan to undertake any of the following?**

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF	No
b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment	No
c. Include Indicators in results framework to monitor outcomes from actions identified in (b)	No

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● High
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Moderate



6. Fiduciary	● Substantial
7. Environment and Social	● Moderate
8. Stakeholders	● Substantial
9. Other	● Low
10. Overall	● Substantial

**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any waivers of Bank policies?

Yes  No

**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	The expected environmental and social impacts of the project will be generally positive. The Project will not finance civil engineering works that usually can induce risks and/or negative environmental and social impacts. Environmental risks are expected to be minor, and their mitigation will be guided by national and local laws and procedures. However, the implementation of the activities of components 1 (two subcomponents) and 2 of this project, viewed from the broader perspective of security and other challenges in the region, could include social risks, such as the exclusion of certain categories of



people due to the inadequacies of the information system, possible labor issues, and/or vulnerabilities among the project beneficiaries (e.g. dealing with the challenges of safety and security for children, especially girls, in the schools and health centers; ensuring the catch-up exams are in accessible and safe places; child abuse and/or Gender Based Violence (GBV) / Sexual Exploitation and Abuse (SEA) risks; collateral risks to education and health workers delivering services in insecure areas, etc.). There is also the risk of excluding vulnerable persons during the distribution of food by SONAGESS. Given the emergency nature of the operation, it will not be possible to conduct a social assessment prior to Board approval. The project will assess contextual and incremental social risks and impacts during implementation and propose mitigation measures, as and when necessary. A Social Management Plan may be prepared, as and when necessary.

Stakeholder Engagement and Information Disclosure

A Stakeholder Engagement and Information Disclosure Plan (SEIDP) has been prepared and disclosed and will be finalized during project implementation. This plan addresses specific risks identified by stakeholders, including the exclusion of certain civil servants in target areas, risks to vulnerable peoples, security risks affecting delivery of



services, etc.) and it will be updated as and when necessary.

The objective is to establish a systematic approach for stakeholder engagement, maintain a constructive relationship with them, take into account stakeholders' views, promote and provide means for effective and inclusive engagement with project-affected parties throughout the project life-cycle, and ensure that appropriate project information is disclosed to stakeholders in a timely, understandable, accessible and appropriate manner. The project will also include a grievance mechanism to handle general complaints.

---

#### Labor and Working Conditions

This standard is applicable both to employees of the PIU and to education and health workers that will be receiving salaries under the project. The PIU, at a minimum, will include direct workers, who will need to meet requirements for: terms and conditions of employment; non-discrimination and equal opportunity; worker's organizations; child labor; forced labor; a grievance mechanism; and, occupational health and safety. Civil servants working in connection with the project full-time or part-time will remain subject to the terms and conditions of their existing public-sector employment or agreement, unless there has been an effective legal transfer of their employment or



engagement in the project. The civil servants receiving salaries under the project will also have to adhere to provisions regarding: child labor (a child under the minimum age (14 or higher, depending on national laws) will not be employed or engaged in connection with the project); and forced labor (a prohibition against any kind of involuntary or compulsory labor, such as indentured labor, bonded labor, or similar labor-contracting arrangements; also, no trafficked persons will be employed in connection with the project).

The project includes a condition of effectiveness for Labor Management Procedures for both the PIU staff and for education and health workers receiving salaries. The project will also include a grievance mechanism for labor disputes.

**Resource Efficiency and Pollution Prevention and Management**

The project does not involve resource efficiency or pollution prevention and management issues.

**Community Health and Safety**

The project will include a plan for Gender Based Violence (GBV) / Sexual Exploitation and Abuse (SEA).

**Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

The project is not financing activities that involve land acquisition, restrictions on land use, or involuntary resettlement.

**Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The project does not involve biodiversity conservation and sustainable management of living natural resources.



Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	There are no Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities in the project area.
Cultural Heritage	The project will not finance activities that affect cultural heritage.
Financial Intermediaries	This project does not involve financial intermediaries.

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**Legal Covenants**

Schedule 2, Section I.A2.b The Recipient shall ensure the PCU (i) recruits an accountant, (ii) contracts ASCE-LC to conduct ex-post verifications on Project expenditures and (iii) updates its computerized accounting system, no later than one (1) month after the Effective Date; and(iv) recruits an independent external auditor, no later than four (4) months after the Effective Date.

Schedule 2, Section I.B..1 No later than one (1) month after the Effective Date, the Recipient shall prepare, in accordance with terms of reference acceptable to the Association, a Project implementation manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement including the list of pre-approved operating costs; (d) monitoring, evaluation, reporting and communication; (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

Schedule 2, Section I,C1 The Recipient shall, (i) for the first year of Project implementation, no later than two (2) weeks after the Effective Date, prepare and furnish to the Association, an annual work plan and budget (“Annual Work Plan and Budget”) containing all activities proposed to be included in the Project and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing; and (ii) for subsequent years of Project implementation, not later than November 30 of each year of Project implementation, prepare and furnish to the Association, Annual Work Plan and Budget containing all activities proposed to be included in the Project and a proposed financing plan for expenditures required for such activities, setting forth the proposed amounts and sources of financing

**Conditions**

The additional conditions of effectiveness consist of the following:

Article 4.01.a The preparation and adoption by the Recipient of Labor Management Procedures, in form and substance acceptable to the Association, and in accordance with ESS2. Article 4.01.b The preparation and adoption by the Recipient of a revised Stakeholder Engagement Plan, in form and substance acceptable to the Association, and in accordance with ESS10.



No withdrawal shall be made:

Schedule 2, Section III, B.1.a for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed 28,940,000 SDR may be made for payments made prior to this date but on or after January 1<sup>st</sup>, 2018, for Eligible Expenditures under Category (1).

Schedule 2, Section III, B.1.b under Category 2, unless and until the Recipient has entered into the SONAGESS Agreement, satisfactory to the Association, as referred to in Section D of Schedule 2 of this Agreement.





## I. STRATEGIC CONTEXT

### A. Country Context

1. **Burkina, a Sahelian landlocked country, with a population of 19 million has undergone profound socio-political changes in 2014/2015.** Further to the 2014 transition Government, presidential and legislative elections conducted peacefully in December 2015 put Burkina Faso on the path to political stability and rapid economic recovery. Meanwhile, the Government resulting from these elections has been facing the challenge of meeting popular expectations, particularly the need to rapidly improve Government credibility with citizens by ensuring measurable improvements in services, providing jobs, and assuring security for citizens. As a result, the Government adopted the *Plan National de Développement Economique et Social* (National Plan for Economic and Social Development) (PNDES) 2016-2020, seeking to reform the public administration, strengthen human capital, and energize the growth sectors. The Government also adopted popular policies, such as increasing hiring in the public sector by 18,000 employees in 2016 and 2017; regularizing public contract workers; and implementing the salary structure of the 2015 civil service law.
2. **Several recent exogenous and endogenous shocks have undermined the country's resilience and development efforts.** Burkina Faso is one of the most vulnerable countries in the world with a per capita income of only US\$610 (2011 Purchasing Power Parity) and with approximately 44 percent of its population living with less than US\$1.9 per day. Burkina Faso is facing a multi-faceted crisis including food insecurity; recurrence of violence in the North and East of the country creating an alarming reduction of the state's presence, notably in education; and increased social tensions. In a context of deteriorating institutional capacity and limited fiscal space, Burkina Faso's ability to respond to these crises while delivering core services and implementing important reform agenda has weakened.

Figure 1: Regions affected by terrorist attacks (source: Government of Burkina Faso)





3. **Rapidly rising insecurity and violence, particularly in 2018, also deteriorated service delivery and presence of the state in North and East regions.** In remote areas of crisis affected regions, particularly in the North and East of the country, the presence of the state and delivery of public services is slowly eroding as increased violence is severely undermining service delivery. In the North, Sahel, East and Centre regions, terrorist attacks have resulted in closing of around 400 to 500 schools and 65,000 children out of school need alternative schooling. The recent events starting in the East exposed the population to unprecedented violence caused by armed groups, and foreigners are regularly kidnapped. Figure 1 indicates the regions most affected by terrorist attacks.
4. **These recent exogenous shocks must be addressed in a context where public institutions' effectiveness has already deteriorated.** Recent socio-political instability in Burkina Faso is due to limited state effectiveness. World-Wide Governance Indicators on Government effectiveness positioned Burkina Faso in the 31<sup>st</sup> percentile in 2017, down from the 36<sup>th</sup> percentile in 2011. Simultaneously, Burkina Faso is experiencing an increasing presence of violent armed groups, which take advantage of economic and political grievances, social marginalization, and the low state presence in rural and remote areas, to recruit the youth. Large territories and porous borders facilitate cross-borders movements and illicit trade, causing important internal displacements.
5. **While economic growth performance was positive, the budget deficit increased significantly between 2015 and 2017.** Following a slowdown in 2014-15, Burkina Faso's economic growth rebounded to 5.9 percent of Gross Domestic Product (GDP) in 2016 and 6.4 percent of GDP in 2017. Economic growth is estimated at 6 percent of GDP in 2018. Mining and the services sector were the main contributors to growth, while pests and low rainfall held back agricultural output. Growth is expected to be maintained at this level over the medium term, supported by the mining and services sectors. Tax revenues increased from 15.1 percent of GDP in 2015 to 17.0 percent of GDP in 2017. To respond to development needs, in line with Burkina Faso's ambitious PNDES, the Government increased public investments from 8.1 percent of GDP in 2015 to 11.4 percent of GDP in 2017. Increased demand for public services has also required an increase in the number of civil servants and pressure from public sector employees and unions has led to wage increases. Consequently, the wage bill increased to 8.5 percent of GDP in 2017, up from 7.6 percent in 2015. Spending on goods and services increased from 1.8 percent in 2015 to 2.4 percent in 2017 while transfers increased from 4.9 percent in 2015 to 6.3 percent in 2017. This led to an increase of the fiscal deficit from 2.4 percent of GDP in 2015 to 7.7 percent of GDP in 2017.
6. **In 2018, a severe food crisis adversely impacted Burkina Faso.** More than 80 percent of the population has agriculture as the primary economic activity and depends on agricultural activities for food. Burkina Faso is confronted with a food crisis since 2017 as inadequate rainfall in the 2017/18 agriculture season resulted in a drop of 11 percent in the cereal production. The situation worsened in 2018 as an invasion of fall armyworms, has damaged more than 90,000 ha of farming land in 13 regions, and an invasion of granivorous birds is threatening the performance of the 2018/19 agriculture season. Cereal prices have increased and are 40 to 50 percent higher in 2018 compared to 2017. The Government estimates that 2.6 million people are vulnerable to food insecurity in 83 of the country's 351 communes. Furthermore, 954,000 people are suffering from food insecurity of which 90,000 are in need of emergency assistance. The food crisis has resulted in 587,000 children under five years suffering from acute malnutrition; of these 187,000 children suffer from its most severe form. The North, Sahel, East and Center regions, under increasing insecurity, have also been particularly affected by the ongoing food crisis.
7. **The Government has had to take measures to reduce the fiscal deficit in 2018 that has limited its fiscal space to efficiently address the crises.** Tax revenues have increased from 17.0 percent of GDP in 2017 to 17.8 percent of GDP in 2018. Meanwhile, to reduce its fiscal deficit to 5 percent of GDP in 2018, down from 7.7 percent of GDP in 2017, the Government reduced public investments from 11.4 percent of GDP in 2017 to 10



percent of GDP in 2018. Spending on goods and services and transfers was reduced by 0.5 percentage points of GDP respectively between 2017 and 2018. However, the wage bill increased to 9.2 percent of GDP in 2018, reflecting important social measures conceded by the Government post 2015 on both compensation and employment in public sector. It is expected to remain at this level in the medium term. To contain the wage bill, the Government has reduced recruitment in the public sector by 40 percent in 2018, and this policy is likely to be extended in the coming years. It also organized a tripartite national conference in June 2018 between the Government, labor unions and civil society to identify a series of measures aimed at stabilizing the wage bill and improving the deployment of civil servants across the country. The limited fiscal space has reduced the capacity of Burkina Faso to efficiently respond to exogenous shocks it is facing. These shocks, namely a significant rise in insecurity and adverse climatic conditions resulting in a food and agriculture crises have increased the vulnerability of the country. They also have a significant fiscal impact and, unless the Government can increase public spending to address them, they could further deteriorate the already fragile situation.

8. **The accelerated deterioration of security and stability in Burkina Faso led the authorities to increase security sector spending while reducing the fiscal space for other critical expenditures.** Over the past decade, Burkina Faso has been affected by the instability in Sahel and other neighboring countries,<sup>1</sup> and an increasing transnational criminality and terrorist violence. While Burkina Faso has experienced relatively less instability than other Sahel countries,<sup>2</sup> recently instability and insecurity have been rising. The number of violent incidents increased by 94 percent between 2017 and 2018<sup>3</sup>. The number of attacks has also intensified in 2018 with 29 incidents recorded in October 2018 against 16 incidents recorded in May 2018<sup>4</sup>. As a result, the Government had to increase security expenditures in a context of limited fiscal space and increased demand for social and infrastructure spending. In 2018, security-related expenses increased more than 37 percent compared to 2017, and are expected to increase an additional 26 percent, to XOF 311.8 billion, in the 2019 budget. The situation has also led the Government to request the French Barkhane force to intervene in Burkina Faso, and the French Government has responded favorably<sup>5</sup>.

## B. Sectoral and Institutional Context

9. **The impact of the simultaneous shocks has severely impacted the financial situation in the health, education and agriculture sectors,** reducing the Government's preparedness to handle the crisis in affected regions. The amended 2018 budget law adopted by the Council of Ministers and transmitted to the National Assembly for approval confirms the non-execution of critical programs due to fiscal pressure and increased security spending. The Government's diagnostic indicates that the responses to the crises in education, agriculture and health will cost more than XOF 115 billion of which there is at least a financing gap of XOF 50.4 billion. As such the present operation will cover this financing gap. To tackle the ongoing food security crises,

<sup>1</sup> Libya, Ivory Coast, Central African Republic, South Sudan and Nigeria

<sup>2</sup> in 1966 with the expulsion of the President, a military-led coup in 1983, and the ousting of the sitting president in 2014

<sup>3</sup> According to data from The Armed Conflict Location & Event Data Project (<https://www.acleddata.com/>), the number of violent incidents increased from 117 in the period January - October 2017 to 228 in the period January - October 2018. The Armed Conflict Location & Event Data Project (ACLED) is a disaggregated conflict collection, analysis and crisis mapping project. It is not a World Bank project.

<sup>4</sup> According to data from The Armed Conflict Location & Event Data Project (<https://www.acleddata.com/>), the number of violent incidents increased from 117 in the period January - October 2017 to 228 in the period January - October 2018. The Armed Conflict Location & Event Data Project (ACLED) is a disaggregated conflict collection, analysis and crisis mapping project. It is not a World Bank project.

<sup>5</sup> <http://www.rfi.fr/afrique/20181013-burkina-faso-barkhane-france-pama-attaque-g5-sahel> and <https://www.jeuneafrique.com/mag/653944/politique/france-florence-parly-nous-sommes-prets-a-intervenir-si-le-burkina-faso-nous-le-demande/>



the Government needs to urgently replenish the national security food stocks, which requires about US\$21 million dollars to meet the immediate and future food and nutrition security needs of the most vulnerable sections of the population. Facing this additional fiscal pressure is very challenging given the already limited fiscal space. The economic cost of the crises is even higher. For the agriculture crisis only, preliminary estimates indicate that the economic cost is at least XOF 317 billion (US\$550 million).

10. **The Government has responded to the food crisis, but the security situation and the limited fiscal space is constraining its capacity to address the food security needs.** The Government is addressing the food crisis by launching the Emergency Response Plan, under which food and cash transfers were provided to about 605,000 persons, with 53 percent receiving free food and 47 percent cash transfers. The national food security stock management company, *La Société nationale de gestion du stock de sécurité alimentaire* (SONAGESS), has exhausted 78 percent (about 39,000 tons of maize, millet and sorghum) of its current stocks. The SONAGESS has also experienced targeted destructions of offices and food stocks and its staff has been targeted by violence adversely impacting its capacity to undertake its operations and ensure food security. Due to fiscal constraints, the budget allocation in the revised budget law 2018 was reduced by US\$9 million which further reduces SONAGESS's capacity to execute its mandate. This limits the possibility of replenishing the strategic food stock, further reducing the Government's capacity to address the food security needs in the vulnerable regions.

11. **Recent rapidly increasing insecurity and terrorism in the North, Sahel and East regions have also adversely affected service delivery in the education and health sectors.** In 2018, according to Government estimates 400 to 500 schools closed in these regions representing approximately 65,000 children in need of alternative schooling. This displacement of students has generated the necessity to organize catch up exams to mitigate disruptions to their education. Loss of instruction time due to school closures and displacement of students are immediate results of the violent attacks in the Sahel and North regions of the country. Catch-up classes and examinations were conducted for about 6,000 students in September 2018. In addition, Government aims at re-organizing the school year to allow teacher overtime and extending the instruction time. These measures will be rolled-out if the crisis persists, however, will add additional pressure on education spending, due to additional training of teachers, provision of incentives through remuneration and equipment. The security situation has also made it challenging to maintain service delivery in the health sector. Facilities have been damaged during combat, and insecurity has forced facilities to close for varying durations. Health facilities are not targeted, but health workers feel insecure and leave their posts for periods of time. They are also mobilized to treat the wounded from all sides of the conflict. This reduces their ability to deliver high-quality care. This is likely to adversely impact the provision of services in the health sector. The flagship program of targeted free health care was supported in the revised budget law but is still short of money. The limited fiscal space has made it very challenging for the Government to respond to all these needs.

12. **In a context of capacity constraints because of fragility within a non-fragile country<sup>6</sup>, Burkina Faso is in urgent need of assistance to ensure effective state presence and delivery of core public services in the crisis regions.** The multifaceted crisis that Burkina Faso is facing is exercising considerable pressure on the state and its public finances. Recent security, agriculture and social shocks have increased fragility and Burkina Faso is experiencing capacity constraints because of this. To contain the crisis and avoid further deterioration, the Government needs to ensure state presence and the delivery of core services across the territory and particularly in the crisis-affected regions of the North, Sahel, Centre and East. Ensuring basic health services,

---

<sup>6</sup> Vice President memo dated October 22, 2018 granting approval to process the Emergency Recurrent Cost Financing Project (P169486) under Investment Project Financing (IPF) Policy, Paragraph 12 of Section III: Projects in Situations of Urgent Need of Assistance or Capacity Constraints and pursuant to IPF Directive, Paragraph 56: Exceptional Arrangements in Situations of Urgent Need of Assistance or Capacity Constraints



education, and addressing the current food crisis are crucial to prevent Burkina Faso from falling into a fragility trap. Achieving this objective requires primarily timely execution of resources earmarked for the crisis, and particularly timely and regular payment of related civil servants' salaries and other operating costs.

13. **The Government requested World Bank support to swiftly address these inter-twinned challenges.** The Government estimates the short-term cost of the response to the multiple crises, in particularly food security, education, and health at more than XOF 115 billion of which more than XOF 50.4 billion needs to be financed<sup>7</sup>. It is expected that the Government will contain expenditures and increase revenues to reach a fiscal deficit of 3 percent of GDP (convergence criteria of the West African Monetary Union, WAMEU) by 2021 in the absence of exogenous shocks. Given the current situation, it could take more time than expected to reach the fiscal deficit target.

### C. Relevance to Higher Level Objectives

14. **The proposed operation is aligned with the Burkina Faso Country Partnership Framework<sup>8</sup> (CPF) for FY18-FY23 and is an important complement to other IDA lending operations.** The CPF<sup>9</sup> aims to support the PNDES goals and priorities identified in the 2017 Systematic Country Diagnostic<sup>10</sup> (SCD), including fiscal management, agriculture and human capital development. Subsequently, the technical assistance to improve deployment of state resources supported by the operation are linked to activities of the Economic Governance and Citizen Engagement Project (P155121, US\$30 million) which seeks to enhance domestic revenue mobilization and improve the use of public resources as well as the ongoing Public-Sector Modernization Program for Results (P132216, US\$40 million) which aims at improving selected service standards in pilot ministries and is linked to civil service reforms. The proposed operation will therefore make important contributions to the World Bank engagement in Burkina Faso by maintaining service delivery and improving management of public resources.

15. **The project is also complementary to other World Bank operations being implemented in Burkina Faso.** The project components are designed with a view to complementing each other; strengthening the Government's capacity to address the different crises; and establishing synergies with support through other ongoing and planned World Bank financed operations. In the Health sector, the Health Services Reinforcement Project (P164696, US\$80 million) is financing activities to increase the quality and utilization of health services with a focus on maternal, child and adolescent health, nutrition and disease surveillance. The Education Access and Quality Improvement Project (P148062, US\$50 million) is providing support to increase access to pre-school education in the two poorest regions, secondary education in the five poorest regions and to improve teaching and learning. In the agriculture sector, the Agricultural Productivity and Food Security Project (P114236, US\$113.05 million) targets the improvement of the capacity of poor producers to increase food production and to ensure improved availability of food products in rural markets. Livestock Sector Development Support Project (P159476, US\$60 million) seeks to enhance productivity and commercialization of non-pastoral animal production in selected chains and strengthen the country's capacity to respond to severe crises affecting the livestock sector, and to provide immediate and effective response in the event of an Eligible Crisis or Emergency. The Contingent Emergency Response Component (CERC) of the project has not been activated yet due to the time it required for the Government to cost the impact of the crises. Finally, the Burkina Faso Local Government

<sup>7</sup> Letter 2018/02309/MINEFID/SG/D G.COOP/DSPF/OTM, dated September 24<sup>th</sup>, 2018 requesting emergency support.

<sup>8</sup> Report 123712

<sup>9</sup> The CPF draws on the World Bank Group's 2017 SCD for Burkina Faso and feedback from in-country consultations with stakeholders and follows the Country Partnership Strategy FY13-FY16 and builds on the Performance and Learning Review completed in 2015

<sup>10</sup> Report 114393



Support Project (P120517, US\$120 million) seeks to strengthen the national capacity for decentralization, the institutional capacities of communes in all regions and to increase citizen participation in local governance.

16. **The operation is also designed to be complementary to operations under preparation such as the World Bank series of Development Policy Operations (DPO, P166298).** The DPO series will support reforms aiming at restoring fiscal sustainability and fiscal space for public investment in physical and human capital through increased revenue mobilization, improved public investment management, and greater control of wage bill growth. The operation will be supporting wages of education and health personnel in the short term to ensure continued service delivery to address the current crises and give the Government time to implement longer-term reforms to improve control of wage bill growth. The operation will also provide technical assistance that will inform these reforms. The DPO will also support structural reforms to promote productivity growth and climate-change adaptation in artisanal mining and livestock. At the same time, in a context of high poverty and vulnerability, the DPO series will support efficiency gains in the health sector to help the Government achieve its commitment to expand access to health care and improve service delivery throughout the country including supporting the development of the Workload Indicators of Staffing Need<sup>11</sup> that will support Component 1 of the operation.

17. **The World Bank also collaborates with development partners in Burkina Faso, including through sectorial dialogue frameworks.** In the context of the PNDES, the Government designed a new monitoring and evaluation system consisting of 14 sectorial dialogue frameworks and set up the monitoring unit within the Prime Minister's office in which the World Bank participates. The World Bank also actively contributes to the Economic and Governance group, which handles budget support and public service effectiveness.

---

<sup>11</sup> The Workload Indicators of Staffing Need (WISN) method is a human resource management tool. It provides a systematic way to make staffing decisions in order to manage human resources well. The WISN method is based on a health worker's workload, with activity (time) standards applied for each workload component. The method: (i) determines how many health workers of a particular type are required to cope with the workload of a given health facility; (ii) assesses the workload pressure of the health workers in that facility. "Workload Indicators of Staffing Needs", World Health Organization, 2015.



## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

18. Support the Government in enhancing food security readiness and delivery of core services in health and education in the crises affected regions.

#### PDO Level Indicators

19. The PDO level results of the project would be measured using the following key indicators:
- Students benefiting from the catch-up exams organized for regions affected by the crisis (number).
  - Students benefiting from the catch-up exams organized for regions affected by the crisis of which girls (number).
  - Teachers benefiting from professional training organized to support the regions affected by the crisis (number).
  - Medical Consultations financed by free health care (*gratuité*) in regions affected by the crisis (number)
  - Medical Consultations financed by free health care (*gratuité*) of which women or girls (number).
  - Replenishment of the SONAGESS strategic food stock (maize, millet and sorghum) (ton).

The key results indicators along with the intermediate project results are shown in the results framework.

### B. Project Components

20. **The project has four components:** (i) Payment of Recurrent Costs (US\$74 million); (ii) Support the replenishment of the National Food Security Stock(US\$21 million)<sup>12</sup>; (iii) Targeted Technical Assistance for enhanced deployment of state resources (US\$4 million); and (iv) Project Management (US\$1 million). The project will finance recurrent operating expenditures including salary from the 2018 and 2019 budget contributing to addressing the crises and delivering basic services in the crisis affected regions of North, Sahel, Center and East. The components and Financing are presented in table 1 below. Table 2 presents how the operation responds to the Government’s request.

21. **Proceeds of the project will not be used to pay salary arrears, pensions and other benefits, military and other security and defense forces.** This category will be covered by the Government’s own resources as well as by resources made available by other development partners.

**Table 1: Components and Financing**

<sup>12</sup> The support will be exclusively to replenish the strategic food stock of SONAGESS and reconstitute parts of the food stockage materials in affected regions including silos. The support will not include distribution of food.



Components	Amount (million SDR)	Amount (million US\$ equivalent)
<b>Component 1:</b> Payment of Recurrent costs	53.55	74
<b>Component 2:</b> Support the replenishment of the National Food Security Stock <sup>13</sup>	15.20	21
<b>Component 3:</b> Targeted technical assistance for enhanced deployment of state resources	2.90	4
<b>Component 4:</b> Project Management	0.75	1
<b>Total</b>	<b>72.40</b>	<b>100</b>

**A. Project Components**

22. **Component 1: Payment of Recurrent Costs (SDR 53.55 million equivalent to US\$74 million).** This component will provide support to the Government to pay operating costs and civil service salaries (excluding the security forces and police) related to addressing the crises in the regions of North, Sahel, Centre, and East.

23. **Payment of recurrent costs.** To ensure the adequate operation of state functions in addressing the crises and delivery of basic services for the conflict-affected regions, this intervention will finance targeted operating costs including *inter alia* for utilities such as water and electricity, telecommunication including internet and phone, office rent, insurance, fuel, rental of vehicles, transport and mission expenses related to the organization of exams, inspections and controls in the targeted regions, transport of students, office supplies, consumables and equipment including transfers made to health centers to finance operating expenses (a detailed list of eligible expenditures is presented in Annex 1). The operation will also finance transfers from health and education ministries to decentralized and deconcentrated entities in health and education to finance operating expenses. It will also cover the payment of salaries to 10,000 civil servants working in or with the North, Centre, East and Sahel regions of Burkina Faso. Civil servant salary payments will be made based on lists of eligible civil servants prepared by the Ministry in charge of civil service. This list will be communicated to the Ministry in charge of Finance who will be responsible to pay the salaries. The 2015 nation-wide control of civil servants resulted in an update of payroll and HR databases. Consequently, the 2017 Public Expenditure and Financial Assessment (PEFA) report rated payroll audit at B.

24. **The component includes the two subcomponents below:**

- **Subcomponent 1: Paying Recurrent Costs in the education sector (SDR 28.95 million equivalent to US\$40 million).** The operation will contribute to finance targeted recurrent operating costs, including salaries of civil servants and personnel in the education sector in these regions affected by the crises in the central ministry, at the deconcentrated level and at the decentralized level. Operating costs will be financed to maintain the capacity of the civil servants and teachers in the sector to undertake their duties. This will allow organization of alternative schooling of children affected by the crisis and finance the organization of the catch-up exams of displaced children. It is challenging to maintain operations in the education sector due to the destruction of schools and children being moved to other regions. The services will be provided in the regions where these children have been relocated.

<sup>13</sup> The support will be exclusively to replenish the strategic food stock of SONAGESS and reconstitute parts of the food stockage materials in affected regions including silos. The support will not include distribution of food.



- **Subcomponent 2: Paying Recurrent Costs in the health sector (SDR 24.60 equivalent to US\$34 million).**

The operation will finance targeted recurrent operating costs, including the payment of civil servants in the health sector and health personnel at central, deconcentrated and decentralized level working with or in the regions affected by the crisis. Additionally, through the sub-component, the operation will finance operating costs to contribute to maintaining the capacity of the health sector to operate in the crisis affected regions, financing activities linked to free health services (*gratuité*) for pregnant women, children under the age of five and cervical cancer screening for women.

25. **Expected result.** This component will support the delivery of core public services in health and education in the North, East and Sahel regions affected by crises. The expected result of the component is to ensure that catch-up exams for 30,000 children are organized, that 500 teachers will benefit from the professional training organized to support the regions affected by the crisis and that 15,000 free health care consultations, of which 10,000 are for women, are held in the North, East Center and Sahel regions.

26. **Component 2: Support the replenishment of the National Food Security Stock (SDR 15.20 million equivalent to US\$21 million).** This component will provide support to replenish the SONAGESS for the national food-stock that was depleted by the crises in targeted regions and will also help reconstitute parts of the food stockage materials in affected regions, including silos. This will not involve any construction. SONAGESS is Burkina Faso's national food security stock management state-owned enterprise. The stock is composed of three cereals (millet, maize, sorghum) which correspond to the staple food mostly consumed by the population. The support will not include distribution of food. In 2018, staff at SONAGESS was targeted by violence adversely impacting its capacity to undertake its operations. Additionally, due to fiscal constraints, the revised 2018 budget law had to reduce the financing of the SONAGESS which further reduces its capacity to execute its mandate. The operation will finance the replenishment of the strategic stock and silos for the strategic stock and other food stockage materials in the affected regions. Given the emergency of the situation and the lack of capacity at SONAGESS, the project will contract the World Food Program (WFP) to support SONAGESS in replenishing its stock and for reconstituting parts of the food stockage materials in affected regions. Overall, this is expected to improve the operational capacity of SONAGESS and the food security readiness of Burkina Faso.

27. **Expected Results.** This component will support enhanced food security readiness. The expected result of this component is the replenishment of the SONAGESS strategic stock of 40,000 tons of millet, maize and sorghum.

28. **Component 3: Targeted Technical Assistance for enhanced deployment of state resources (SDR 2.90 million equivalent to US\$4 million).** This component will provide technical assistance to contribute to better deployment of public resources across the national territory, and for addressing current crises that has put Burkina Faso's stability at risk. This component will support the Government in conducting surveys, data collection, field-work and analyses of issues related to the deployment of public resources across the territory, including human resources; and prepare the groundwork for future reforms. The analyses should also take account of the social context, as this may explain possible challenges to and open up opportunities for strengthening service delivery. The technical assistance will contribute to the analysis and the development of appropriate and adapted solutions to (i) addressing structural bottlenecks affecting the public service delivery and the deployment of state resources; (ii) enhancing performance of key public-sector service delivery; (iii) supporting leadership activities related to the program; and (iv) preparing a plan to improve the deployment of state resources, including civil servants across the territory. The component will also support the establishment of an Iterative Beneficiary Monitoring System. This system will allow for undertaking cost-efficient, rapid and regular surveys and data collection of service delivery and state resources, including of civil servants,



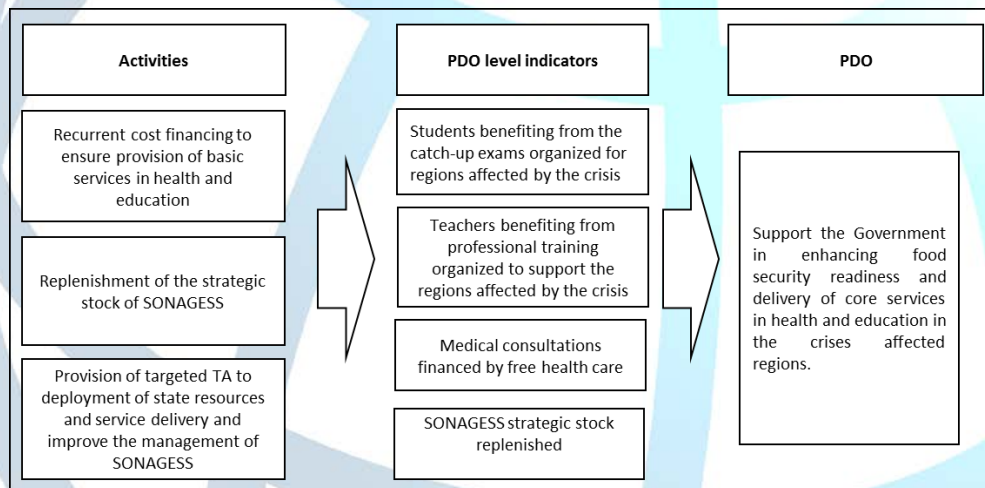
deployment. The system will also allow for the establishment of a beneficiary monitoring system with a full feedback loop.

29. **Component 4: Project management (SDR 0.75 million equivalent to US\$1 million).** The purpose of this component is to finance the operating costs, including salaries, consultant fees, audits and other operating costs required for the implementation of the operation.

C. Project Beneficiaries

30. **Project beneficiaries.** The direct project beneficiaries are the children that will benefit from the organization of catch-up exams. Beneficiaries are also teachers that will benefit from professional training organized to support the regions affected by the crises. Women and children benefitting from free health care in regions affected by the crises are also beneficiaries of the project. SONAGESS is also a project beneficiary. Finally, civil servants of targeted ministries and working in the crises affected regions whose salaries would be paid under the project are also beneficiaries of the operation. Further, an improvement in the management of civil servants will contribute to contain budget expenditures which will contribute to creating fiscal space that will eventually benefit the public through improved service delivery in the above and other areas.

D. Results Chain



E. Rationale for World Bank Group Involvement

31. **The proposed operation is an emergency response to the Government’s request to provide urgent resources to address the multiple crises Burkina Faso is facing.** The project has been prepared in accordance with Investment Project Financing (IPF) Policy, Paragraph 12 of Section III: Projects in Situations of Urgent Need of Assistance or Capacity Constraints and pursuant to IPF Directive, Paragraph 56: Exceptional Arrangements in Situations of Urgent Need of Assistance or Capacity Constraints. The Burkina Faso Emergency Recurrent Cost Financing Project (P169486), intends to support the Government’s capacity to respond to the crises by covering non-security civil servants’ salaries and operational expenditures to maintain core Government functions and essential service delivery in crises affected sectors and regions. It will thus allow the Government to better absorb the impact of the different shocks and to fulfill its regular function; address the crisis in its multiple dimensions; and restore citizens’ trust before undertaking wider institution reforms. This will be complemented by a focused technical assistance to ensure the sustainability of the project and improve state human resources



deployment across the country. Such an approach would contribute to restoring confidence in situations of low trust and delivering fast and visible results before undertaking wider institutional reforms, in line with the recommendations of the World Development Report 2011: Conflict, Security and Development.

**Table 2: Government Request and Proposed World Bank Response**

Government Request	Proposed World Bank Support
<p><b>Food-crisis:</b> Addressing vulnerability linked to the food crises in the Sahel, North and East regions of the country.</p>	<p>Replenishment of national security food-stock, aimed at reducing the impact of the food crisis, ensuring that population vulnerable to the crisis have access to food.</p>
<p><b>Social crises:</b> Easing social pressures linked to limited access to basic services, caused by the security and food crises:</p> <ul style="list-style-type: none"> <li>• Support to internally displaced people and host populations regarding access to basic services in the North and Sahel regions.</li> <li>• Support to vulnerable population in the crises affected regions regarding access to basic services</li> <li>• Support to vulnerable children who need nutrition packages due to malnutrition linked to the nutrition crisis.</li> <li>• Support to students in need of catch-up course and exams caused by closure of schools due to the security crisis.</li> </ul>	<ul style="list-style-type: none"> <li>• Financing of recurrent costs in the education and health sectors, including payment of operating costs and civil servant salaries to ensure restoration of services related to addressing the crisis in the affected regions.</li> <li>• Deployment of key programs in health and education sectors that are directly affected by the crisis to ensure children are protected from malnutrition.</li> <li>• Retroactive financing of catch-up exams for displaced students</li> <li>• Technical assistance for enhanced deployment of state resources.</li> </ul>

**F. Lessons Learned and Reflected in the Project Design**

32. **In designing the project, several lessons drawn from the World Bank’s experience in public sector management and response to emergency have been taken into consideration.** The most significant of these are outlined below.

- Financial instrument allowing for targeted budget support financing of critical Government expenditures can have important impact. Financing instruments should be tailored to easily address the needs of clients while also being flexible to the context. The use of targeted budget financing under an IPF, coupled with the necessary technical assistance (TA) provide flexibility needed to finance fragile contexts and countries in situation of urgent need of assistance. These are some key findings from the implementation of the Central African Republic Emergency Public Services Response Project (EPSRP, P149884). The lessons have been incorporated in the design of the operation as it will use targeted budget financing of recurrent expenditures in selected sectors and regions affected by crises. The operation will also finance targeted TA in selected areas including to strengthen Human Resources Management.
- Simplicity, focused interventions and flexibility on processes are important in ensuring effective roll-out of project activities and timely achievement of objectives especially in context of fragility. This is a lesson from the Central African Republic EPSRP and from the Guinea Bissau Emergency Public Service Project (P109722). The design of the operation has taken this into account by ensuring a focused and relatively simple and focused operation. Consequently, the operation will focus on three critical areas, health, education and food security and will also focus on the regions affected by the crisis. The processing of the operation has also been agile, considering the needs of a fragile context.



- Taking informed risks in a context of conflict and fragility, rather than disengaging, pays off. This is a critical lesson from countries including the Central African Republic and Somalia. The lesson has been considered in the preparation of the project. Hence, the operation will provide critical support to financing service delivery in crises affected regions in a context of increased fragility. This continued engagement of the World Bank in a context of fragility in a non-fragile country is expected to contribute to containing the current crises affecting Burkina Faso, including through maintaining state presence in the regions targeted by the operation.
- In a context of violence and increased fragility, it is important to establish a monitoring and evaluation tool that allows for continuous monitoring and evaluation activities even when it can be difficult to access certain areas. This is an experience from Mali, where the use of an Iterative Beneficiary Monitoring (IBM) system has allowed for cost efficient, rapid surveys in areas where there is limited accessibility. This lesson has been incorporated in the project and the operation will finance the establishment of an IBM. The IBM will serve for monitoring and evaluation purposes and for creating a feedback loop with project beneficiaries and stakeholders.
- Experiences in countries such as the Central African Republic, Somalia and the Democratic Republic of Congo reveals that outsourcing implementation to technical partners such as Specialized Agencies of the United Nations (UN) can be an effective transition strategy in fragile states, in situations of urgent need of assistance or capacity constraints. Furthermore, the experience in these countries indicates that it is important to combine financing of recurrent costs with targeted technical assistance in domains critical for the project, including its sustainability. These lessons have been considered in the design of the operation by using the World Food Program to replenish the strategic food stock of SONAGESS.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

33. **The Ministry of Economy, Finance and Development (MINEFID) will be responsible for overall project implementation and for meeting the project's objectives in liaison with the ministries in charge of Education, Health, and SONAGESS as well as other stakeholders such as the Ministry in charge of Civil Service.** The Project Coordination Unit (PCU) of the Economic Governance and Citizen Engagement Project (EGCEP, P155121) will implement activities and coordinate with the Directorates from the MINEFID as well as with the ministries in charge of education and health, SONAGESS and the ministry in charge of civil service as well as other stakeholders involved in the project. The PCU of the EGCEP will also be in charge of fiduciary as well as social and environmental standards. Its current staffing includes: a program manager, three program managers (public financial management (PFM), governance, and information technology (IT) specialists), a procurement specialist, a monitoring and evaluation (M&E) specialist, a financial management (FM) specialist, and an accountant. The PCU will be strengthened through the recruitment of an additional accountant dedicated to the project, an environmental specialist and a social specialist for the duration of the project. The PCU is well conversant with donors' procedures including the World Bank's rules and procedures. It will be strengthened with consultants with technical and operational skills as required. Based on the existing Project Implementation Manual of the EGCEP, the PCU will prepare a PIM that will incorporate the projects specificities (payment of salaries). The updated manual will define the eligibility criteria for salary payment to civil servants and would describe the procedures to handle disputed cases. The PCU of the EGCEP will also be responsible for implementing a clear communications strategy to ensure beneficiary participation and have appropriate guidelines reflected in the updated manual.



## B. Results Monitoring and Evaluation Arrangements

34. **Progress in achieving the Project Development Objectives will be measured and monitored through the PDO and intermediate results described in the results framework under the leadership of the PCU of the EGCEP.** The results framework provides details concerning the reference data, targets, and frequency of data collection, as well as source and methodology. As a coordinating entity, the PCU of the EGCEP will be staffed to collect, assess reliability, and review the project's results indicators data. Reporting on project implementation progress and achievement of results indicators will be prepared on a quarterly basis.

35. **The project will establish mechanisms to engage with its beneficiaries.** A communications and outreach campaign will be designed and implemented. Regular stakeholder consultations will also be organized. Furthermore, the project will establish an Iterative Beneficiary Monitoring (IBM) system. The IBM will be used by the PCU to keep track of the implementation status of the activities covered by the project and to establish a feedback mechanism to project beneficiaries. IBM is an agile and cost-effective way of collecting feedback on project execution, particularly those elements with clearly identifiable beneficiaries or beneficiary institutions<sup>14</sup>. The project will also establish a robust mechanism to ensure that feedback provided by the beneficiaries will trigger response by the PCU. The IBM will be one tool of the Stakeholder Engagement and Information Disclosure (SEIDP)

## C. Sustainability

36. **The sustainability of project outcomes will depend largely on continued Government commitment to implement human resources and public administration reforms.** To this end, the project includes technical assistance to strengthen capacity of relevant ministries in human resources management and deployment of state resources. Development partners' strong commitment to support the strengthening of public administration would also support sustainability through (i) contributing to public administration accountability to help the restoration of confidence in legitimate state structures; (ii) supporting Government reforms needed to redeploy state resources to optimize its operating costs. Sustainability of the operation is also subject to appropriate fiscal discipline which is monitored by the International Monetary Fund (IMF) as part of the commitment agreed with the Government. This commitment will also lay the groundwork for a macroeconomic stabilization program. The macro-fiscal forecast, indicate that tax revenues in Burkina Faso are expected to increase to 19.2 percent of GDP by 2021; expenditures are expected to be lowered to 26.8 percent of GDP by 2021 with salaries at 9.2 percent of GDP, capital investments at 10.2 percent of GDP, goods and services at 1.6 percent of GDP, transfers at 4.6 percent of GDP and interests at 1.2 percent of GDP. Burkina Faso is likely to benefit from additional grant support that will contribute to financing recurrent expenditures and capital investments from the World Bank and other development partners. Consequently, it is expected that Burkina Faso will reach the WAMEU convergence criteria of 3 percent. It is possible that Burkina Faso would continue to need support in the medium term, given the high level of uncertainty linked to increased insecurity and the impact of other exogenous shocks.

## IV. PROJECT APPRAISAL SUMMARY

<sup>14</sup> IBM offers regular and quantitative feedback on key aspects of project implementation and has demonstrated to be an effective tool. Where used it has improved the quality of the dialogue (Mali DPO), or improved project implementation (IPFs in Mali, Niger, Nigeria). See for a fuller description of IBM: <http://documents.worldbank.org/curated/en/377031522917012963/Iterative-beneficiary-monitoring-an-adaptive-approach-to-enhancing-the-implementation-of-World-Bank-projects>.



## A. Technical, Economic and Financial Analysis

37. **While the usual economic and financial analysis for this project is not carried out given the nature of the intervention and the uncertainty of determining costs and benefits, project implementation will lead to concrete benefits resulting from the increase in the Government's fiscal space, which will allow the Government to better cope with the series of shocks and reduce the risk for the country to fall into a fragility trap.** The project helps prevent services disruptions and contributes to maintaining trust in the Government's capacity to deliver basic services in fragile regions. These are intangible benefits that are difficult to quantify but critical in such a fragile environment. As a result, public service functions in meeting the basic needs of the population will be maintained. The alternative would be that the central Government might become unable to maintain service delivery, which would have a significant adverse economic and financial impact on the country, most notably on the poorest and most vulnerable segments of the population.

38. **Within that vision, the first component, which included the payment of recurrent costs, such as operating costs and salaries in education and health sectors, is critical as it would allow the State to provide basic services to affected populations, including in the North, East, Center and Sahel regions of Burkina Faso.** Concretely, it will finance some of the additional costs generated by the crisis such as organizing catch up exams for displaced students and teacher trainings, as well as providing free health services to targeted communities. The cost of this first component is estimated around US\$74 million, which is approximately 0.5 percent of the Government's budget, but it will contribute to keep about 10,000 students in school and to organize 15,000 health visits for families, of which 10,000 visits will be for women. This component will therefore help strengthen human capital which is seen as one of the most important factors for helping individuals to move out of poverty.

39. **The second component is crucial because of aims of restoring food security. The replenishment of the strategic stock of SONAGES will contribute to improving the Government's readiness for future agriculture and food security crises.** The Sahel region is affected by recurrent food crises and the ability to main a high stock of reserves is an important element of the Government's remedy strategy. Concurrently, the Government, with the assistance the World Bank Group, is working on creating a more adapted and diversified agriculture that should help reduce these risks in the longer term. Providing food support to persons affected by food insecurity will have positive economic impact. For children in a situation of acute malnutrition, providing them with food support will also contribute to minimizing the impact of malnutrition on their development. The economic return associated with this component is high as the replenishment cost is about \$20 million, while the estimated cost of the recent food crisis has been above \$500 million over the past year.

40. **Burkina Faso is one of the most vulnerable countries in the world with a per capita income of only US\$610 (2011 Purchasing Power Parity) and with approximately 44 percent of its population living with less than US\$1.9 per day.** The country's resilience and development efforts have been severely tested in recent months with the occurrence of several exogenous and endogenous shocks having increased the risk of plunging the country into the fragility trap. The alternative of the central Government's inability to maintain service delivery, and to address the different crises in a very challenging fiscal environment, could result in a further deterioration of the current situation which would have a significant adverse economic and financial impact.

41. **The design of specific subcomponents is informed by good practice and international experience to identify the 'best fit'** (for example, financing of recurrent costs to maintain the functioning of the state while providing targeted technical assistance in response to a crises).

42. **The institutional and governance arrangements are designed under a structured arrangement that brings in all relevant stakeholders.** Core principles informing the project design include (a) being multi-pronged and iterative; (b) allowing for the best fit to emerge from the specific context; and (c) combining early success



with strategic sector-wide approaches. Enhancement of the technical efficiency and effectiveness of component and subcomponent implementation to reinforce complementarity instead of intervention overlaps will be key pursuits under the project.

43. **The Burkina Faso Country Financing Parameters allows for the financing of recurrent cost<sup>15</sup>. The operation is expected to support the Government to meet its fiscal deficit targets in 2018-19 and to reduce financing requirements over the same period.** It is expected to contribute the equivalent of 0.3 percent of GDP in grants to the budget in 2018 and 0.2 percent of GDP in grants in 2019. This will help offset the lower than projected revenue performance in 2018. It will therefore allow the Government to maintain some critical expenditures while meeting its 5 percent of GDP revenue target in 2018. Similarly, it will support the reduction of the fiscal deficit towards the 3 percent target in 2019. The financed expenditures are expected to account for less than 1 percent of total Government expenditures in 2018 and in 2019. While the operation supports the Government in meeting additional expenditures related to past wage agreements and to the effects of multiple exogenous shocks, it is not expected to lead to permanent increases in recurrent spending. Wage bill growth is expected to decline in 2020-2022, because of the reforms and measures that the Government is adopting to reign in recruitments and compensation. This commitment will continue to be monitored and supported through the IMF Extended Credit Facility (ECF) program, the World Bank DPO under preparation, and technical assistance under component 3 of this operation.

## B. Fiduciary

### (i) Financial Management

44. **The Economic Governance and Citizen Engagement Project (EGCEP) PCU, a unit within the Ministry in charge of Finance, will be responsible for the fiduciary management of the project.** The PCU of the EGCEP will also coordinate the Directorates from the Ministry of Finance and the Ministry of Civil Service involved in the project.

45. **The assessment of the PCU of the EGCEP was carried out in October 2018.** The objective of the assessment was to determine whether the PCU of the EGCEP has adequate financial management (FM) arrangements in place to ensure that the Project funds will be used only for the purposes for which the financing was provided, with due attention to considerations of economy and efficiency. The assessment complied with the Financial Management Manual for World Bank investment project financing operations, effective December 11, 2014.

46. **The assessment revealed that PCU of the EGCEP is experienced with World Bank requirements and guidelines.** The assessment also revealed that the PCU of the EGCEP has (i) adequate FM staff with proven experience in World Bank procedures (ii) a well detailed FM procedure manual (iii) a computerized accounting system. The last audit report received in June 2018 concluded with an unqualified opinion on annual financial statements and did not reveal any significant weaknesses with respect to the internal control system. The last FM supervision conducted in March 2018 concluded that the Project financial management was **Satisfactory** and the financial management risk **Moderate**.

47. **While, the project will entail payment of significant expenses, mostly in crisis affected regions, and through the national treasury system, relying on third parties for expenses verification is critical.**

- The General Inspectorate of Finance will be responsible for the certification of eligible salaries and other eligible expenditures, under component 1 of the Project;

---

<sup>15</sup> Report No. 32187



- The Anti-Corruption State Authority (*Autorité Supérieure de Contrôle d'Etat et de Lutte contre la Corruption*, ASCE-LC) will perform a bi-annual ex-post verification of the eligibility of the expenses to be paid by the Project, including a verification of a reasonable sample of project expenditures in all the regions covered by the Project;
  - An external auditor, with experience and qualifications satisfactory to the World Bank, will perform an audit of the project annual financial statements, including a verification of a reasonable sample of project expenditures in all the regions covered by the Project;
  - Other national institutions in charge of internal and external controls, like the Court of Accounts (*Cour des Comptes*) will continue to perform their legal mandate;
  - If necessary, the Project in accordance with the World Bank, may consider recruiting a consultant to perform additional and independent ex-post verifications;
  - The cost of the ex-post verifications (ASCE-LC, external auditor, independent consultant if any) will be met by the project under component 4 – Project management.
48. **The assessment concludes that the PCU of the EGCEP could be in a position of managing World Bank's funds once the following mitigation measures are implemented after the project effectiveness :** (i) appoint on a competitive basis an accountant, fully dedicated to the proposed project; (ii) prepare a Project Implementation Manual (PIM). The PIM will be prepared using the existing PIM of the EGCEP as a basis ; (iii) update the computerized accounting system to include the proposed project (v) recruit an external auditor with experience and qualifications acceptable to the World Bank (vi) contract with ASCE-LC to perform a bi-annual ex-post verification of Project expenses.
49. **The below mitigation measures will be made dated covenants to ensure an appropriate functioning of the financial management arrangements of the project:**
- The preparation of a PIM which will contain detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) Project budgeting, disbursement and financial management; (c) procurement including the list of pre-approved operating costs; (d) monitoring, evaluation, reporting and communication; (e) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the project. The PIM will be prepared no later than one month after effectiveness. The preparation of the PIM will use the existing PIM of the EGCEP as a basis,
  - The recruitment of an accountant, one month after effectiveness,
  - The recruitment of ASCE-LC for ex-post Project expenditures verification, one month after effectiveness,
  - The upgrade of a computerized accounting system one month after effectiveness,
  - The recruitment of an independent external auditor four months after effectiveness.
50. **During implementation a continuous monitoring and flexible adjustment of the planned financial management system will be undertaken.** PCU of the EGCEP will be required to prepare and submit to the World Bank, (a) an annual work plan and budget and a six-month disbursement forecast, both aligned with PDO and project activities no later than two weeks after effectiveness; (b) interim un-audited financial reports (IFR) on a quarterly basis; and (c) audited annual financial statements (e.g. audit reports prepared by independent external auditors). The project will comply with the World Bank disclosure policy of audit reports.
51. **Disbursement arrangements:** The grant will finance 100 percent of eligible expenditures of the project inclusive of tax.
- The Project will finance an amount not to exceed US\$40 million for payments of eligible expenditures made prior to the date of the Financing Agreement under component 1.



- A designated account (DA) in XOF will be opened at the Central Bank, *Banque Centrale des Etats de l’Afrique de l’Ouest*, (BCEAO). The ceiling of the DA will be set at 36 percent of the total grant and stated in the Disbursement Letter. Upon effectiveness, an initial advance of US\$36 million (about XOF 20,800 million) covering a six-month disbursement forecast for the project will be released by IDA to the DA, at the request of the project.
- Two Projects Accounts (PA), managed by the FM Unit with signatories of the Project Coordinator and the Project FMS, will be opened: (i) one at the National Treasury for component 1; and (ii) the other one in a commercial bank for components 3 and 4,
- The Project will use Direct Payments to the World Food Program (WFP) for eligible expenditures under component 2 (US\$21 million). The payment of the contract to the WFP is subject to MINEFID entering an agreement with SONAGESS to ensure that SONAGESS will carry out the activities of its mandate in the crises affected regions.

52. **Disbursements supporting documentation:** Disbursements will be made using transaction-based disbursement procedures. The project will use:

- Customized statements of expenditures certified by the General Inspectorate of Finance to report eligible expenditures paid from the designated account under component 1;
- Standard statement of expenditures to report eligible expenditures paid from the designated accounts under components 3 and 4;

All other supporting documentation evidencing eligible expenditures should be retained by the PCU and must be made available for review by World Bank missions, ASCE-LC, external auditor and other controllers if any. Disbursement methods and formats for withdrawal applications and disbursements documentation will be stated in the disbursement letter and the PIM.

53. **Disbursement funds flow:** Table 3 shows the expenditure execution forecast, and table 4 the expected disbursement forecast. Disbursements under contracts for goods, works, non-consulting services and consulting services procured or selected through international open or limited competition or Direct Selection as set out in the procurement plan, must be made only through Direct Payment and/or Special Commitment disbursement methods.

**Table 3: Overview of expenditures execution**

Component	Expenditures	Amount (million US\$)	2018	2019	2020	2021
Component 1	Salaries	25		25		
Component 1	Operating costs (goods, services and transfers)	49	40	9		
<b>Total Component 1</b>		74	40	9		
Component 2	Replenishment of strategic food stock of SONAGESS; silos and other food stockage materials	21	21			
Component 3	Technical assistance	4	0.5	1.25	1.25	1
Component 4	Project Management	1	0.2	0.3	0.3	0.2
<b>Total</b>		<b>100</b>	<b>61.7</b>	<b>35.55</b>	<b>1.55</b>	<b>1.2</b>



**Table 4: Expected disbursement forecast**

Expenditures	Amount (million US\$)	Disbursements 2018				Disbursement 2019 - 21
		Retroactive financing	Advance	Direct Payment	Total	
<b>Component 1</b>						
Salaries	25	-	25	-	25	0
Operating costs (goods, services and transfers)	49	40	9	-	49	0
<b>Total Component 1</b>	<b>74</b>				<b>74</b>	
<b>Component 2</b>						
Replenishment of strategic food stock of SONAGESS	21	-	-	19	19	2
<b>Component 3</b>						
Technical assistance	4	-	1.5	-	1.5	2.5
<b>Component 4</b>						
Project Management	1	-	0.5	-	0.5	0.5
<b>Total</b>	<b>100</b>	<b>40</b>	<b>36</b>	<b>19</b>	<b>95</b>	<b>5</b>

- US\$40 million (40 percent) will be disbursed upon effectiveness for retro-active financing of eligible expenditures incurred under component 1. The retroactive financing will be reimbursed through a direct transfer to the Government account at the National Treasury.
- An advance of US\$36 million (36 percent) will be made to the Designated account for the payment of eligible expenditures, to be incurred during the first six months of the Project.
- A direct payment of US\$19 million will be made to the World Food Program (WFP) as an advance for SONAGESS stock replenishment (Component 2).
- The four above transfers to be made in December 2018 account for US\$95 million.

54. Table 5 gives the allocation per type of expenditures.

**Table 5: Allocation per type of expenditures**

Type of Expenditures	Retroactive	Non-retroactive	Total
<b>Component 1</b>			
Salaries	0.0	25.0	25.0
Transfers	39.7	9.0	48.7
Good & Services	0.3	0.0	0.3
<b>Total Component 1</b>	<b>40</b>	<b>34</b>	<b>74</b>
<b>Component 2</b>			
Good & Services	0.0	21.0	21.0
<b>Total Component 2</b>	<b>0.0</b>	<b>21.0</b>	<b>21.0</b>
<b>Component 3</b>			
Good & Services	0.0	4.0	4.0



<b>Total Component 3</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>
<b>Component 4</b>			
Good & Services	0.0	1.0	1.0
<b>Total Component 4</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Grand Total</b>	<b>40.0</b>	<b>60.0</b>	<b>100.0</b>

55. **The overall FM risk after mitigation measures, is assessed as Substantial. Detailed financial management arrangements are described in Annex 1.**

**(ii) Procurement**

56. **Procurement under this project will be carried out in accordance with the World Bank’s “Procurement Regulations for IPF Borrowers”** (Procurement Regulations) dated July 2016 and revised in November 2017 under the “New Procurement Framework (NPF), and the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated July 1, 2016.

57. **Component 1: Payment of Recurrent Costs.** The component will finance the payment of recurrent costs including civil service salaries and operating costs. Except the purchase of some current equipment and furniture, no procurement activities are expected under this component. The Project Implementation Manual will provide simplified and transparent procedures to carry out these small contracts.

58. **Component 2: Support the replenishment of the National Food Security Stock.** The component will support the Government through SONAGESS to replenish the national security stock. Given the emergency of the situation and the limited capacity of SONAGESS, the project will contract with the WFP under this component to support SONAGESS in replenishing its stock as well as for reconstituting parts of the food stockage materials in affected regions.

59. **Component 3: Targeted Technical Assistance for enhanced deployment of state resources.** The component will finance targeted technical assistance for enhanced deployment of states resources. It will also finance technical assistance to improve the management of SONAGESS. The main procurement activity will consist of the selection of an international firm to provide technical assistance and training to analyze and develop appropriate solutions to (i) addressing structural bottlenecks affecting the public service delivery and the deployment of state resources, including promoting efficient allocation of human resources across sectors and regions; (ii) enhancing performance of key public-sector service delivery; (iii) supporting leadership activities related to the program; and (iv) preparing a plan to improve the deployment of state resources, including civil servants across the territory. The firm will also support the establishment and operation of an Iterative Beneficiary Monitoring System. Finally, it will provide technical assistance to prepare a strategic stock management plan for SONAGESS as well as to improve SONAGESS’s capacity to verify the use of its strategic food stock and to improve targeting of beneficiaries of the strategic food stock.

60. **Component 4: Project Management.** The component will support the project management unit. This component will finance salaries of the PCU staff, consultant fees, external financial audit and some operating costs required for the implementation of the project.

61. **The Ministry of Economy, Finance and Development (MINEFID) will be responsible for overall project implementation and for meeting the project’s objectives in liaison with the ministries in charge of education, health, civil service and SONAGESS as well as other stakeholders.** The PCU of the Economic Governance and



Citizen Engagement Project (EGCEP, P155121) will implement activities and coordinate with the Directorates from the MINEFID, with the ministries in charge of education and health, SONAGESS and the ministry in charge of civil service, as well as other stakeholders involved in the project; and will have the fiduciary responsibility and will carry out procurement activities of the project. This project will be the first that EGCEP implements under the NPF, in addition, this PCU is not familiar with the Bank Standard Framework Agreement with the UN Agencies. Another challenge will be the management of the large contract with the WFP. All these weaknesses increase the risks of confusion between the Regulation and the Guidelines, delays during the project implementation and poor delivery of contracts. The following measures are proposed to mitigate these risks: (i) training for the PCU staff on the NPF, (ii) preparation of a PIM to reflect the new provisions of the Regulations applicable to this project; (iii) Hands on support of the Bank during the negotiations with the WFP and (iv) Enhancement of SONAGESS’ capacity to better manage the contract with WFP for Stock security replenishment.

62. **The Project Procurement Strategy for Development (PPSD) describe how procurement activities will be carried out.** The PPSD is linked to the project implementation schedule and will help ensure proper sequencing of project activities. The PPSD covers procurement institutional arrangements, including roles and responsibilities, procurement methods, thresholds, and prior review arrangements. It also includes a detailed description and assessment of the implementing entities’ capacity for carrying out procurement and managing contracts within an acceptable governance structure and accountability framework.

63. **A detailed procurement description and institutional arrangements can be found in Annex 1: Implementation Arrangements.**

**C. Legal Operational Policies**

Environmental and Social Standards (ESS)	Apply?
<b>ESS1:</b> Assessment and Management of Environmental and Social Risks and Impacts	Yes
<b>ESS2:</b> Labor and Working Conditions	Yes
<b>ESS3:</b> Resource Efficiency and Pollution Prevention and Management	No
<b>ESS4:</b> Community Health and Safety	Yes
<b>ESS5:</b> Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	No
<b>ESS6:</b> Biodiversity Conservation and Sustainable Management of Living Natural Resources	No
<b>ESS7:</b> Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	No
<b>ESS8:</b> Cultural Heritage	No
<b>ESS9:</b> Financial Intermediaries	No
<b>ESS10:</b> Stakeholder Engagement and Information Disclosure	Yes



---

Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

---

**D. Environmental and Social**

64. This project is being prepared under the new Environmental and Social Framework. The key applicable Environmental and Social Standards in the project are: ESS 1 (Assessment and Management of Environmental and Social Risks and Impacts), ESS 2 (Labor and Working Conditions), ESS 4 (Community Health and Safety) and ESS 10 (Stakeholder Engagement and Information Disclosure). The Project will not finance civil engineering works that usually can cause negative environmental and social impacts. However, there may be minor environmental, and health and safety impacts related to replenishing national security food stocks. Such activities would be undertaken in accordance with national and local laws and procedures. The implementation of the activities of components 1 and 2 of this project, are not expected to exacerbate social risks, but they are likely to be affected by the context of insecurity and violence in the country. Such social risks could be the exclusion of certain categories of people due to the inadequacies of the information system, possible labor issues, and/or vulnerabilities among the project beneficiaries (e.g. dealing with the challenges of safety and security for children, especially girls, in the schools and health centers; ensuring the catch-up exams are in accessible and safe places; child abuse and/or Gender Based Violence (GBV)/Sexual Exploitation and Abuse (SEA) risks; collateral risks to education and health workers delivering services in insecure areas, etc.). Given the emergency nature of the operation, it will not be possible to conduct a social assessment prior to Board approval. At present, the Environmental and Social Risk classification is Moderate, given that the environmental impacts of the project are minor, and the project social impacts are largely positive. Nevertheless, the project will assess contextual and incremental social risks and impacts during implementation and propose mitigation measures, as and when necessary. An Environment and Social Review Summary (ESRS) has been prepared and are being disclosed.

65. The project has prepared a Stakeholder Engagement and Information Disclosure Plan (SEIDP). This Stakeholder Engagement and Information Disclosure Plan will be finalized, consulted with stakeholders and disclosed prior to Project Effectiveness, with the aim of ensuring that relevant stakeholders have an opportunity to understand the project and participate in its implementation. The SEIDP will include a robust grievance mechanism accessible to all Project beneficiaries, communities and stakeholders. The project will also include standalone Labor Management Procedures (LMP), not only for the PCU staff, but also covering the workers of education and health sectors whose salaries are being funded under the project. The preparation and adoption of LMP is a condition of Effectiveness. Any labor grievances would be managed through a dedicated mechanism. The project will also prepare a GBV/SEA plan. Finally, the project may prepare a Social Management Plan during implementation, should it be required. One tool of the SEIDP will be the Iterative Beneficiary Monitoring (IBM). The IBM will be used by the PCU to keep track of the implementation status of the activities covered by the project and to establish a feedback mechanism to project beneficiaries. It will include a feedback loop feature to ensure that a response is provided within a standard time. It is expected that by the end of year one, 30 percent of feedback received will get a response within standard time and, by the end of the project 100 percent of the feedback received through the IBM are addressed within a standard time (i.e a response is provided).



66. The Environmental and Social Commitment Plan includes measures for the preparation and implementation of environmental and social plans or instruments during project implementation.

67. The borrower has an acceptable legal and regulatory environmental and social framework. The Ministry of Environment, Green Economy, and Climate Change oversees environmental issues. Among this ministry’s entities there is the National Environmental Evaluation Bureau (*Bureau National des Evaluations Environnementales*) that oversees the implementation, monitoring and evaluation of environmental studies at the national level.

**V. GRIEVANCE REDRESS SERVICES**

68. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and World Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit [http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service\\_](http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service_). For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

**VI. KEY RISKS**

69. **The overall risk rating for the proposed operation is substantial.** Key risks and a description of each of these risks and their respective mitigation measures are provided below.

**Table 6: Systematic Operations Risk-rating Tool (SORT)**

Risk categories	Rating (H, S, M, or L)
1. Political and governance	High
2. Macroeconomic	Substantial
3. Sector strategies and policies	Moderate
4. Technical design of project or program	Moderate
5. Institutional capacity for implementation and sustainability	Moderate
6. Fiduciary	Substantial
7. Environmental and social	Moderate
8. Stakeholders	Substantial
9. Other	low
Overall	Substantial

70. **Political and governance risks (H):** Following the 2014-2015 events, Burkina Faso has undergone a political transition. However, security threats related to terrorism have heightened, with the recent terrorist attacks that struck the capital Ouagadougou and the northern and eastern parts of the country. Security risks could directly affect the attainment of some results in this program, notably maintaining



schools operational and deployment of health care personnel to rural areas in greater numbers. Also, recurrent strikes in the civil service are affecting the Government's ability to implement efficiency reforms in public sector management. The national consultations recently organized by the Government helped gain broader-based support for difficult reforms in this area and is contributing to mitigate this risk. The national consultations recently organized by the Government helped gain broader-based support for difficult reforms in this area and is contributing to mitigate this risk. Regarding security, while the government has significantly increased security expenditures in order to face the crisis, Burkina Faso is also an active member of the "G5 Sahel Joint Forces"<sup>16</sup> that, with support of the international community, aims at addressing common security challenges amongst the 5 Sahel Countries<sup>17</sup> through political, military and development-related responses. Two initiatives respond to these challenges: The G5 Sahel Cross-Border Joint Force, which illustrates the willingness of African nations to take charge of their own security; The Sahel Alliance, which is based on an approach of reciprocal accountability between the major development partners and the G5 States.

71. **Macroeconomic risks (S): Higher than projected fiscal deficits partly due to higher wage bills constitute a source of risks.** This could divert resources away from priority needs and reduce the Government's efforts and ability to sustainably maintain service delivery. The country is vulnerable to external shocks which could threaten the attainment of revenue objectives. A larger than expected decline in cotton and gold prices, as well as larger than expected increase in oil imports and high oil prices may put pressure on Burkina Faso's macroeconomic framework. This would translate into a slowdown in growth, reduced fiscal revenues and, eventually, reduced service delivery and ability to tackle the multiple crises that Burkina Faso is facing. Macroeconomic risks are mitigated through the reforms that the Government is implementing targeting increased revenue mobilization and improved fiscal management. The Government is also implementing reforms that will improve human resource management and contain the wage bill. Furthermore, it is implementing a series of structural reforms that will strengthen natural resources management, including raising mining and livestock productivity. These measures are supported by development partners such as IMF, the European Union, the World Bank and bilateral partners.

72. **Institutional capacity for implementation and sustainability (M):** The weakened capacity at relevant Ministries in charge of education and health, SONAGESS as well as at the MINEFID may delay the implementation of some activities supported by this operation. This is due to a combination of social tensions in civil services that has generated discontinuity of service and the spreading of security risks that has impacted the presence of civil servants in those regions. There is also a substantial sustainability risk given the fiscal risk related to the public-sector wage bill particularly should the fragility of the country increases further. To address these risks, the World Bank will increase its engagement at the technical level to ensure that the reforms implemented under this operation prove sustainable over the long term. At the project level, it will initiate functional reviews in targeted ministries to identify process efficiencies and human resources capacities as well as support a change management and communication strategy. Government has expressed commitment to reduce fiscal risk related to the public-sector wage bill and initiated reforms such as for instance reducing civil servants hiring by 40 percent. The technical assistance provided by the project will help addressing this risk through interventions focused on i) human resources and state resources redeployment and ii) public sector and service delivery efficiency. Additionally, the donor community continues to act in a coordinated manner through the Economic Governance Group

<sup>16</sup> <https://www.diplomatie.gouv.fr/en/french-foreign-policy/defence-security/crisis-and-conflicts/g5-sahel-joint-force-and-the-sahel-alliance/>

<sup>17</sup> Burkina Faso, Mali, Mauritania, Chad, Niger



currently led by the World Bank.

73. **Fiduciary risk (S).** The overall fiduciary risk is rated substantial. Financial Management risk is rated Substantial due to (i) the retro-active payment of significant expenses; (ii) payment of salaries and operating costs in crisis affected regions. Mitigating measures to the FM risk includes: (i) the preparation of a PIM; (ii) The recruitment of an accountant; (iii) the recruitment of ASCE-LC for ex-post Project expenditures verification; (iv) the upgrade of a computerized accounting system and (v) The recruitment of an independent external auditor. Based on the overall assessment of the Project Coordination Unit and the information available on the procurement environment in Burkina Faso, the overall procurement risk is rated as Substantial. It is expected to become Moderate once the mitigation measures are implemented: (i) the EGCEP's Procurement Specialist and MINEFID' DMP and DCMEF will be trained on the new procurement framework; ii) a PIM reflecting the new provisions of the Procurement Regulations applicable to this project has been prepared and adopted; (iii) Hands on support of the Bank on the contract with the WFP and (iv) Enhancement of SONAGESS capacity to well manage the contract with WFP for National Food Security Stock.

74. **Environmental and social risks (M):** Considering the PDO, that is to ensure state capacity is adequate to deliver core services and contribute to addressing the current crisis in the regions North, Sahel, Centre and East of Burkina-Faso, it is expected that the environmental impacts would be minor and social impacts would be largely positive. The project is financing recurrent salary and operating expenditures from the 2018 and 2019 budget contributing to addressing the crises and delivering basic services in the crisis affected regions of North, Sahel, Center and East. The project itself is not expected to exacerbate existing social risks, but the social context in the project area is risky, and the project will include measures to mitigate such risks, should they occur during project implementation.

75. **Stakeholder risk (S):** A robust stakeholder engagement process will be key to ensuring proper information and inclusion. To avoid missing eligible civil servants or causing misunderstandings with those who are expected to receive payment, the authorities will organize an in-depth communication campaign explaining the whole process and provide relevant information that will be needed from the civil servants, taking into consideration vulnerable persons. Implementing the World Bank's new Environment and Social Framework, the project will include a Stakeholder Engagement and Information Disclosure Plan and a Labor Management Procedures that will contribute to mitigate those risks. Other expected positive impacts of the project will be in the financing of catch-up exams organized for regions affected by the crisis, maintaining operational health clinics in targeted regions, as well as maintaining operational stock of the SONAGESS. The stakeholder engagement process will be critical in proposing strategies for enabling the various project beneficiaries to provide or receive social services in as secure a way as possible. The project's TA component will be financing the implementation of the Iterative Beneficiary Monitoring (IBM) approach which provides feedback to project teams through multiple rounds of smaller-scale data collection allowing team to identify implementation issues and take corrective actions where necessary. This reduces cost, increases speed, and allows IBM to put most of its emphasis on giving feedback that is directly relevant to implementation. Data, once collected, is used to prepare short reports that draw attention to a limited number of pertinent issues. By collecting data directly from beneficiaries, one of the attractions of IBM is its ability to assess gender aspects.



**VII. RESULTS FRAMEWORK AND MONITORING**

**Results Framework**

**COUNTRY: Burkina Faso**

**BF Preventing of Fragility Risk Emergency Program**

**Project Development Objectives(s)**

Support the Government in enhancing food security readiness and delivery of core services in health and education in the crises affected regions.

**Project Development Objective Indicators**

Indicator Name	DLI	Baseline	End Target
<b>Support delivery of core services in health, education in crises affected regions</b>			
Students benefiting from the catch-up exams organized for regions affected by the crisis (number)		0.00	20,000
Students benefiting from the catch-up exams organized for regions affected by the crisis of which girls (number)		0.00	10,000
Teachers benefiting from the professional training organized to support the regions affected by the crisis (number)		0.00	500



---

Indicator Name	DLI	Baseline	End Target
Medical Consultations financed by free health care in regions affected by the crisis (gratuité) (number)		0.00	15,000
Medical Consultations financed by free health care (gratuité) of which women or girls (number)		0.00	10,000
<b>Enhance food security readiness</b>			
Replenishment of the SONAGESS strategic food stock (maize, millet and sorghum) (tons)		0	40,000



**Intermediate Results Indicators by Components**

<b>Indicator Name</b>	<b>DLI</b>	<b>Baseline</b>	<b>End Target</b>
<b>Component 1: Payment of Recurrent Costs</b>			
Months of salaries paid		0	1
<b>Component 3: Targeted Technical Assistance for enhanced deployment of state resources</b>			
Study and action plan on deployment of Human Resources across the territory and related bottlenecks		No study and action plan	Study and action plan adopted
Percentage of beneficiaries feedback addressed through the iterative beneficiary Monitoring (IBM) within the required timeframe (Percentage)		0	100 percent
Strategic food stock management plan, including beneficiary targeting mechanism and mechanism to verify use of the strategic food stock		No strategic food stock management plan	Strategic food stock management plan adopted
<b>Component 4: Project Management</b>			
Annual audit of project		No audit	Audits done

**Monitoring & Evaluation Plan: PDO Indicators**

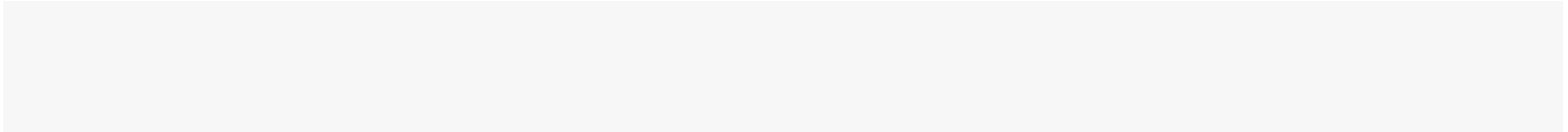
Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Students benefiting from the catch-up exams organized for regions affected by the crisis (number)	Measures the actual number of students who participated in the catch-up exams organized by the Government or by an agency on behalf of Government for students affected by the crisis affected regions (Sahel, North, Est and Center)	Quarterly	Ministry in charge of education	Ministry in charge of education prepares a quarterly report	Ministry in charge of education
Students benefiting from the catch-up exams organized for regions affected by the crisis of which girls (number)	Measures the actual number of female students who participated in the catch-up exams organized by the Government or by an agency on behalf of Government for students affected by the crisis affected regions (Sahel, North, Est and Center)	Quarterly	Ministry in charge of education	Ministry in charge of education prepares a quarterly report	Ministry in charge of education
Teachers benefiting from the professional training organized to support the regions affected by the crisis (number)	Measures the actual number of teachers who benefited from any kind of training provided by Government, intended to improve the teachers' effectiveness in providing extra education support to schools and students in crisis affected regions or students displaced from the crisis affected regions (Sahel, North, Est and Center)	Quarterly	Ministry in charge of education	Ministry in charge of education prepares a quarterly report	Ministry in charge of education
Medical Consultations financed by free health care (gratuité) (number)	Consultations for pregnant women, children under the age of five, and cervical cancer screening and treatment.	Quarterly	Ministry in charge of health	Ministry in charge of health prepares a quarterly report	Ministry in charge of health
Medical Consultations financed by free health care (gratuité) of which women or girls (number)	Consultations for pregnant women, and girls under the age of	Quarterly	Ministry in charge of health	Ministry in charge of health prepares a quarterly report	Ministry in charge of health



	five, and cervical cancer screening and treatment.				
Replenishment of the SONAGESS strategic food stock (maize, millet and sorghum)	This indicator measures the total number of tons of millet, sorghum and maize combined that were supplied to the national food security stock of SONAGESS	Once	SONAGESS and World Food Program	SONAGESS prepares report upon replenishment of food stock and Report from World Food Program on the replenishment	SONAGESS and World Food Program

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Month of salaries	One month of salaries paid to civil servants (non-security personnel) in the health and education sector in targeted regions	Quarterly	Ministry in charge of Finance	Treasury prepares a report	Ministry in charge of Finance
Study and action plan on deployment of Human Resources across the territory and related bottlenecks	Study analyzing bottlenecks and identifying solutions for improved deployment of human resources across the territory	Once	Ministry in charge of Civil Service and Ministry of Finance	Copy of study	PCU, Ministries in charge of Finance and Civil Service
Iterative Beneficiary Monitoring (IBM) System	Design and implementation of an IBM which includes a robust feedback mechanism which will ensure that all feedback will trigger a response.	Quarterly	PCU	IBM Implementation reports	PCU
Share of feedback received through IBM that have received a response	Number of responses received through the IBM that have received feedback	Quarterly	PCU	IBM Implementation reports	PCU
Audit of Project Financial Statements	Annual audit of financial statements of the project	Annual	PCU	Copy of the audit	PCU





## ANNEX 1: Implementation Arrangements and Support Plan

COUNTRY: Burkina Faso

### Emergency Recurrent Cost Financing Project

1. The Burkina Faso Emergency Recurrent Cost Financing Project (ERCFP) will be implemented using the institutional arrangements established for the Economic Governance and Citizen Engagement Project (EGCEP). As such, the overall technical and fiduciary responsibilities of the ERCFP rests with the Project Coordinating Unit (PCU) of EGCEP. These responsibilities include monitoring and evaluation (M&E), Financial Management and Procurement as delineated in the Financing agreement and project appraisal document.
2. The institutional arrangements consist of the following:
  - (a) **POSEF.** The Ministry in charge of of Finance's Economic and Finance Sector Policy (*Politique du secteur de l'économie et des finances- POSEF*). The POSEF was established by Ministerial Order 2012-137/MEF/CAB dated April 5, 2012. It comprises Government officials, the General framework for Managing Budget support (CGAB), private sector, and civil society. This committee provides overall advice on progress of reforms and discusses any coordination issue in the funding of the action plan. Its role is strictly advisory, and it helps foster donor coordination with respect to Economic and Finance Sector reforms.
  - (b) **The Project Review Committee (PRC).** It provides overall policy guidance for the Economic Governance and Citizen Engagement Project. The PRC is chaired by the General Secretary of the Ministry of Economy, Finance and Development (SG/MINEFID) and comprises all key stakeholders involved in the project, including representatives of the line ministries and Civil Society Organization (CSO). The PRC meets every semester to (a) discuss the strategic direction and orientation of the governance program, including progress in meeting project PDOs; (b) review the implementation status of the components and critical activities; (c) provide guidance and address policy-related issues; (d) approve the budget and annual work plans; and (e) review and approve the publication of annual progress reports and audited financial statements of the project before six months after the end of each fiscal year.
  - (c) **Project Coordination Unit (PCU).** The project is implemented by the PCU set up within the MINEFID under the oversight of the MINEFID General Secretary. The PCU is in charge of the day-to-day implementation of the activities, handles the procurement and FM, including the disbursement aspects of the project, and is responsible for overall coordination of the project. The project manager is responsible for the overall project coordination. He leads the project management team comprising, among others, three program managers (PFM, governance, and IT specialists), a procurement specialist, a M&E specialist, an FM specialist, and an accountant. Each program manager is responsible for the implementation of activities under him/her and is reporting to the project manager. The PCU team will be strengthened by the recruitment of additional staff including a social specialist, an environmental specialist and Key implementing agencies such as the Directorate General of Tax, Directorate General of Customs, line ministries, CSOs, and the ASCE-LE, designated focal points fully dedicated to handle technical aspects and



the coordination and monitoring of their respective work programs in the project. The Project Coordination Unit will support the overall implementation of the Emergency Project including the disbursement aspects of the project. It will coordinate the implementation of the activities working with the World Food Program (WFP) beneficiaries, in accordance with the financial agreement. The WFP will be contracted to the replenishment of the SONAGESS national strategic food stock and to reconstitute parts of the food stockage materials in affected regions, including silos. The support will not include distribution of food. The WFP will ensure that the support is undertaken in conformity with Bank rules and procedures in terms of environmental and social management and in terms of fiduciary management.

3. The institutional arrangements of the EGCEP in their current forms will support implementation of the ERCFP. A PIM will be prepared which will specify the implementation specificities of the ERCFP, including how recurrent expenditures will be executed and accounted for.

4. The PCU will be responsible for the project's fiduciary management as well as social and environmental management. It will lead the day-to-day management of the Project, operating under the guidance of the Project Review Committee. The financial management specialist will review FM transactions and records to ensure compliance with agreed procedures. He will ensure that FM transactions are in compliance with fiduciary requirements and prepare Withdrawal Applications and financial reports. Procurement activities (if any) will be implemented by the PCU, under Bank procurement procedures. Progress toward the PDO will also be monitored by the PCU through reporting on the PDO-level and intermediate-level results indicators.

#### **Monitoring and Evaluation.**

5. **Monitoring and evaluation** will be ensured by the PCU. The PCU will also be provided technical assistance for this purpose. Monitoring and Evaluation reports will be prepared on a quarterly basis and include information on the achievement of results indicators.

6. **Progress in achieving the Project Development Objectives will be measured and monitored through the PDO and intermediate results described in the results framework under the leadership of the PCU of the EGCEP.** As coordinating entity, the PCU of the EGCEP will be staffed to collect, assess reliability, and review the project's results indicators data. Implementation reporting on project implementation progress and achievement of results indicators will be prepared on a quarterly basis.

7. **The project will establish mechanisms to engage with its beneficiaries.** A communications and outreach campaign will be designed and implemented. Regular stakeholder consultations will also be organized. Furthermore, the project will establish an Iterative Beneficiary Monitoring (IBM) system. The IBM will be used by the PCU to keep track of the implementation status of the activities covered by project and to establish a feedback mechanism to project beneficiaries. IBM is an agile and cost-effective way of collecting feedback on project execution, particularly those elements with clearly identifiable beneficiaries or beneficiary institutions<sup>18</sup>. The project will also establish a robust mechanism to ensure that feedback provided by the beneficiaries will trigger response by the PCU.

---

<sup>18</sup> IBM offers regular and quantitative feedback on key aspects of project implementation and has demonstrated to be an effective tool. Where used it has improved the quality of the dialogue (Mali DPO), or improved project implementation (IPFs in Mali, Niger, Nigeria). See for a fuller description of IBM: <http://documents.worldbank.org/curated/en/377031522917012963/iterative-beneficiary-monitoring-an-adaptive-approach-to-enhancing-the-implementation-of-World-Bank-projects>.



### **Financial Management, Disbursements and Flow of Funds**

8. The financial management (FM) arrangements for the project have been designed with consideration for: (i) Burkina Faso's recent political situation; (ii) the country's overall PFM performance; and (iii) also considering the Bank's minimum requirements under Bank Policy<sup>19</sup> and Directive<sup>20</sup> on Investment Project Financing and the Guidance note on Financial Management in rapid response to crisis and emergencies<sup>21</sup>.

9. The legislative and institutional framework for public financial management is in place in Burkina Faso. This framework approximates international standards. In addition, Burkina Faso has transposed the WAEMU directives, regulations, and rules on public finances into national law. However, the challenges faced in operationalizing the various financial management components including cash constraints as well as compliance with this legislative framework, rules and regulations, do not allow at present to rely fully on the public expenditure framework for the proposed Project.

10. Therefore, the Government of Burkina Faso has requested to use a ring-fenced financing mechanism for the fiduciary aspects of this Project. The project will be implemented by the Economic Governance and Citizen Engagement Project – PCU, a PCU within the MINEFID. The PCU of the EGCEP will have the overall responsibility for fiduciary oversight and project implementation.

11. The assessment of the PCU of the EGCEP was carried out in October 2018. The objective of the assessment was to determine whether PCU of the EGCEP has adequate FM arrangements in place to ensure that the Project funds will be used only for the purposes for which the financing was provided, with due attention to considerations of economy and efficiency. The FM assessment considers, based on the existing FM arrangements, the degree to which (a) the budgeted expenditures are realistic, prepared with due regard to relevant policies, and executed in an orderly and predictable manner, (b) reasonable records are maintained, (c) financial reports are produced and disseminated for decision-making, management, and reporting, (d) adequate funds are available to finance the Project, (e) there are reasonable controls over Project funds, and (f) independent and competent audit arrangements are in place. The assessment complied with the Financial Management Manual for World Bank investment project financing operations, effective December 11, 2014.

### **Description of the FM institutional arrangements for the project**

12. For the purpose of this project, PCU of the EGCEP will hire, on a competitive basis, an accountant, with qualifications and experiences satisfactory to the Bank, fully dedicated to the accounting and disbursements tasks of the proposed project.

### **Risk assessment and mitigation**

13. The overall FM risk for the Project is rated Substantial. This is due to (i) the retro-active payment of significant expenses; (ii) payment of salaries and operating costs in crisis affected regions. Consequently, the assessment proposed the mitigation measures below:

- The preparation of a PIM one month after effectiveness;

---

<sup>19</sup> Bank Policy Investment Project Financing, effective October 1, 2018.

<sup>20</sup> Bank Directive Investment Project Financing, effective October 1, 2018.

<sup>21</sup> Guidance note on Financial Management in rapid response to crisis and emergencies, Operations Policy and Country Services, World Bank, Published November 1, 2013; updated June 1, 2015.



- The recruitment of an accountant, one month after effectiveness;
  - The recruitment of ASCE-LC for ex-post Project expenditures verification, one month after effectiveness;
  - The upgrade of a computerized accounting system one month after effectiveness;
  - The recruitment of an independent external auditor four months after effectiveness.
14. The overall FM risk after mitigation measures is rated Substantial.

**Table 1: Risk assessment**

<b>Risk</b>	<b>Risk rating</b>	<b>Risk Mitigating Measures Incorporated into Project Design</b>	<b>Risk after mitigation measures</b>	<b>Conditions for Effectiveness (Y/N)</b>
<b>Country level</b> The PEFA Assessments and the Public Investment Management Assessment (PIMA) undertaken in 2017 have highlighted critical areas of weaknesses in PFM that the Government needs to address (see above).	M	Use of IDA FM procedures supported by the decree on projects implementation and modalities in Burkina Faso. Use of a ring-fenced financing mechanism.	M	N
<b>Entity level</b> The PCU current workload, the payment of retroactive expenses and of significant expenses in crisis affected regions can lead to weak oversight of project.	H	Hire an accountant dedicated to the Project.  Contract with ASCE-LC to perform a bi-annual ex-post verification of expenses.	S	N
<b>Project level</b> Retro-active payment of ghost salaries Payment of ineligible expenditures.	H	Contract with ASCE-LC to perform a bi-annual ex-post verification of expenses  Recruitment of an external auditor for annual financial statements audit.	S	N
<b>INHERENT RISK</b>	<b>H</b>		<b>S</b>	
<b>Budgeting</b> Inaccurate budget figures due to unreliable forecast and databases.	M	Budget process will mainly rely on a sharp definition of project activities during preparation with the Government.	M	N
<b>Accounting</b> Delay in the recruitment of the dedicated accountant because of the short deadline between the project signing.	S	PCU of the EGCEP will initiate the recruitment process during the preparation stage.	M	N
<b>Internal Controls / Internal audit</b> Non-compliance of transactions with financing agreement.	H	Update the existing administrative and financial manual of procedures with a detailed control procedure for each transaction.	S	N



Risk	Risk rating	Risk Mitigating Measures Incorporated into Project Design	Risk after mitigation measures	Conditions for Effectiveness (Y/N)
Simplified manual of procedures not fully adapted to current operation. Ineligible expenditures resulting in payment of ghost salaries.		Ex-post audit of project expenses by ASCE-LC.		
<b>Funds Flow</b> Delay in the funds release.  Delays in the documentation of DA advances in Client connection.	H	Open a Designated Account at the Central Bank (BCEAO) by effectiveness.  Open transaction accounts at commercial banks by effectiveness.  The procedures for funds requests, payments and documentation will be specified in the PIM.	S	N
<b>Financial Reporting</b> Delay in producing acceptable IFRs due to non-adapted accounting system.	M	Upgrade the existing computerized accounting system to produce project's IFRs. Refresh training of PCU of the EGCEP fiduciary team on the use of computerized accounting system.	M	N
<b>Auditing</b> Delays in the submission of audit reports. The scope of the mission may not cover expenditures incurred in crisis affected regions.	S	Recruit an independent external auditor to perform annual financial statement audit based on Terms of References agreed with (ToR) the World Bank and to include a rigorous control of eligibility of a reasonable sample of salary payment.	S	N
<b>CONTROL RISK</b>	S		S	
<b>Overall FM risk</b>	S		S	

**Strengths and Weaknesses**

15. **The assessment revealed that the Project Coordination Unit (PCU) of the EGCEP is familiar with World- Bank procedures:** the entity is currently managing a World Bank-funded project, the **Economic Governance and Citizen Engagement Project (EGCEP, P155121)**. The assessment also revealed that the PCU of the EGCEP has (i) adequate FM staff with proven experience in World-Bank procedures (ii) a well detailed FM procedure manual (iii) a computerized accounting system. The last audit report received in June 2018 concluded with an unqualified opinion on annual financial statements and did not reveal any significant weaknesses with respect to the internal control system. The last FM supervision conducted in



March 2018 concluded that the Project financial management was **Satisfactory** and the financial management risk **Moderate**.

**Weaknesses and Action Plan to reinforce the fiduciary arrangements**

**Table 2: Financial Management Action Plan**

Significant weaknesses or risks	Action	Responsible body	Completion
Payment of ghost salaries and other ineligible expenditures.	Contract with ASCE-LC to perform an ex-post verification of expenditures paid by the Project.	PCU of the EGCEP.	1 month after effectiveness.
Workload due to current project.	Recruit an accountant fully dedicated to the Project.	PCU of the EGCEP.	1 month after effectiveness.
Manual of procedures.	Adopt the updated administrative and financial manual of procedures	PCU of the EGCEP.	1 month after effectiveness.
Current computerized accounting system not adapted.	Upgrade the existing computerized accounting system to one that can manage project funds.	PCU of the EGCEP.	1 month after effectiveness.
No auditing arrangements.	Recruit an independent external auditor according to ToRs acceptable to the World Bank, including a rigorous control of eligibility of a reasonable sample of salary payments.	PCU of the EGCEP.	4 months after effectiveness.

16. The Financial Management Action Plan described below has been developed to mitigate the overall financial management risks.

17. **Internal control system and internal audit:** The PCU of the EGCEP is currently staffed with an internal auditor. **However, since the project will entail payment of significant expenses, mostly in crisis affected regions, and through the national treasury system, relying on third parties for expenses verification is critical.**

- The General Inspectorate of Finance will be in charge of the certification of eligible salaries and other eligible expenditures, under components 1 of the Project,
- the Anti-Corruption State Authority (*Autorité Supérieure de Contrôle d'Etat et de Lutte contre la Corruption, ASCE-LC*) will perform a bi-annual ex-post verification of the eligibility of the expenses to be paid by the Project, including a verification of a reasonable sample of project expenditures in all the regions covered by the Project,
- Other national institutions in charge of internal and external controls, like the Court of Accounts (*Cour des Comptes*) will continue to perform their legal mandate.
- If necessary, the Project in accordance with the Bank, may consider recruiting a consultant to perform additional and independent ex-post verifications.
- The cost of ASCE-LC will be met by the project under component 4 – Project management.

18. The *Autorité Supérieure de Contrôle de l'Etat Et de Lutte Contre la Corruption* (ASCE-LC). The ASCE-LC will conduct an independent verification of project development targets, as outlined in the Project results framework. Apart from being a constitutional body with both the independence and the mandate



to conduct audits of the ministries, ASCE-LC has extensive experience as an independent verifier of the World Bank financed Public Sector Modernization Program for Results(P132216) since 2016. ASCE-LE is a beneficiary of the World Bank financed Economic Governance and Citizen Engagement Project (P155121), with support to strengthen the agency's capacity for internal audit and control of corruption. ASCE-LC comprises 21 internal auditors and has progressively introduced a risk-based approach, starting with the risk mapping of key ministries including civil service, justice and education which are part of this Program. ASCE-LC is also adding value to the Program by improving internal control environment in the targeted ministries. ASCE-LC will coordinate with ministerial inspectorates involved to ensure effective implementation of audit plans, compliance with audit methodology and risk-based approach, quality reviews of their audit reports and adequate follow-up of audit findings and recommendations

19. **Planning and budgeting:** The Project will prepare a detailed annual work plan and budget (AWP&B) and a disbursement forecast which should be approved by the Project Review Committee no later than two weeks after effectiveness. The work plan and budgets will identify the activities to be undertaken and the role of respective parties in implementation.

20. **Accounting policies:** The prevailing accounting policies and procedures in line with the West African Francophone countries accounting standards—SYSCOHADA—in use in Burkina Faso for ongoing World Bank-financed operations will apply. The accounting systems and policies and financial procedures used by the Project will be documented in the project's administrative, accounting, and financial manual. The Project will update one month after effectiveness the existing computerized accounting software to include the project activities.

21. **Interim financial reporting:** The PCU of the EGCEP will submit the Interim Financial Report (IFR) to the Bank within 45 days after the end of each quarter. The IFRs should provide sufficient pertinent information for a reader to establish whether (i) funds disbursed under the project are being used for the purpose intended, (ii) project implementation is on track, and (iii) budgeted costs will not be exceeded. The quarterly IFR for the project will include the following (i) an introductory narrative discussion of project developments and progress during the period, to provide context to (or other explanations of) financial information reported; (ii) a Sources and Uses of funds Statement, both cumulatively and for the period covered by the report, showing separately funds provided under the Grant; (iii) a Use of funds by components Statement, cumulatively and for the period covered by the report; (iv) the designated account reconciliation, including bank statements and general ledger of the bank account; (v) the disbursement forecasts of the upcoming six months; (vi) explanation of variances between the actual and planned. The quarterly IFR will reflect the activities implemented by other partners involved in the Project.

22. **Annual financial reporting:** In compliance with International Accounting Standards and IDA requirements, the Project will produce annual financial statements. These include (a) a Balance Sheet that shows assets and liabilities; (bi) a Statement of Sources and Uses of Funds showing all the sources of project funds and expenditures analyzed by project component and/or category; (c) a Statement of Commitments; (d) notes related to significant accounting policies and accounting standards adopted by management and underlying the preparation of financial statements and (e) a Management Assertion that project funds have been expended for the intended purposes as specified in the relevant financing agreements .

23. **External Auditing:** An external auditor, with experience and qualifications satisfactory to the Bank, will perform an audit of the project annual financial statements, including a verification of a reasonable sample of project expenditures in all the regions covered by the Project. If necessary, the



Project in accordance with the Bank, may consider recruiting an individual consultant to perform additional and independent ex-post verifications. The cost of external audit and independent verification, if any, will be met by the project under component 4 – Project management.

24. The Project will submit audited financial statements satisfactory to the World Bank (IDA) every year. A single opinion on the Audited Project Financial Statements in compliance with International Federation of Accountant will be required. In addition, a Management Letter will be required. The Management Letter will contain auditor observations and comments, and recommendations for improvements in accounting records, systems, controls and compliance with financial covenants in the Financial Agreement. The audited financial statements must be submitted to the Bank within six (6) months after closure of the fiscal year. The Project will recruit an external private auditor to audit its annual financial statements by 3 months after effectiveness.

**Table 3: Audit report requirements**

Report	Deadline	Responsible
Audited financial statements including audit report and management letter	6 months after the end of the year	PCU of the EGCEP

25. **Governance and anti-corruption:** The risk of irregularities and corruption within the project activities is Moderate given the nature and implementation arrangements of the project activities. The following measures are envisaged to mitigate the risk of misuses, irregularities and corruption (i)The ToR of the external auditor will comprise a specific chapter on fraud and corruption auditing (ii) the ASCE-LC will review Project activities. Copy of ASCE-LC reports will be submitted to the Bank (iii) Measures to improve transparency such as providing information on the project status to the public and public disclosure of audit reports on Project annual financial statements are built into the project design.

26. **Disbursement arrangements:** The grant will finance 100 percent of eligible expenditures of the project inclusive of tax.

- The Project will finance an amount not to exceed US\$40 million for payments of eligible expenditures made prior to the date of the Financing Agreement under component 1,
- A designated account (DA) in XOF will be opened at the central bank (*Banque Centrale des Etats de l’Afrique de l’Ouest, BCEAO*). The ceiling of the DA will be set at 36 percent of the total grant and stated in the Disbursement Letter. Upon effectiveness, an initial advance of US\$36 million (about XOF 20,800 million million) covering a six-month disbursement forecast for the project will be released by IDA to the DA, at the request of the project.
- Two Projects Accounts (PA), managed by the FM Unit with signatories of the Project Coordinator and the Project FMS, will be opened (i) one at the National Treasury for component 1 (ii) the other one in a commercial bank for component 3 and 4,
- The Project will use Direct Payments to the World Food Program (WFP) for eligible expenditures under component 2 (US\$21 million).

27. **Disbursements supporting documentation:** Disbursements will be made using transaction-based disbursement procedures. The project will use:

- customized statements of expenditures certified by the General Inspectorate of Finance to report



eligible expenditures paid from the designated account under component 1,

- standard statement of expenditures to report eligible expenditures paid from the designated accounts under components 3 and 4,

All other supporting documentation evidencing eligible expenditures should be retained by the PCU and must be made available for review by WB missions, ASCE-LC, external auditor and other controllers if any. Disbursement methods and formats for withdrawal applications and disbursements documentation will be stated in the disbursement letter and the Project Implementation Manual.

28. **Disbursement funds flow:** The Project intends to achieve at least 95 percent disbursement rate during the first months as presented below. Table 5.A shows an overview of the Project expenditures execution, and Table 5.B the expected disbursement forecast.

**Table 5.A: Overview of expenditures execution**

Component	Expenditures	Amount (million US\$)	2018	2019	2020	2021
Component 1	Salaries	25		25		
Component 1	Operating costs (goods, services and transfers)	49	40	9		
<b>Total Component 1</b>		74	40	9		
Component 2	Replenishment of strategic food stock of SONAGESS; silos and other food stockage materials	21	21			
Component 3	Technical assistance	4	0.5	1.25	1.25	1
Component 4	Project Management	1	0.2	0.3	0.3	0.2
<b>Total</b>		<b>100</b>	<b>61.7</b>	<b>35.55</b>	<b>1.55</b>	<b>1.2</b>

- US\$40 million (40percent) will be disbursed upon effectiveness for retro-active financing of eligible expenditures incurred under component 1. The retro-active financing will be reimbursed through a direct transfer to the Government account at the National Treasury;
- An advance of US\$36 million (36percent) will be made to the Designated account for the payment of eligible expenditures, to be incurred during the first six months of the Project;
- A direct payment of US\$19 million will be made to the World Food Program (WFP) as an advance for SONAGESS stock replenishment (Component 2);
- **The four above transfers to be made in December 2018 account for US\$95 million, as presented below.**

**Table 5B: Expected disbursement forecast**

Expenditures	Amount (million US\$)	Disbursements 2018				Disbursement 2019 - 21
		Retroactive financing	Advance	Direct Payment	Total	
<b>Component 1</b>						
Salaries	25	-	25	-	25	0



Expenditures	Amount (million US\$)	Disbursements 2018				Disbursement 2019 - 21
		Retroactive financing	Advance	Direct Payment	Total	
Operating costs (goods, services and transfers)	49	40	9	-	49	0
<b>Total Component 1</b>	<b>74</b>				<b>74</b>	
<b>Component 2</b> Replenishment of strategic food stock of SONAGESS	21	-	-	19	19	2
<b>Component 3</b> Technical assistance	4	-	1.5	-	1.5	2.5
<b>Component 4</b> Project Management	1	-	0.5	-	0.5	0.5
<b>Total</b>	<b>100</b>	<b>40</b>	<b>36</b>	<b>19</b>	<b>95</b>	<b>5</b>

29. The table below indicates the eligible expenditures of the project:

Table 6: Eligible Expenditures

Component	Amount (US\$ million)	Eligible Expenditures
<b>Component 1: Payment of Recurrent Costs</b>		
<b>Salaries</b>	25	Salaries in the 2019 budget of Non-Security Civil Servants in health and education in targeted regions (North, East, Sahel Centre regions of Burkina Faso). Salaries in the 2019 budget of Non-Security Civil Servants in health and education that are working in Central Ministries but that are working in relation with targeted regions. Civil Servants must be in the Human Resources data base of the Ministry in charge of Civil Service and in the Payroll database of the Ministry in charge of Finance. Benefits are not eligible.
<b>Recurrent cost operating expenses (Goods, Services and Transfers to finance Goods and Services)</b>	49	Recurrent cost operating expenses are goods and services including those financed through transfers expenses related to provision of health and education <i>inter alia</i> : utilities including water and electricity; insurance; telecommunication including internet and phone communication; communication and outreach; office rent; fuel; transport and missions to targeted areas related expenses; rental and leasing of vehicles including cars, motorcycles and ambulances; small office equipment including tables, chairs, shelves, office closets computers, photocopiers, printers etc.; office supplies and consumables such as paper, pads, writing material etc.; school supplies and equipment, medical supplies and equipment including gloves, cotton, oxygen bottles, bands, but not drugs; reproduction and copying; transportation of exam related material and personnel as well as concerned students; correction of exams related expenses; consulting services of examiners, correctors and related expenses including transport, accommodation and restauration; support



Component	Amount (US\$ million)	Eligible Expenditures
		<p>for information systems; translation costs; bank charges; travel, transportation, per diem and accommodation costs (other than for training); training including trainers, transportation, per diem, and accommodation cost for trainers and those benefiting from trainings, training material and its reproduction; food for students and beneficiaries of health services</p> <p>Retroactive Financing of 2018 recurrent cost operating expenses including goods, services and transfers to finance goods and services (US\$40 million).</p> <p>Recurrent cost operating expenses including goods, services and transfers to finance goods and services in the health and education sector in targeted regions. Expenses of central ministries related to work on targeted regions are also eligible (US\$40 million).</p> <p>Non-retroactive financing of 2019 recurrent cost operating expenses including goods, services and transfers to finance goods and services. Recurrent cost operating expenses including goods, services and transfers to finance goods and services in the health and education sector in targeted regions (North, East, Centre and Sahel). Expenses of central ministries related to work on targeted regions are also eligible (US\$9 million).</p> <p>In the health sector, transfers to health facilities in targeted regions (North, East, Centre, Sahel) to finance recurrent operating costs (goods but not drugs and services).</p>
<b>Total Component 1</b>	74	
<b>Component 2:</b> Support the replenishment of the National Food Security Stock	21	Replenishment of strategic foods stock of SONAGESS – purchase of maize, millet and sorghum; and Support to Operational capacity <i>inter alia</i> silos/storage and equipment and associated costs.
<b>Component 3:</b> Targeted Technical Assistance for enhanced deployment of state resources	4	Consulting services, non-consulting services, technical assistance, training, goods <i>inter alia</i> office equipment, information and communication technology equipment including computers, phones, photocopiers and scanners, information systems, office supplies and consumables, communication and outreach, internet and phone
<b>Component 4:</b> Project Management	1	Reasonable and incremental expenses incurred by the PCU on account of Project implementation, based on periodic budgets acceptable to the Association, for Consulting services, non-consulting services, salaries of the Recipient’s civil servants, the maintenance and leasing of vehicles and equipment, for fuel, office equipment including computers, phones, photocopiers and scanners, supplies and other consumables, renting, leasing and maintenance of vehicles and equipment, insurance, office rent, internet connection and communications costs, support for information systems, translation costs, bank charges, utilities, and travel, transportation, <i>per diem</i> and accommodation costs (other than for training), communication and outreach, monitoring and evaluation, training costs and other reasonable expenditures directly associated with implementation of Project activities



Component	Amount (US\$ million)	Eligible Expenditures
<b>Total</b>	100	

30. **Disbursements by category:** The table below sets out the expenditure categories to be financed out of the Grant proceeds.

**Table 7: Disbursement Table**

Category	Categories	Amount of the Grant Allocated (expressed in US\$)	Percentage of Expenditures to be Financed (inclusive of Taxes)
Category 1	Retro-active financing, Goods, Operating Costs; non-consulting services and consultants' services under Component 1	74,000,000	100%
Category 2	Eligible expenditures Goods, Operating Costs, non-consulting services and consultants' services under Component 2 of the Project	21,000,000	100%
Category 3	Goods, Operating Costs; non-consulting services and consultants' services under Component 3	4,000,000	100%
Category 4	Goods, Operating Costs; non-consulting services and consultants' services under Component 4	1,000,000	100%
<b>TOTAL AMOUNT</b>	<b>TOTAL AMOUNT</b>	100,000,000	

**Table 8: Allocation per type of expenditures**

Type of Expenditures	Retroactive	Non-retroactive	Total
<b>Component 1</b>			
Salaries	0.0	25.0	25.0
Transfers	39.7	9.0	48.7
Good & Services	0.3	0.0	0.3
<b>Total Component 1</b>	<b>40</b>	<b>34</b>	<b>74</b>
<b>Component 2</b>			
Good & Services	0.0	21.0	21.0
<b>Total Component 2</b>	<b>0.0</b>	<b>21.0</b>	<b>21.0</b>
<b>Component 3</b>			
Good & Services	0.0	4.0	4.0
<b>Total Component 3</b>	<b>0.0</b>	<b>4.0</b>	<b>4.0</b>



<b>Component 4</b>			
Good & Services	0.0	1.0	1.0
<b>Total Component 4</b>	<b>0.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Grand Total</b>	<b>40.0</b>	<b>60.0</b>	<b>100.0</b>

Table 9: Funds flow – Retroactive financing

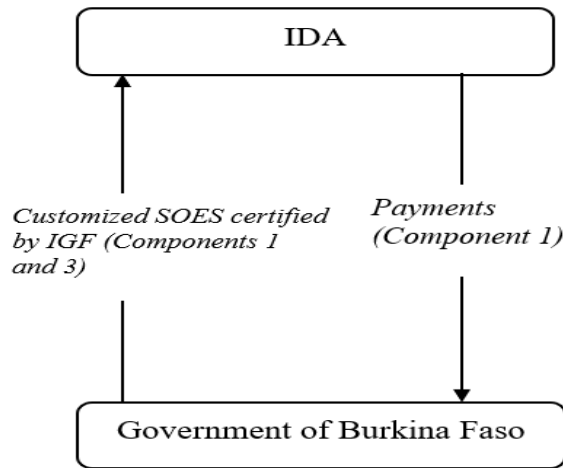
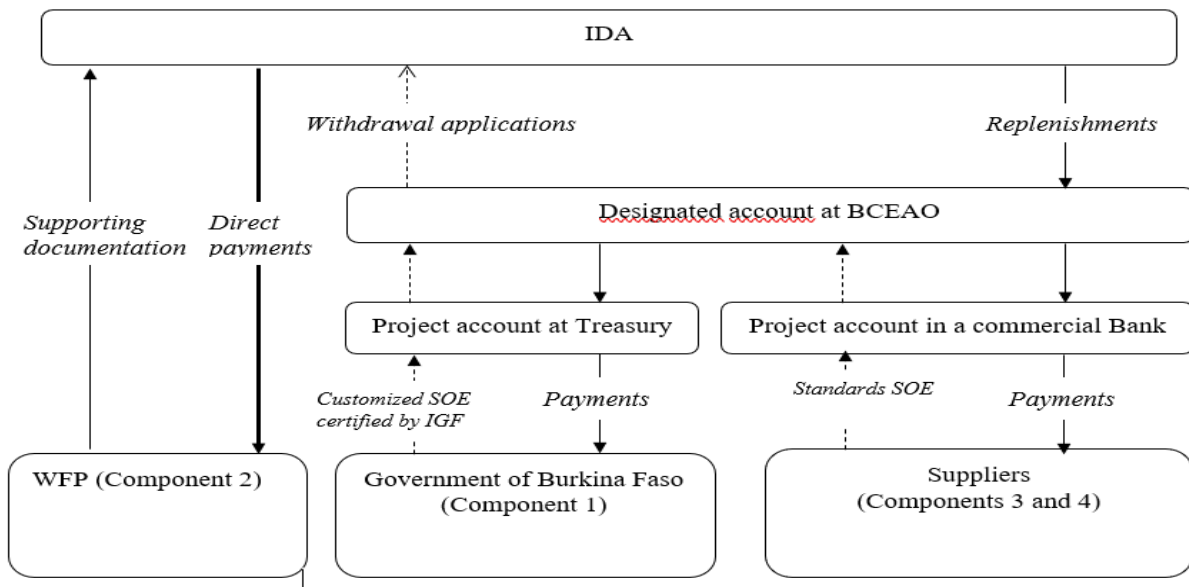


Table 10: Funds flow – Future financing





31. **Local taxes:** Funds will be disbursed in accordance with project categories of expenditures and components, as shown in the Financing Agreement. Financing of each category of expenditure/component will be authorized as indicated in the Financing Agreement and will be inclusive of taxes according to the current country financing parameters approved for Burkina Faso.

32. **Support to the implementation plan:** FM supervisions will be conducted over the project’s lifetime. The project will be supervised on a risk-based approach. The objective of the implementation support plan is to ensure the project maintains a satisfactory FM system throughout its life. Based on the current risk assessment which is **Substantial**, we envisage at least **four** supervision missions per year. The supervision will include a FM rating of the project. An implementation support mission will be carried before effectiveness to ensure the project readiness. To the extent possible, mixed on-site supervision missions will be undertaken with procurement monitoring and evaluation and disbursement colleagues and will cover the activities implemented by the Project as well as those contracted by other implementing agencies. The supervision intensity will be adjusted over time taking into account the project FM performance and FM risk level.

**Table 11: Implementation support plan**

FM Activity	Frequency
<u>Desk reviews</u>	
Interim financial reports review	Quarterly
Audit report review of the program	Annually
Ex post verification of expenses by ASCE LC	Bi-annual
Review of other relevant information	Continuous as they become available
<u>On site visits</u>	
Review of overall operation of the FM system	Quarterly (Four missions per year)
Monitoring of actions taken on issues highlighted in audit reports, auditors’ management letters, internal audit and other reports	As needed
Transaction reviews	As needed
<u>Capacity building support</u>	
FM training sessions	During implementation and when needed.

**Procurement**

**Applicable procedures**

33. **Procurement associated with Components 2, 3 and 4** will be carried out in accordance with the requirements set forth or referred to in the ‘World Bank Procurement Regulations for IPF Borrowers’, issued in July 2016 and revised in November 2017 (Procurement Regulations) and the provisions of the



Procurement Plan. Procurement activities will be carried out in accordance with the World Bank's Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants' (revised as of July 1, 2016).

**Advertisement**

34. The Borrower shall prepare and submit to the World Bank a General Procurement Notice (GPN). The World Bank will arrange for the publication of the GPN in United Nations (UN) Development Business online and on the World Bank's external website. The PCU may also publish the GPN in at least one national newspaper.

35. The Borrower shall publish the Specific Procurement Notices (SPNs) for all goods, non-consulting services, and the Requests for Expressions of Interest on their free access websites, if available, in at least one newspaper of national circulation in the borrower's country, and in the official gazette. For open international procurement selection of consultants using an international short list, the borrower shall also publish the SPN in the United Nations Development Business online and, if possible, in an international newspaper of wide circulation; and the World Bank will arrange for the simultaneous publication of the SPN on its external website.

**Procurement documents**

36. In the event of international competitive procurement of goods, non-consulting services, and consulting services, the borrower shall use the applicable World Bank standard procurement documents with minimum changes, acceptable to the World Bank, as necessary to address any project-specific conditions.

**Requirement for national competitive procurement.**

37. Based on the national procurement procedure assessment carried out by the World Bank, the following requirements should be added to the provisions of the national regulations:

- a. The clause to reject bid which calculation's error reaches 15 percent in addition to or less than the initial bid's amount (before correction).

**Procurement information and documentation—filing and database.**

38. **Procurement information will be recorded and reported as follows:**

- a. Complete procurement documentation for each contract, including bidding documents, advertisements, bids received, bid evaluations, letters of acceptance, contract agreements, securities, related correspondence, and so on will be maintained at the level of respective ministries in an orderly manner and be made readily available for audit.
- b. Contract award information will be promptly recorded, and contract rosters will be maintained.

**Project Procurement Strategy for Development**

39. OP 10 Paragraph 12 has been triggered. A simplified PPSD has been prepared. The context for the overall procurement process of the Emergency Recurrent Cost Financing project is favorable. The total value of contracts considered within PPSD is approximately US\$25 million and two items are considered specifically strategic: (i) the contract with the WFP to replenish the national security stock and (ii) the technical assistance to enhance deployment of states resources.

40. Considering replenishment contract (which represent approximately 84 percent of the total contracts value) for the project, the WFP has a large experience worldwide and in Burkina Faso context



and there are local companies that are competent and likely to respond to the procurement process that will be launched by WFP. This was already the case with the contracts which have been completed by local companies and were assessed satisfactory, by SONAGESS and WFP, during the last food crisis when the WFP has assisted Burkina government represented by SONAGESS. These local operators are likely to be interested in these new contracts and when appropriate, others are also present at the sub-regional, regional or international level.

41. For the consulting service contract related to the technical assistant to enhance deployment of state resources (US\$4 million), the procurement process will be mainly open, national consulting firms are competent and should be interested. Beyond, international consultants are also available.

42. The information collected in the PPSD helped to validate the capacity of the national and international market to meet the project needs. Bidders and consultants have experience and ability to execute intended contracts. The open tendering procurement process will be generally the first option to consider, unless there is clear direct selection motivation like emergency and capacity constraints context that was considered to contract with WFP as an UN agency.

43. Other procurement will consist of: (i) selection of firm to conduct the financial audit; (ii) selection of individual consultants; and (iii) shopping for current equipment and furniture.

#### **Special Procurement Commission**

44. **Training, workshops, and conferences under components 2, 3, and 4.** Training (including training material and support), workshops, and conference attendance will be carried out based on an approved annual training and workshop/conference plan. A detailed plan providing the nature of training/workshop, the number of trainees/participants, the duration, timing, and estimated cost will be submitted to the Bank for review and approval before initiating the process. The appropriate methods of selection will be derived from the detailed schedule. After completion of the activities, beneficiaries will be requested to submit a brief report indicating the skills that they acquired and how these skills will contribute to enhance his/her performance and contribute to the attainment of the project objective.

45. **Incremental operating costs under components 2, 3 and 4.** Operating costs financed by the project are incremental expenses, including office supplies, rental, leasing and maintenance of vehicles, maintenance of equipment, communication costs, supervision costs (such as transport, accommodation, and *per diem*), and salaries of locally contracted staff. They will be procured using the procurement procedures specified in the PIM.

#### **Procurement assessment**

46. **The Ministry of Economy, Finance and Development (MINEFID) will be responsible for overall project implementation and for meeting the project's objectives in liaison with the ministries in charge of education, health, civil service and SONAGESS as well as other stakeholders.** The Project Coordination Unit (PCU) of the Economic Governance and Citizen Engagement Project (EGCEP, P155121) will implement activities and coordinate with the Directorates from the MINEFID, with the ministries in charge of education and health, SONAGESS and the ministry in charge of civil service as well as other stakeholders involved in the project and will have the fiduciary responsibility and will carry out procurement activities of the project. The PCU of the EGCEP will also update the existing operational manual to incorporate the projects specificities (payment of salaries).

47. A procurement assessment of EGCEP was carried out in October 2018 to evaluate the adequacy of procurement arrangements under the proposed project and it is very familiar with the old procurement



guidelines of the World Bank and the procurement specialist has the necessary competencies and experiences to manage the project procurement.

48. The assessment identified the main weaknesses as following: (i) the procurement specialist of EGCEP and MINEFID’s directors (Director of Public Procurement (Directeur des marches public, DMP) and Director of Control of Public Procurement (Directeur du contrôle des marches publics et de l’engagement financier, DCMEF)) involved in procurement process have limited experience with the new procurement framework; (ii) they are not familiar with contracting with United Nations Agencies; (iii) EGCEP has limited capacity on large contact management. All these weaknesses increase the risks of confusion of procedures, delays during the procurement process and poor results for the projects. Based on the overall assessment of the Project Coordination Unit and the information available on the procurement environment in Burkina Faso, the overall procurement risk is rated as **Substantial**. It is expected to become **Moderate** once the mitigation measures are implemented: (i) the EGCEP’s Procurement Specialist and MINEFID’ DMP and DCMEF will be trained on the new procurement framework; ii) a PIM reflecting the new provisions of the Procurement Regulations applicable to this project has been prepared and adopted; (iii) Hands on support of the Bank on the contract with the WFP and (iv) Enhancement of SONAGESS capacity to well manage the contract with WFP for Stock security replenishment. Table 11 below details identified procurement risks and related mitigation measures.

Table 12 Procurement risks and mitigation measures

Risk Description	Description of Mitigation	Responsibility	Deadline
Confusion of procedures because of the lack of experience and knowledge of the actors of the NPF and the Regulation	Provide Training for actors in charge to carry out procurement activities	WB	a month after effectiveness
	Prepare the PIM to include provisions for the NPF and the Regulations. A section needs to be included to tackle the Contract Management (CM) and establish a contract management plan with details on the required capacity and CM responsibilities for managing contract including contracts with UN agencies, Consulting forms, NGOs if any	EGCEP	a month after effectiveness
Non-familiarity with contracting with UN Agencies that can delays the project implementation	Provide Hands on support on contracts with WFP	WB	Immediately after effectiveness
Limited capacity on large contract management	Enhance the capacity of SONAGESS and EGCEP	WB / EGCEP	During contract implementation



49. **Frequency of procurement reviews and supervision.** The World Bank prior and post-reviews will be carried out based on thresholds indicated in table 5 below. The World Bank will conduct supervision missions every six months and annual post-procurement reviews; the standard post-procurement reviews by World Bank staff should cover at least 15 percent of contracts subject to post-review. Post-reviews consist of reviewing technical, financial, and procurement reports on project procurement actions by World Bank staff or consultants selected and hired by the World Bank. Project supervision missions shall include a World Bank procurement specialist or a specialized consultant. The World Bank may also conduct an Independent Procurement Review at any time until two years after the closing date of the project.

50. **The procurement risk is rated Substantial.** Table 12 summarizes the procurement prior review thresholds for 'high risk' Projects. These prior review thresholds can evolve according to the variation of procurement risk during the life of the project.

**Table 13: Procurement Prior Review Thresholds (US\$ million)**

<b>Procurement categories</b>	<b>Thresholds</b>
Goods, information technology, and non-consulting services	2,000,000
Consulting firms	1,000,000
Individual Consultant	300,000



## ANNEX 2: IMPLEMENTATION SUPPORT PLAN

COUNTRY: Burkina Faso

BF-Emergency Recurrent Cost Financing Project

### Strategy and Approach for Implementation Support

1. **The Implementation Support Plan aims to address the support requirements to implement risk mitigation measures and achieve the PDO.** Overall, the design of the project and its implementation arrangements intend to respond to the identified issues through the following measures and arrangements:

- (a) **Procurement.** Procurement implementation support by the World Bank will include: (i) providing training to the PMU; (ii) providing detailed guidance on the World Bank's Procurement Regulations to the procurement staff; (iii) reviewing procurement documents and providing timely feedback to the procurement staff; and (iv) monitoring procurement progress against the Procurement Plan.
- (b) **Financial Management (FM).** The World Bank implementation support team will (i) provide training to the PMU FM staff and the project team and (ii) regularly review the project's FM system and its adherence to the PIM, including but not limited to, accounting, reporting, and internal controls.
- (c) **Environmental and Social Standards.** Given that the project may have environmental and social impacts, an environmental and social specialist could be needed, primarily in the early stages of project implementation to ensure that the necessary studies are conducted with respect to the project's environmental and social impacts. Throughout the life of the project, an environmental and social specialist could be needed to monitor the project to ensure all relevant policies are adequately complied with.
- (d) **General supervision inputs.** There will be two formal missions per year complemented by a regular liaison by Ouagadougou-based staff to respond to upcoming demands by the Government. In addition, team members based in the country office and at headquarters will provide day-to-day implementation support of all operational aspects, as well as coordination with the client and among Ouagadougou World Bank team members.
- (e) **Sector and technical inputs.** The sector specialists for PFM, public sector governance, and safeguards will provide advice in their areas of expertise during implementation as needed. The objective of the team is to maintain continuity and a regular dialogue between Government counterparts and the technical specialists. The main focus of implementation support is summarized below.

**Implementation Support Plan**

2. Implementation will be supported by the World Bank team through the following activities:

Time	Focus	Skills Needed	Resource Estimate (Staff Weeks)	Partner Role
Year 1	Task management/implementation support and monitoring	Public sector - operations	10	–
	Technical support	PFM	5	n.a.
	FM and procurement capacity development	FM and procurement specialists	6	
	Sector specialists	Education, Health, Agriculture	2	
	Operational - FM	FM specialist	3	
	Operational - procurement	Procurement specialist	3	
	M&E	Operations specialist	2	
	Environment and social monitoring	Environment and social specialist	2	
			US\$200,000	
Year 2–3	Task management/implementation support and monitoring	Public sector - operations	5	n.a.
	Technical support	PFM	4	
	FM and procurement capacity development	FM and procurement specialists	4	
	Sector specialists	Education, Health, Agriculture	2	
	Operational - FM	FM specialist	3	
	Operational - procurement	Procurement specialist	3	
	M&E	Operations specialist	2	
	Environment and social monitoring	Environment and social specialist	2	
			US\$150,000 annually	



---

<b>Time</b>	<b>Focus</b>	<b>Skills Needed</b>	<b>Resource Estimate (Staff Weeks)</b>	<b>Partner Role</b>
Other				

**Skills Mix Required**

<b>Skills Needed</b>	<b>Number of Staff Weeks</b>	<b>Number of Trips</b>	<b>Comments</b>
Task management/implementation support and monitoring	20	2–3	HQ-based
PFM specialist	15	1–2	HQ-based
Sectoral specialists	10	1-2	HQ- based/Within Africa Region
Procurement	6	2–3	Within Africa Region
FM specialist	6	1–2	Within Africa Region
Environment specialists	2	1–2	Within Africa Region
Social specialist	2	1–2	Within Africa Region
Operations specialist	4	1–2	Consultant