

HIPC Public Expenditure Tracking Assessment and Action Plan (HIPC-AAP)

BURKINA FASO

I. INTRODUCTION

1. A World Bank mission was conducted in Burkina Faso from November 10-23, 2003 and March 1-31, 2004 to prepare a fourth poverty reduction support credit (PRSC-4). The mission also prepared jointly with staff of the International Monetary Fund (IMF) and the Burkinabe authorities an assessment of Public Expenditure Tracking Capacity and an Action Plan.¹
2. The Council of Ministers of Burkina Faso adopted a Plan to Strengthen Budget Management (PRGB) on July 31, 2002. The PRGB is based on several earlier assessments, including the Country Financial Accountability Assessment (CFAA), the Report on the Observance of Standards and Codes (ROSC) in public finance and the 2001 assessment of expenditure tracking capacity. This assessment report is part of the joint evaluation by development partners of the improvement of public expenditure management in 2004. It contains conclusions and recommendations for strengthening the PRGB, which are based on the benchmarks for assessing the tracking capacity of countries eligible for the Heavily Indebted Poor Countries (HIPC) Initiative. In view of the very small amount (less than 10 percent) of expenditure incurred by the local communities (see also benchmark 1), this assessment focuses on the central government budget, set out in the budget law approved each year. Nevertheless, the efforts made by infranational authorities to collect budget information as part of the ongoing decentralization have been taken into consideration.
3. The mission held a number of discussions with the units concerned in the Ministry of Finance and the Budget (MFB), in particular the General Directorate of the Budget (DGB), the General Directorate of the Treasury and Public Accounts (DGTCP), the General Directorate of Taxes (DGI), the General Directorate of Customs (DGD), the State Inspector's Office (IGE) and the Finance Inspectorate General (IGF). It also held discussions with the Court of Auditors and the High Authority for the Coordination of the Fight against Corruption (HACLIC). It met several times with the partners of the budget support group (SBC-CSLP) for supporting PRSP implementation, for whom this report will serve as their annual evaluation of public finance management. Furthermore, a group of donors provided key information on the capacity-building programs and PRGB implementation assessment reports.

¹ The World Bank mission team comprised Mr. Jan Walliser, Senior Economist and Head of Mission, Mr. Siaka Coulibaly, Economist, and in November 2003, Ms. Rosa Alonso i Terme, Senior Economist. The November 2003 IMF team was led by Mr. Idrissa Thiam, Division Chief, and comprised Mr. Robert Franco, Resident Representative, Ms. Isabell Adenauer, Economist, Mr. John Calvin Williams, Senior Economist, and Mr. Paul Ross, Deputy Division Chief. In March 2004, Mr. Clive Gray, IMF consultant and public finance expert, joined the World Bank mission.

4. In the second part of the report, 16 assessment benchmarks, applied under the HIPC Initiative, are used to discuss the strengths and weaknesses of public finance management. The third part discusses, in reference to the PRGB, in particular its 2004-2006 Program of Priority Activities, measures that are likely to strengthen performance further in relation to the 16 benchmarks. The last part of the report draws conclusions and describes donor activities undertaken in support of reforms of public finance management in Burkina Faso.

II. ASSESSMENT OF EXPENDITURE TRACKING CAPACITIES

A. Budget preparation

5. **Coverage of the budget or fiscal reporting (benchmark 1).** The public administration, as defined in the 2001 Government Finance Statistics Manual (GFS Manual), includes also the local communities and the non-commercial public entities grouped under the heading "public entities" (EPEs).² These public entities enjoy some financial autonomy, inasmuch as most of them are authorized to collect revenue – such as dues and sales proceeds – that is not included in the Government budget. However, it is important to note that most of their financial resources consist of Government subsidies inscribed in the budget. The technical oversight as far as local communities are concerned is provided by the General Directorate for the Development of Local Communities placed in the Ministry of Territorial Administration and Decentralization (MATD). For EPEs, financial oversight is provided by the MFB, and EPE-related financial issues are examined at the General Assembly of Public Companies devoted to EPE matters.
6. To date, the level of decentralization is limited, although the Government of Burkina Faso has adopted various texts containing provisions to implement decentralization. Up to 2003, communes and provincial committees were the only decentralized bodies.³ Their resources and expenditure are very small (about CFAF 13 billion) in relation to the national budget. The local communities submit their budget annually to the technical interministerial commission provincial, co-chaired by the General Director of Local Communities and the General Director of the Budget. All public entities, including local communities, EPEs and public enterprises, submit annual reports on their revenue and expenditure and deposit their accounts with the Court of Auditors.⁴ The Government has also begun work to computerize the operations of local communities, using integrated accounting software for local communities (CICL), which is being piloted. The CICL will eventually result in an enhanced monthly Government Financial Operations Table (TOFE) based on payment orders, including local community operations and approaching in scope the TOFE proposed by the West African Economic and Monetary Union (WAEMU).

² Industrial and commercial public entities (EPICs) do not fall under the EPE category.

³ In August 2003, the National Assembly passed temporary provisions withdrawing the role of provinces as local communities. Regions act as local communities.

⁴ The mission has had access to the 2002 annual EPE report.

7. Table A1 summarizes local community and EPE financial flows collated by the MFB. As public sector revenue and expenditure have not yet been consolidated, it is necessary to estimate the relative size of these two components, without taking into account Government subsidies provided for in the budget. As regards relevant figures in the table, revenue net of Government subsidies are CFAF 14.7 for local governments and 20.6 billion for EPEs revenue, respectively, which gives a total of CFAF 35.3 billion.⁵ This figure can be compared to expenditure estimated in the supplementary budget for 2002, CFAF 515.5 billion, including CFAF 52 billion in tax exemptions. The self-financed expenditure of local governments and EPEs, which are not reflected in the budget, amounted in 2002 to about 6.8 percent of total budgeted expenditure.
8. Overall, the budget data available from the various ministerial departments corresponds to the public administration sector, as defined in the 2001 GFS Manual. Local government and EPE revenue and spending, which are not included in the Government budget, are fairly small. However, the Government has not yet begun the task of budget data consolidation (neither ex ante nor ex post), which is necessary for monitoring total expenditure of the public sector, as defined in GFS Manual. *The rating for this benchmark is B.*
9. **Total expenditure financed from extrabudgetary sources (benchmark 2).** The budget does not include all of the financial flows of government departments it covers, but the expenditure not included in the budget is relatively small. In particular, the budget does not reflect the contributions of some users of public service, such as direct payments to EPEs, but shows budgeted Government subsidies only. On average, the EPEs self-finance 25-30 percent of their expenditure. However, all EPE revenue and expenditure can be identified in their separate EPE budgets and in the annual reports deposited with the MFB and the Court of Auditors (see above).⁶
10. A small amount of resources is derived from penalties and other extra-budgetary revenue items, managed individually by the various ministerial departments and reported by the ministries to a committee chaired by the General Tax Collector. Part of the revenue transferred directly to the ministerial own revenue accounts is entered as a line item under common interministerial expenditure and included in the budget for an amount totaling CFAF 1 billion.⁷ However, that budget entry does not cover all of the income and expenditure flows of the various ministries. The continued existence of equipment and common expenditure funds financed by the ministerial own revenue accounts and amounting to about CFAF 4 billion lessens the transparency of the budget, and it would be desirable for all income and expenditure to be shown in the budget. These type of unbudgeted income and expenditure are mainly concentrated in the MFB, and during the

⁵ The communes receive 10 percent of the Petroleum Products Tax (TPP). This revenue is considered to be the communes' own income and is not included in the budget act.

⁶ For this evaluation, payments by associations of primary-school parents and contributions by benefit providers to the operation of health centers managed by independent committees are not considered to be State expenditure, since, although those establishments fulfill a public function, they are independent associations.

⁷ Title 4, section 99, chapter 32106, article 64, paragraph 649, subparagraph 91 of the 2004 budget act.

discussions on the 2004 budget, the National Assembly asked for reports on the use of these funds. Overall, however, the mission has not identified any expenditure financed from extra-budgetary sources in excess of 3 percent of total expenditure (CFAF 515.5 billion) in the 2002 budget. *The rating for this benchmark is A, and the standard criterion has been met.*

11. **Reliability of the budget as an implementation guide (benchmark 3).** In 2002-03, the Government made substantial efforts to bring revenue and expenditure (excluding externally financed expenditure) entered in the budget closer to figures of the IMF-supported financial program. Previously, the budget law systematically included unattainable Government revenue levels. As a result, there were significant differences between the financial program agreed with the IMF and the budget, necessitating a reduction during the fiscal year of the appropriations approved under the budget. However, these reductions were selective and consisted of reducing mainly non-priority expenditure (see the 2004 public expenditure review). Now that the medium-term expenditure framework (MTEF) is prepared before the budgetary circular, the tax revenue estimates have become more reliable and more consistent with the Government's IMF-supported financial program and there are fewer reductions of appropriations.
12. As regards overall expenditure, they rarely exceed appropriations and not in a systematic fashion. According to the figures available from the budget execution reports, the 2000-2002 budget (excluding expenditure financed from external resources and the debt) was implemented at rates of 91-96 percent. Generally speaking, overspending occurred under uncapped appropriations (wage- and debt-related expenditure). Nevertheless, there was significant overspending in 2001 and 2002 in some categories of expenditure such as telephone, water and electricity. In the 2003 budget, efforts were made to increase those appropriations. Overall, for the three last years, discrepancies (differences between expenditure incurred under the budget execution reports and the respective budget appropriations) were less than 5 percent of budget appropriations (excluding expenditure financed from external resources and the debt) in one year out of the three (see Table A2). However, in some titles and sections, discrepancies are very substantial and, in the case of many voted services, exceed 10 percent. Owing to weaknesses in the monitoring of externally funded investment (see below), reliable implementation rates cannot be determined on the basis of the budget execution reports. However, according to the 2004 public expenditure review, the rate of implementation of externally funded capital expenditure and of expenditure under the HIPC Initiative is low, about 70 percent, and more efforts are necessary to mobilize and use these resources. *The rating for this benchmark is B, and the standard criterion has been met.*
13. **Inclusion of external financing (benchmark 4).** The inclusion of project grants and loans from donors in the budget and the data on budget implementation are incomplete, and reports on grant and loan disbursements are drawn up considerably late and often differ substantially from Development Assistance Committee (DAC) figures.⁸ As

⁸ The latest DGCOOP report on external financing corresponds to 2001.

regards budget preparation, the budget law gives a partial picture of projects that are being implemented with external financing, particularly grants, and provides no information on investments for which external financing will be sought. Consequently, the information in the budget regarding expenditure in the period under consideration is incomplete. Title VI of the budget contains data on the Public Sector Investment Program (PIP) but does not identify the projects in detail. The various donors also often note substantial discrepancies between their estimates and those in the budget. The lack of reliable and complete information in the budget also complicates the monitoring of disbursements under budget monitoring systems such as the computerized expenditure management system (CID).

14. The General Directorate for Cooperation (DGCOOP) issues requests for disbursements of external grants and loans and monitors execution of payment orders. The processing of externally funded capital expenditure is separate from the processing of other items of expenditure, whose implementation is traceable at all stages in the CID. Despite efforts to integrate such data into the CID, the establishment of computer links with the CID, and a number of training activities on the external financing module within the DGCOOP, there is no information on disbursements in the CID at present. A technical assistance mission by the Regional Technical Assistance Center in Africa (AFRITAC) in February 2004 concluded that the existing CID disbursement monitoring module was dysfunctional and that an alternative solution would need to be found to monitor external financing operations.
15. The DGCOOP prepares monthly disbursement status reports to enable the staff of the Permanent Secretariat for the Supervision of Financial Policies and Programs (SP-PPF) to draw up the TOFE. However, the data are often subject to extensive revisions, thus reducing the transparency of government activity (overall and by sector) and necessitating changes to the macroeconomic framework. Slow data processing by the DGCOOP is partly due to the lack of year-end information on grant disbursements from some donors. Moreover, the integration data in the CID suffers from incomplete information in the budget. In the interest of close monitoring of priority expenditures, including those financed from external resources, the Government should make efforts to improve the monitoring of externally funded capital expenditure. With technical assistance from AFRITAC and the European Commission, an analysis is under way with a view to improving the manual monitoring of disbursements in the short run and thus facilitating preparations for their computerization. It is also important to note that according to the MFB's current organizational chart, disbursements should be monitored by the Directorate of Public Debt of the General Directorate of the Treasury and Public Accounting (DGTCP). However, despite the change of responsibilities, the work is still being done by the DGCOOP. To avoid undermining the morale of the staff responsible for monitoring disbursements, it is important to clarify responsibilities and ensure consistency between responsibilities and the work carried out by the staff of the various directorates.

16. The overall difficulty encountered in the accounting for foreign aid flow in the countries of the Sahel was the subject of a 2001 study by the Sahel and West Africa Club of the OECD.⁹ The study compared the average of 1997 and 1998 official development assistance (ODA) flows, estimated by the OECD's DAC with some adjustments to include donors not members of OECD, with the figure entered in the TOFEs by the Ministries of Finance of the four countries surveyed (Burkina Faso, Mali, Niger, and Senegal). Table A3 breaks down the discrepancy calculated for Burkina Faso by the various sources of assistance. For the purposes of this study, the mission updated the results of the OECD survey by repeating the comparison of the DAC and the budget figures of 2002, the latest year for which such data are available. For that year, relevant data are also available in the IMF staff report of March 5, 2004. Data in Table A4 shows the three series of data, and it appears that significant discrepancies in the figures provided by the DAC, the IMF remain. As regards gross total assistance, the estimates in the budget reach only 46.1 and 70.1 percent of the DAC and the IMF figures respectively, while the rates for net total assistance are only 37.2 and 57.5 percent respectively. The OECD survey attributes the discrepancies to the following factors (pp. 32-34):
- (i) Direct donor support that is not included in the beneficiary countries' budgetary frameworks
 - (ii) Independent non-project technical assistance
 - (iii) Expenditure incurred outside the beneficiary countries' national territory
 - (iv) Differences in the definition of disbursement
 - (v) Inadequate coverage by the national information systems, particularly with regard to projects or activities declared by donors and not shown in the investment budget.

The rating for this benchmark is C.

17. **Classification (benchmark 5).** In 2003, the Government adopted the budget classification set forth in WAEMU Directive 98-4. The new classification, applied from the 2004 budget and integrated into the CID, comprises detailed definitions of expenditure by nature of activity and by destination (unit). The classification by nature of activity is more detailed and is linked to the Government accounting plan, the classification of economic activities, and the TOFE. The classification also includes a classification of the functions of government (COFOG) and a classification of economic activities which reorganizes the classification by nature. WAEMU's COFOG comprises 14 functions and 126 sub-functions and is sufficient to produce reliable data to monitor priority expenditure. However, the classification of functions is not linked to program budgets drawn up by each ministry independently of the budget. Although there are, for the program budgets, tables for relating the administrative classification and the program, the program budgets are not updated after the budget is approved and are not integrated into the CID monitoring system. Implementation of the approved budget can

⁹ *La comptabilisation des flux d'aide – Un examen de la situation dans quatre pays du Sahel* ("The accounting of aid flows: a review of the situation in four Sahel countries"), OECD document SAH/D(2001)520, December 2001.

therefore not be directly translated into program budget implementation.¹⁰ *The rating for this benchmark is B, and the standard criterion has been met.*

18. **Identification of poverty-reduction expenditure (benchmark 6).** Poverty-reduction expenditure are included in the budget both as regular appropriations and as allocations under the special account for the fight against poverty, which is credited with debt relief funds under the HIPC Initiative and used to finance additional expenditure for the priority sectors. Special account expenditures are classified in line with the budget classification adapted for special accounts. The Government, in agreement with the IMF, has adopted the special account procedure to allow a transfer HIPC Initiative expenditure between budget periods, given that, in the 2000, 2001, and 2002 budget periods, the special account was not available at the beginning of the year and could not be fully executed within the year.
19. Since 2000, priority expenditure is identified by adding the priority expenditure derived from the administrative classification of the budget and the lines of expenditure implemented under the HIPC special account. Data on budget implementation according to the administrative classification and data on the HIPC special account are available within a very short time from the CID. Using the administrative classification and special account spending allows comparing priority expenditure according to the Government definition before and after the adoption of the PRSP. However, poverty reduction expenditure is monitored imperfectly by government department or merely through the HIPC special account (under a virtual fund for poverty reduction). Moreover, the administrative classification and the new functional classification are not discriminatory enough to identify poverty reduction expenditure; the HIPC account also is not exhaustive, because it includes only expenditure financed from HIPC Initiative resources. Better monitoring of all poverty reduction expenditure would require integrating a complete classification of poverty-reducing expenditures into the functional classification.
20. The inclusion in previous years of a large part of water, power and telephone costs in the appropriation for interministerial expenditure also reduces the transparency of the administrative budget with respect to poverty reduction expenditure, because part of those expenses concern the operation of the ministries in charge of basic education and health. The Government is identifying the various lines of expenditure of previous years in order to provide a more accurate account of the efforts made to increase appropriations for the priority ministries, and an analysis is under way with a view to separate out those lines of expenditure in the 2005 budget act. Lastly, the transparency of poverty reduction expenditure would benefit from the monitoring of externally funded capital expenditure (see above). *The rating for this benchmark is B.*

¹⁰ This is not strictly required to meet the standard rating on this criterion. The monitoring of program budgets is addressed in the 2004 public expenditure review.

21. **Inclusion of medium-term estimates (benchmark 7).** Since 2000, the Government has each year been drawing up an MTEF for a three-year period. However, the first MTEFs were produced late and could not be used as input for the budget. The link between the annual budget and the MTEF was therefore weak. In 2002 and 2003, however, the Government adopted the MTEF in April and explicitly included its estimates with respect to revenue and expenditure ceilings into the budget circular signed by the President of Faso in May. Accordingly, the draft 2003 and 2004 budget laws were directly based on the MTEF and reflected its priorities, although some changes were made as a result of government and parliamentary decisions.
22. Since 2000, the MTEF have been prepared with increasing implication of line ministries. The MTEF now plays a major role in determining budget allocations. Early in the process of drawing up an MTEF, the MFB staff in charge establishes a macroeconomic framework and sets MTEF ceilings on the basis of expected revenue and planned external assistance. Ceilings are then established for the various ministries through negotiations with the MFB based on the sectoral ministries' plans (including program budgets). The ceilings thus constitute guidelines for drawing up the administrative budget and revising the program budgets. MTEF estimates are consistent with the medium-term PRSP projections and IMF-supported financial programs. Their sectoral allocations reflect the Government's priorities (for instance, increased spending on education). The MTEF comprises and identifies expenditure financed from HIPC resources and allows monitoring of resource allocation financed with debt relief. *The rating for this benchmark is A, and the standard criterion has been met.*

B. Budget implementation

23. **Arrears (benchmark 8).** Close CID monitoring of expenditure-related operations (commitment, assessment, authorization and payment) allows the DGB and the DGTCP to ensure regular payment of Government liabilities. The MFB follows up authorized expenditure through the payment delay monitoring committee (CODEP) and ensures payment within the time limits required by Burkina Faso regulations. To reduce the possibility of payment arrears, the Central Financial Control Directorate (DCCF), in collaboration with DGB and administrators of appropriations, limits budget commitments based on available cash while ensuring implementation of priority expenditures. For the purchase of goods and services Burkinabè regulations are based on the WAEMU definition of payment arrears, namely authorized expenditure not paid in 90 days. Debt servicing and salaries are considered payable on the due date.
24. As certified by the reviews of the program supported by the IMF's Poverty Reduction and Growth Facility (PRGF), Burkina Faso did not accumulate any arrears in 2002 and 2003. According to the latest statistics as of December 31, 2003, the Government did not have any arrears and outstanding payments (unpaid payment orders) other than under the HIPC special account, amounted to about CFAF 300 million (less than 0.1 percent of

total expenditure of the 2003 supplementary budget).¹¹ During the course of that year, outstanding payment orders peaked at CFAF 5.2 billion until commitments were stopped at the end of November 2003. The Government also made some effort to accelerate expenditure verification and payment. According to the PRSP implementation report, the average interval between assessment and payment fell from 57 days in 2001 to 42 days in 2002 and was 47 days in 2003.¹² *The rating for this benchmark is A, and the standard criterion has been exceeded.*

25. **Effectiveness of the internal audit system (benchmark 9).** The internal audit of budget implementation is conducted by the DCCF for ex ante audits; for ex post audits, the IGF and other inspectorates, as well as the HACLC, set up in 2003, are responsible. The DCCF staff ensures that commitments and verified expenditure are consistent with budget regulations, and the DCCF electronic visa is required in the CID for commitments or the verification of expenditure. This ex ante audit is actually performed, and requests that are not in conformity with the regulations are rejected. The DCCF also checks the ethics of commitments and verifications. A decree by the Minister of Finance and the Budget on the ethics of expenditure has been submitted for adoption, and the DCCF is finalizing a standard price list in order to check for overbilling. Ethics verification gives substantial power to the DCCF and is often the source of conflicts between budget administrators and the control directorate. Lastly, as part of auditing assessments, the DCCF conducts physical checks on the delivery of works and materials through a committee that monitors physical performance. DCCF auditing is salutary, because it plays a substantial preventive role. Some checks carried out by the DCCF are verified by DGTCP public accountants before payment is made, and the percentage of rejections by the public accountants reveals some weaknesses in DCCF control methods and procedures. The efficiency of ex ante and ex post auditing is also somewhat diminished because accounting for government property is not practiced, as noted previously in the 2002 Country Financial Accountability Assessment (CFAA) report.
26. The DCCF currently has 160 audit officers, including 12 with electronic visa authority in the CID. To expedite the conduct of audits, the DCCF has assigned six officers with visa authority to some sectoral ministries with CID access. Still, the cumbersome nature of the various expenditure-related audit procedures, focused on document regularity, can cause delays in budget implementation. Accordingly, the DCCF participates within the CODEP in a review of the list of supporting documents with a view to reducing processing time from eight to five days. It considers that, to improve the speed and efficiency of its operations significantly, its staff must be increased to 250.
27. The IGF audits MFB units at its discretion or at the request of MFB. Generally speaking, the IGF draws up a list of the units to be audited at the beginning of the year and conducts the audits during the year, to the extent time permits after executing special

¹¹ Outstanding payments under the HIPC special account amounted to about CFAF 4 billion, reflecting a faster rate of implementation late in the year. The account is not subject to the budget timetable for the closure of operations.

¹² These statistics, however, cover only part of the operating budget.

audit requests. Units to be audited are selected partly on the basis of rotation, to ensure that each unit is audited periodically, and partly on the basis of the results of earlier audits. Owing to inadequate staffing, the IGF often cannot carry out its annual work plan, especially as it is increasingly involved in project audits. At any rate, the amount of expenditure audited by the IGF is too small to affect the behavior of units involved in the various stages of competitive bidding and procurement.

28. Several inspectorates are involved in ex ante auditing of budget implementation, including in particular the IGE, the Prime Minister's control arm. Generally speaking, the inspectorates have highly experienced agents and produce exhaustive reports on the management of public services and enterprises. However, they cannot always carry out regular auditing, given the number of entities to be audited.
29. The HACLC, established on December 31 2001 by presidential decree No. 2001-773/PRES/PM/MEF regarding creation, attributions, composition and functioning of the HACLC, began operations in April 2003. In early 2004, it had nine staff members with various professional backgrounds, including a law officer, a police officer, an engineer, a physician, and a senior civil servant. In the last eight months of 2003, the HACLC examined 26 files opened by the IGE. By January 15, 2004, the HACLC had submitted its annual report for 2003 to the Prime Minister. Although the report is still confidential, at a press conference held on its day of submission, the HACLC president noted that in ten cases the Government had lost CFAF 3 billion and, without naming any persons suspected of misappropriations, revealed the identity of the bodies concerned and the amounts of resources lost. The HACLC lacks the power to institute legal proceedings on those files. The decision concerning follow-up actions remains with the Government.
30. To ensure more effective ex ante audits and a rapid imposition of penalties, the ex ante audit staff should be strengthened, the status of inspectors clarified, and the monitoring of the implementation of recommendations made by the inspectorates intensified, in cooperation with the HACLC. *The rating for this benchmark is B.*
31. **Tracking surveys (benchmark 10).** Although the Government launched a process of budgetary deconcentration in order to improve basic services several years ago, Government budget implementation is still largely centralized. To ascertain the quality of the basic services, the Government has requested that the National Institute for Statistics and Demography (INSD) conduct annual surveys on the deconcentrated services and the users. The survey results are provided in the annual PRSP implementation reports. Based on a sample, the surveys provide information on the resources received by outlying units, particularly health centers and primary schools (for chalk, pens, copybooks, textbooks, etc.) and on the cost of basic education (enrollment fees and contributions to parent teacher associations) and some medical acts (such as childbirth and cesarean section). For instance, according to the last survey, which covers 2002, a school received an average of CFAF 11,000 in public funds (over and above teachers' salaries and investment) per classroom per year. The surveys also comprise a component consisting of evaluating the satisfaction of public service users. It would be

important to better exploit survey results to identify activities that can improve basic services. *The rating for this benchmark is A, and the standard criterion has been exceeded.*

32. **Reconciliation of budget and bank data (benchmark 11).** The Government draws up a monthly TOFE for the monitoring of public finances. The TOFE, based on commitments, is a statistical tool produced by the SP-PPF within two to three weeks after receipt of revenue data from the DGI, the DGD and the DGTCP, the CID commitment status reports from the DGB, and the provisional statement of external disbursements from the DGCOOP. The SP-PPF is also provided with the accounting situation on all payments made by the DGTCP, the bank accounts of the DGTCP, the Net Government Position (PNG) and the Net Treasury Position (PNT) statistics compiled by the national branch of the Central Bank of West African States (BCEAO). Moreover, since March 2003, the DGTCP posts monthly Treasury balances and as a result will be able to produce, from the second half of 2004, a TOFE in accounting form.
33. The information, as a whole, allows the BCEAO's PNT to be reconciled each month with:
- i.) Government expenditure payments
 - ii.) The PNT variations according to DGTCP accounts.
- Generally speaking, discrepancies between MFB and BCEAO statistics are usually less than 0.5 percent of total expenditure and can be resolved, although their resolution often takes time because of the considerable delays with which the commercial banks inform the BCEAO of the variation of deposits on Government accounts, particularly project accounts held outside the treasury. Lack of reliable statistics on grant disbursements also hinder reconciliation. *The rating for this benchmark is A, and the standard criterion has been met.*

C. Budget reports

34. **Timeliness of internal budget reports (benchmark 12).** As a result of the centralization and computerization of budget implementation, the MFB obtains budgeted reports within very short lead-times. The revenue agencies (DGI, DGD, and DGTCP) draw up reliable weekly reports on statements and the collection of taxes and charges. In terms of expenditure, the situation regarding commitments, verifications, payment orders and payment of internally funded expenditures is readily available to the MFB through the CID, and reports to the Minister of Finances and the Budget are drafted once per week or more often, if the need arises. This information, as a whole, and the frequency with which it is provided suffice to monitor Government budget implementation in an effective manner. Formally, the Committee for Monitoring Budget Implementation and the Treasury, chaired by the Minister of Finance and the Budget, brings all of the departments concerned together each month, monitors expenditure, and ensures that Government commitments are in line with cash projections. Moreover, the Minister of Finance and the Budget submits quarterly reports on budget implementation to the

Council of Ministers. No regularly published information document is available to the public. *The rating for this benchmark is A, and the standard criterion has been exceeded.*

35. **Periodic budget reports ensure monitoring of poverty reduction expenditure (benchmark 13).** This benchmark correlates with benchmark 6. Inasmuch as poverty reduction expenditure is not clearly identified, it is difficult to monitor it effectively. Nevertheless, periodic budget reports, based on the WAEMU classification, including the functional classification, are available from the CID. They also show the implementation of the HIPC special account. On the whole, available reports can be used to monitor the implementation of poverty reduction expenditure on the basis of the administrative classification (by ministry and title) and the WAEMU functional classification. They allow such expenditure to be protected in consultation with the sectoral ministries, should expenditure adjustment become necessary. However, as pointed out above, the administrative classification, though sufficient to monitor major appropriation totals, is not precise enough to identify poverty reduction expenditure, while the functional WAEMU classification does not precisely specify poverty reduction expenditure items. The HIPC special account is not exhaustive enough to allow all poverty reduction expenditure to be monitored. On the whole, although there is a functional classification, the monitoring of such expenditure is imperfect. The monitoring reports are not published. *The rating for this benchmark is B.*
36. **The entry of transactions into the accounts is timely (benchmark 14).** All expenditure-related budget transactions (commitments, verifications, and payment orders) are recorded and entered into the CID in real time. Payment of expenditure is entered in real time into the Treasury's accounts through the Integrated Government Accounting (CIE) software. To permit a smooth closure of budget operations at the end of the year, commitments for Title 3 (materiel) expenditure are closed on November 20 and the CID is locked, but commitments for some other expenditures (in particular debt servicing, salaries, and transfers) may continue up to the end of December. Expenditure committed but not paid by December 31 may be verified, authorized and paid during a two-month complementary period up to the end of February. All payments made in February are entered into the Treasury's accounts in that period. All expenditure not paid by the end of February are removed from the payment system and recommitted on the following year's budget appropriations. This "clean-up" of expenditure-related operations and of the CID may take a few weeks after the end of the complementary period. To facilitate the preparation of the 2004 budget and the production of the management accounts, the Government made considerable efforts in 2003 to avoid end-of-year commitments that obviously could no longer be implemented and paid in the complementary period. In any case, however, budget operations linked to the "clean-up" of expenditure-related transactions after the end of the complementary period do not affect the payment situation and the Treasury's accounts. Entering of routine transactions into the Treasury's accounts are therefore completed within a period of two-month period following the end of the fiscal year.

37. On the basis of the accounting situation at the end of February of year N+1, the Treasury finalizes the cash balances and the overall balance of year N, which may involve regularization of accounting entries. Generally speaking, these balances are available 45 days after the end of the complementary period (end of February). After drawing up the final accounts, the Treasury prepares the accounting statements (*comptes des gestion*), which are used by the Court of Auditors to determine whether the budget execution report is consistent with the budget law (see below). The Government is committed to producing the accounting statements for the 2003 fiscal year in the first half of 2004. *The rating for this benchmark is A, and the standard criterion has been met.*
38. **Timeliness of audited accounts data (benchmark 15).** In 2002 and 2003, the MFB units undertook the considerable task of reducing the backlog of budget execution reports to be produced for fiscal years 1995-2001. The setting up of the Court of Auditors, which began operations in June 2002, established the conditions for an independent evaluation of the budget execution reports, and a certificate of conformity is transmitted with each budget execution report to the National Assembly. However, the Court's statutes do not yet give its auditors as much independence as would be useful. In 2003, the budget execution reports for fiscal years 1995-2001 were submitted by the Government and approved by the National Assembly. After this substantial work, which weighed heavily on the DGB staff during the introduction of the new budget nomenclature, the Government is now seeking to comply with the standards laid down in the new law on budgets. Under that law, the budget execution report must be submitted to the National Assembly within 12 months of the end of the fiscal year. The draft budget execution report for 2002 is under review by the Court of Auditors and the 12-month deadline for its adoption is expected to be met in connection with the budget execution report for 2003.
39. As regards clearance by the Court of Auditors, it should be pointed out that this court has not yet examined the complete accounting statements together with the budget execution reports. Although the budget execution reports for 1995-2001 examined by the Court of Auditors were accompanied by a summary accounting statement drawn up by three of the principal public accountants (*Payeur Général, Receveur Général, Agent Comptable Central du Trésor*), the Court of Auditors was not provided with the supporting documents that are an integral part of the accounting statements and are indispensable for an independent evaluation of financial management. In order to comply with the obligation of accounting for its activity, the DGTCP has launched an administrative settlement procedure for the 1984-2000 accounting statements, which can only be reconstituted with great difficulty. Moreover, the DGTCP and the Court of Auditors agreed in 2003 on the structure of the transcription of accounting figures and, as a result, the account statements for fiscal years 2001 and 2002 were submitted before the end of June 2004. Furthermore, the DGTCP made considerable efforts to produce the account statement before the budget execution reports were transmitted to the Court of Auditors. The 2001 and 2002 account balances were produced in 2003 and, since March 2003, the Treasury's general account balance is established on a monthly basis and, as a result, the overall balance will be available three months after the end of the budget year. The

government expects to submit of the accounting statements for fiscal year 2003 and the draft budget execution report for 2003 to the Court of Auditors by the end of June 2004 allowing their examination within the legal time limits in the future. *The rating for this benchmark is C.*

D. Public procurement

40. **Efficiency and effectiveness of the public procurement system (benchmark 16).** After the Country Procurement Assessment Report (CPAR) was drawn up by the World Bank in 2000, the Government launched a process of reforms and capacity building. In that context, it began to prepare annual public procurement plans, a new decree on public procurement was adopted, and a procedural manual and standard texts were validated in February 2004. The new decree establishes clear and exhaustive rules promoting transparency in competition, describes explicitly the responsibilities of the bodies involved, particularly those of the Central Directorate for Public Procurement (DCMP), and outlines a conflict resolution system. Internal and external public-procurement audits are being conducted with a view to greater transparency. External auditing, financed by the European Union, concerns years 2001 and 2002. An examination of the implementation of the new regulations was undertaken by the IGF in early 2004 with a view to formulating recommendations on capacity building in that area. Additional administrative capacity-building efforts are necessary in order to reduce the duration of public procurement procedures, which often play a major role in lowering absorptive capacity, including for funds provided under the HIPC Initiative. Furthermore, the government regularly collects and publishes (in the PRSP annual implementation reports) differences in prices charged for the same goods to public administration units and to the private sector. These surveys show that on average, these differences are significant, despite some progress, exceeding 55 percent in 2002 at the level of central administration units. *The rating for this benchmark is B.*

III. RECOMMENDATIONS AND ACTION PLAN

41. The evaluation of the management of public finances allows conclusions to be drawn on compliance with the 16 benchmarks set under the HIPC Initiative. Burkina Faso complies with nine of those benchmarks and has made progress since the 2001 evaluation in controlling payment arrears, recording transactions, and reforming public procurement regulations (see Table 1 attached). Ongoing reforms under the PRGB with regard to the adoption of budget execution reports and the recording of externally funded capital expenditure are expected to ensure compliance with other benchmarks soon. Table 4 shows the measures that are likely to enable the Government to make such progress. To integrate this evaluation into the ongoing reform program, most of those measures have been derived from those identified under the PRGB.

42. The short-term measures (to be taken within the next 12 months) that are likely to improve the management of public finances are:
- clarifying the roles of the various departments that implement externally funded expenditures, and establishing appropriate information procedures and supporting documents (benchmark 4);
 - drawing up a list of projects and verifying the table of agreements with external creditors (benchmark 4);
 - clearly identifying poverty reduction expenditure in the budget nomenclature (benchmark 6);
 - strengthening ex post audits by the IGF and IGE, increasing the staff of audit units, reviewing the status of inspectors, and making effective use of HACLC reports (benchmark 9);
 - expediting the production of the Treasury's general balance and the accounting statements with a view to submitting the budget execution reports to the National Assembly no later than 12 months after the closure of accounts (benchmark 15);
 - implementing the new public procurement regulations, and finalizing a decree on outsourcing and concessions (benchmark 16).
43. The medium-term measures recommended in order to comply with the benchmarks are:
- finalizing the development and implementation of an integrated accounts system for local communities in order to integrate their financial data into the WAEMU TOFE (benchmark 1);
 - producing ex ante and ex post consolidated statistics on the public sector under the GFS Manual classification (benchmark 1);
 - developing a computerized system to monitor externally funded capital expenditure (benchmark 4);
 - developing an accounting system for government property (benchmark 9);
 - amending article 6 of Law No.14/AN/2000 of May 16, 2000, deleting the provision on the limited time of service of auditors, and introducing a career plan for auditors establishing their independence (benchmark 15);
 - adopting a special status for auditors, conferring on them the status of a judicial officer (benchmark 15);
 - conducting frequent external and internal audits on public procurement (benchmark 16); and
 - developing a computerized system to monitor public procurement (benchmark 16).

IV. CONCLUSIONS AND SUPPORT FOR REFORMS

44. The evaluation of the management of public finance on the basis of the 16 benchmarks established under the HIPC Initiative shows that Burkina Faso has a solid public finance management system. The current situation reflects the major reforms that the

Government undertook between 2000 and 2003, in particular the improvement of the budget classification, the expansion and reorganization of the CID, and the regular production of accounts and budget execution reports (see Table 3 attached). However, in order to comply with all of the benchmarks, further efforts are necessary. The PRGB, adopted in 2002, is part of that effort and constitutes a new framework for reforms in the 2002-04 period. This evaluation is part of donor support for the implementation of the program of reforms. The action plan proposed with a view to enabling the Government to comply with the benchmarks (see Table 4 attached) draws on PRGB measures as much as possible.

45. In 2002-04, the PRGB was supported by a number of donors (see Table 2 attached). The measures to be taken to strengthen the budget management systems further will be largely covered by assistance already identified.

Table A1 – Summary of financial flows of local communities and EPEs, 2002
(CFAF billion)

	Number of units	Income							Expenditure				Self-financing rate *
		Own income	Other subsidies	Borrowing	Surplus	Subtotal less State subsidies	State subsidies	Total	Operations	Including: staff costs	Investment	Total	
Local communities	149	10.0	4.7	0.0	0.0	14.7	0.8	15.5	9.3	...	4.0	13.3	107.5%
Provinces	45	1.8	0.6	0.0	0.0	2.4	0.8	3.2	2.3	...	0.3	2.6	78.3%
Communes	104	8.2	4.1	0.0	0.0	12.3	0.0	12.3	7.0	2.3	3.7	10.7	117.1%
- urban	49	7.7	3.9	0.0	0.0	11.6	0.0	11.6	6.6	2.2	3.5	10.1	116.7%
- rural	56	0.5	0.2	0.0	0.0	0.7	0.0	0.7	0.4	0.1	0.2	0.6	125.0%
EPEs	58	9.4	5.5	2.8	2.9	20.6	25.4	46.0	30.1	13.3	8.5	38.6	31.2%
EPS ¹	13	1.9	1.4	0.1	1.2	4.6	7.6	4.6	9.0	4.2	1.0	10.0	21.6%
EPA ²	40	5.4	0.7	2.7	1.3	10.0	11.9	35.4	12.4	4.8	4.3	16.5	43.3%
EP SCT ³	5	2.1	3.4	0.0	0.5	6.0	5.8	6.0	8.7	4.2	3.1	11.8	24.0%
Grand total	208	19.4	10.2	2.8	2.9	35.3	26.2	61.5	39.3	...	12.5	51.8	49.4%

Notes:

* Own income/ Operating costs

¹ Public health bodies

² State administrative public bodies

³ Scientific, cultural and technical public bodies

Sources: Annual report of EPEs, GTZ report on local government finances.

Table A2 – Rate of implementation of the 2000-02 budget act by institution and title (excluding debt servicing, externally funded investment, and exemptions), percentage of implemented expenditure based on the budget settlement acts

Ministry and institution	2000					2001					2002				
	Salaries	Materiel	Current transfers	Externally funded investment	Total	Salaries	Materiel	Current transfers	Externally funded investment	Total	Salaries	Materiel	Current transfers	Externally funded investment	Total
Burkina Faso Presidency	128.8	99.1	98.8	94.1	100.3	104.4	105.4	99.8	71.0	89.1	121.7	94.3	84.9	80.7	89.5
General Secretariat of the Government and the Council of Ministers	114.0	86.3	N/A	26.9	84.9	119.3	85.8	N/A	4.7	65.3	129.8	73.3	N/A	23.8	80.1
Prime Minister	111.4	88.0	N/A	72.7	87.7	123.4	66.6	100.0	75.3	88.4	105.7	75.4	92.5	10.2	75.8
Ministry responsible for relations with the Parliament	99.9	91.6	N/A	N/A	94.9	121.2	83.2	N/A	70.8	91.0	123.0	77.9	N/A	82.7	91.2
Ministry for Regional Integration	141.6	91.6	N/A	35.3	100.5	123.5	44.6	N/A	12.7	56.6	69.9	31.1	N/A	62.6	48.7
Ministry of Territorial Administration and Decentralization	105.4	77.0	98.5	93.3	98.5	94.7	68.8	94.7	82.6	88.4	118.9	75.4	95.8	60.9	97.9
Ministry of Justice	114.4	89.2	70.1	42.8	82.3	111.6	67.6	40.0	31.8	69.9	155.5	61.8	62.8	32.2	90.1
Ministry of Defense	105.4	100.0	100.0	100.0	104.0	100.0	75.0	100.0	100.0	95.0	100.0	83.2	92.0	98.0	96.9
Ministry of Foreign Affairs	100.5	102.1	97.3	100.0	101.0	101.0	97.3	98.7	99.4	99.3	110.8	17.9	17.3	3.5	59.4
Ministry of Security	N/A	N/A	N/A	N/A	N/A	108.8	59.1	84.5	29.4	89.2	98.9	83.0	87.5	75.8	94.6
Ministry of the Economy and Finance	109.5	84.1	87.0	56.3	88.1	109.9	79.6	82.4	65.5	90.6	101.3	97.4	64.2	78.3	88.9
Ministry of Arts and Culture	4.3	94.7	95.6	30.0	62.0	345.7	51.7	108.0	40.0	78.0	223.1	78.9	87.1	23.1	70.8
Ministry of Employment, Labor, and Social Security	112.5	69.7	90.1	93.6	91.6	91.7	54.0	88.7	76.7	84.8	115.3	67.0	87.3	51.9	81.5
Ministry of the Civil Service	103.5	91.9	94.2	69.0	96.0	102.0	71.1	86.7	14.8	78.0	126.9	93.1	84.4	38.3	94.0
Ministry of Information	202.2	96.4	100.0	97.6	109.9	98.3	66.1	97.5	69.4	88.8	78.6	65.6	99.5	78.3	83.4
Ministry for the Promotion of Women	96.4	92.6	16.7	79.5	83.8	128.0	72.6	46.2	67.9	87.4	120.9	68.2	61.8	63.7	82.2
Ministry of Youth and Sports	131.7	99.1	99.9	52.6	104.5	110.0	88.9	74.9	51.9	89.2	104.0	88.9	71.4	29.9	80.7
Ministry of Health	130.7	93.6	99.5	78.0	103.7	112.4	92.4	98.2	69.3	97.3	106.8	90.8	98.3	44.1	90.7
Ministry of Social Action and National Solidarity	109.8	87.6	95.9	63.5	99.6	120.9	23.3	80.4	26.6	92.1	110.4	56.7	82.4	42.6	91.4
Ministry of Basic Education and Literacy (MEBA)	111.3	93.6	87.2	81.9	105.1	113.3	91.3	74.1	90.9	105.4	120.6	84.4	76.8	69.8	105.6
Ministry of Secondary and Higher Education and Scientific Research	116.4	95.0	92.3	93.4	100.8	116.2	86.0	96.7	89.5	101.4	114.6	73.4	88.7	91.6	96.8
Ministry of Trade, Promotion of Enterprises, and Craft Activities	104.2	99.6	99.8	79.3	99.7	99.5	87.7	88.5	82.0	91.3	122.4	64.3	81.9	134.4	94.4
Ministry of Mines, Quarries,	152.6	82.5	99.3	84.2	99.4	134.6	74.9	87.2	56.5	84.2	122.5	72.9	97.6	70.1	92.9

and Energy															
Ministry of Agriculture	103.2	88.8	100.0	102.7	102.5	102.8	60.4	76.5	78.7	91.0	112.4	57.9	97.9	203.7	145.3
Ministry of Animal Resources	107.5	94.8	93.5	97.3	102.5	128.7	70.2	64.5	59.0	92.4	115.9	72.8	66.8	63.4	90.3
Ministry of the Environment and Water	108.6	96.0	98.0	65.0	80.0	109.6	39.6	80.1	62.8	75.4	104.2	49.8	56.0	5.8	37.0
Ministry of Infrastructure, Housing and Urbanization	107.5	77.5	99.1	91.3	93.1	106.6	58.9	79.9	97.8	98.3	123.7	65.6	80.4	114.3	114.4
Ministry of Postal Services and Telecommunications	N/A	N/A	N/A	N/A	N/A	N/A	75.4	N/A	N/A	75.4	138.1	43.9	N/A	68.6	65.2
Ministry of Transport and Tourism	112.7	93.6	86.1	50.2	81.6	121.7	71.3	71.9	20.4	70.5	69.3	59.6	28.7	13.3	29.7
Grand Chancery	111.3	99.0	N/A	75.2	93.8	101.1	79.5	N/A	42.6	72.2	507.8	99.1	N/A	19.1	124.2
State Inspector's Office (IGS)	115.9	97.7	49.8	69.6	87.7	105.9	85.4	66.7	87.1	94.9	123.3	92.7	0.0	60.7	95.5
Common interministerial expenditure	5.4	95.7	98.4	72.9	81.6	74.7	95.3	77.6	51.0	80.7	15.4	95.6	111.5	103.0	86.3
Total (excluding debt servicing, capital transfers, external financing and exemptions)	105.0	95.2	96.1	81.1	96.4	106.4	89.2	91.1	73.4	93.1	99.3	83.6	93.0	85.4	91.9

**Table A3 – Average disbursements of public assistance, 1997-98:
Discrepancies between DAC and MFB calculations**

(CFAF billion, % = "MFB calculations"/"DAC+ calculations" percentage*)

Source of Assistance	Amount: DAC+ minus MFB	%
Bilateral	87	36%
DAC members	84.5	34%
Other countries	2.1	67%
Multilateral	8	93%
United Nations agencies	10.3	19%
World Bank and IMF	-1.3	103%
Other agencies	-0.9	101%
Total	95	62%

* "DAC+" designates DAC calculations slightly increased by the OECD survey authors.

**Table A4 – Comparison of ODA disbursements in Burkina Faso, 2002,
based on DAC, IMF, and the amended 2002 budget act**

(CFAF billion)

	DAC		IMF	Amended 2002 budget act
	US\$ million	CFAF*		
Grants	323.6	225.3	118.6	82.2
Loans				
Gross disbursements	200.4	139.5	121.6	86.1
<i>less debt servicing</i>	51.3	35.7	48.2	45.9
<i>of which: - HIPC</i>				
Initiative			20.8	
- other			27.4	
= Net disbursements	149.1	103.8	73.4	40.2
Grand total	524.0	364.7	240.2	168.3
Net total	472.7	329.0	212.8	122.4

* Converted at the 2002 average exchange rate of CFAF 696 (source: OANDA).

Sources:

DAC: www.oecd.org/dataoecd/, DAC, Table 2a, Destination of Official Development Assistance and Official Aid – Disbursements

IMF: *Burkina Faso--First Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility*, March 5, 2004, p. 35.

Amended budget act of 2002: budget act of 2003, p. 23 and (for debt servicing) budget act of 2002, p. 381.

Table 1: Public Expenditure Management AAP Indicators in Burkina Faso

		ASSESSMENT			
		Standard Benchmark	Desk Assessment	2001 Assessment	2003-04 Assessment
FORMULATION					
COMPREHENSIVENESS					
1	Fiscal reporting adequately covers the Government Finance Statistics definition of the general government sector	A	C	B	B
2	Government activities are not funded through inadequately reported extrabudgetary sources to a significant degree	A	A	A	A
3	Budget outturn data are quite close to the original budget	B	B	B	B
4	Fiscal reports include grants projected to be provided by donors	A	B	C	C
CLASSIFICATION					
5	Budget expenditures are classified on an administrative, economic, and detailed functional or programmatic basis	B	B	B	B
6	Poverty-reducing expenditures are clearly defined	A	A	A	B
PROJECTION					
7	Multi-year expenditure projections are integrated into the budget formulation process	A	A	A	A
EXECUTION					
INTERNAL CONTROL					
8	There exists a small stock of expenditure arrears, with little accumulation of arrears over the previous year	A	B	B	A
9	Internal control is effective	A	A	B	B
10	Tracking surveys are in use, or are unnecessary	B	B	A	A
RECONCILIATION					
11	Satisfactory reconciliation of fiscal and banking records is undertaken routinely	A	A	A	A
REPORTING					
IN-YEAR REPORTING					
12	Internal fiscal reports are received within four weeks of the end of the relevant period	B	A	A	A
13	Good-quality classification of poverty reducing spending is reflected in the in-year budget reports	A	A	C	B
FINAL AUDITED ACCOUNTS					
14	Routine transactions are entered into the main accounting system (s) within two months of the end of the fiscal year	A	B	B	A
15	An audited record of the financial outturn is presented to the legislature within twelve months of the end of the fiscal year	B	B	C	C
NEW					
PROCUREMENT					
16	The procurement system supports efficiency and effectiveness in the expenditure of public funds through clear and enforceable rules that promote competition, transparency and value for money.	A	N/A	N/A	B
TOTAL NUMBER OF BENCHMARKS MET		16	11	8	9
Notes: Please shade cells in cases where the assessed indicator meets or exceeds the standard benchmark level					

Table 2. Identification of institutional support for the PRGB 2002-2005

I. Activities	<i>Targeted or responsible unit</i>	II. Amount	III. Duration	IV. Technical and financial partner
Good governance support project (PABG): public information stand	Stand	CFAF 2,825,040		AfDB
PABG: MTEF formulation	Technical Secretariat for the Coordination of Economic and Social Development Programs (STC-PDES)	CFAF 36,516,960		AfDB
PABG: Public Investment Program (PIP)	DGEP/Department of Control, Evaluation and [Health] information (DCEI)	CFAF 24,174,000		AfDB
PABG: Formulation and implementation of training plan	DGCOOP	CFAF 117,078,000		AfDB
PABG: Data processing system, cable networks, computer and office equipment	DGCOOP	CFAF 98,250,720		AfDB
PABG: Contribution to the annual report	DGCOOP	CFAF 23,700,000		AfDB
PABG	Data Processing Directorate (DSI)	CFAF 9,480,000		AfDB
PABG: Proofreading, computer and office equipment	IGE	CFAF 26,544,000 40,503,300		AfDB
PABG: Preparation and implementation of training plan	IGE	CFAF 53,562,000		AfDB
PABG: Text revision - preparation and implementation of training plan Equipment upgrading	IGF	CFAF 36,498,000 30,672,540		AfDB
PABG: Formulation and implementation of training plan	Court of Auditors	CFAF 42,660,000		AfDB
PABG: Proofreading	Court of Auditors	CFAF 13,272,000		AfDB
PABG: Work program- equipment upgrading	Court of Auditors	CFAF 4,740,000 45,172,200		AfDB
Planning support fund: activities under the PRGB				Canada

Support for the development of a revenue cycle system (CIR)	DGTCP	CFAF 179,000,000	11/2002-5/2004	Denmark
Capacity building in the DGTCP	DGTCP	CFAF 130,470,000	09/2003 – 08/2004	Denmark
Financing for public finance evaluations	SP-PPF	+/- 300.000 €	2002-2006	EU
Institutional support for the DSI (SDI and organisation) (long and short-term)	DSI / MFB	+/- 800.000 €	09/2004 au 09/2006	EU
Support for the technical secretariat piloting PRGB	SP-PPF	+/- 130.000 €	05/2004 au 04/2005	EU
Audit of 2001 and 2002 public procurement	DCMP	+/- 300.000 €	01/2004 au 10/2004	EU
Support for improving statistics at the INSD and social line ministries (short and long term)	INSD / MS et MEBA	+/- 600.000 €	04/2005 au 10/2006	EU
Study on deconcentration	DSI	+ / - 10.000 €	2003	EU
Study to evaluate cost of DSI building	DSI	+ / - 10.000 €	2003	EU
Study on PER road infrastructure ⁸	STC-PDES	+/- 45.000 €	2002	EU
Support to reinforce the DGCOOP to better follow EU aide (personnel, training, material, expert)	DGCOOP	1.200.000 €	09/2003 au 09/2005	EU
Support for FINEX software	DGCOOP	+/- 45.000 €	04/2004 au 09/2004	EU
Counterpart funds for the equipment fund at the treasury to finance building, computer room, training, archive, and extension of the CIE	DGTCP	430.000 €	2002	EU
Counterpart funds for the DGCOOP building	DGCOOP	+/- 750.000 €	2004	EU
PARI - DGI: training, computerization, software, documentation center. - DGD: computerization and ASYCUDA ++ - STC-PDES / SP-PPF: Collection of data for TOFE UEMOA - DGB: Improvement of budget procedures, material, inventory system - INSD: Statistical coordination, production of economic accounts, training and recruitment, capacity for copying and dissemination, public works - DGTCP : Material / CIE / Government accounting harmonization of public finances WAEMU, training on the harmonized WAEMU framework(TOFE NBE, PCE, RGCP UEMOA) - CNPE : functioning	MFB / MEDEV	2.000.000 €	2001-2004	EU
Assistance in public finances, particularly on the report on the observance of	MFB		2003	IMF

standards and codes (in statistics)				
PAREF [Economic and Financial Support Project]: Rationalization of the tasks of bodies in charge of budget operations	MFB	CFAF 4,500,000	2001-2004	France
PAREF: Restructuring of INSD	INSD	CFAF 4,500,000	2001-2004	France
PAREF: (1) adoption of a training plan, and (2) training	DRH, DCMP, DGTCP, DGB	CFAF 16,350,000	2001-2004	France
PAREF: Documentation center	SG, DGTCP, DGB	CFAF 30,000,000	2001-2004	France
PAREF: Working group on enhancing the consistency of economic operations	Estimates and Projection Committee	CFAF 5,000,000	2001-2004	France
PAREF: Strengthening prospective analysis and macroeconomic projections Strengthening the follow-up of the macroeconomic situation Training in statistics	Estimates and Projection Committee	CFAF 56,850,000	2001-2004	France
PAREF: Instruments for parameter-setting and forecasting	DGB		2001-2004	France
PAREF: Training in deconcentration and decentralization	DGB, DCCF, DGTCP	CFAF 33,550,000	2001-2004	France
PAREF: Streamlining of budget deconcentration	DGB, DCCF, DGTCP	CFAF 6,300,000	2001-2004	France
PAREF: ODA reform aspects linked to budgetary support	DGCOOP	CFAF 19,550,000	2001-2004	France
Office of the Adviser, Ministry of the Economy and Finance: Further training of staff in socioeconomic analysis and the use of analytical and forecasting instruments	Estimates and Projection Committee		2002-2005	GTZ
Office of the Adviser, Ministry of the Economy and Finance: - developing analytical and forecasting instruments for regional planning and budgeting - designing methods for setting up regional accounts - helping to elucidate the issue of local and regional budget financing; - further clarifying the issue of local and regional budget funding (fiscal reform, and standardization systems)			2002-2005	GTZ
Annual PRGB evaluation mission under the SBC-CSLP	SP-PPF	€23,293	9/2003-11/2003	Netherlands
Support for the central and deconcentrated units of the MEBA and the Ministry of Health	DEP, DAF (MEBA) and Ministry of Health		2001-2005	Netherlands
PRGE: Sectoral statistical information modules	DGEP/ DEP, sectoral ministries	\$ 45,800	2001-2004	UNDP
PRGE: Support for the formulation of action plans for budget management	MFB	\$ 39,400	2001-2004	UNDP
PRGE: RCD and annual report on assistance	MFB	\$ 77,100	2001-2004	UNDP

Support for strengthening the deconcentrated units of the Treasury and for the decentralization process	DGTCP	CHF 1,000,000	2000-6/2003	Switzerland
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Table 3: Implementation Status of Actions to Strengthen Tracking of Poverty-Reducing Public Spending: Burkina Faso

#	Actions ¹	Relates to Indicator ²	Timing (S/M) ³	Status (FI/II/NS)*	Date Achieved**	Comments***
Actions to strengthen budget formulation						
1	Implement the WAEMU budget classification	5	S	FI	Nov-03	
2	Include programming of HIPC funds in 2003-2005 MTEF	7	S	FI	Mar-03	
3	Complete information in budget laws with the results of the past budget executions	3	S	NS		Not considered necessary as this information is p
4	Make the necessary adjustments to generate the functional budget classification	5	S	FI	Nov-03	
5	Systematically follow up on implementation of program budgets and their execution	5	S	II		Difficulties related to the lacking link between p
N						
Actions to strengthen budget execution						
1	Link commitment decisions to cash reserves and reinforce use of cash-flow plan	8	S	FI	Mar-03	
2	Integrate foreign-financed investment spending in computerized expenditure circuit	8	S	II		A module for the financial management system v
3	Reinforce the use of tracking surveys at the decentralized level	10	S	II		Surveys are part of the PRSP reviews but follow
4	Disseminate results of tracking surveys within the administration	10	S	FI	Mar-03	
5	Prepare an annual cash-flow plan and update monthly	8	S	FI	Mar-03	
6	Extend computerized expenditure management system to the local level	8	M	II		Extension to five regional capitals will be effecti
N						
Actions to strengthen financial reporting						
1	Take an administrative decision regarding the budget accounts prior to 1994	15	S	FI	Nov-03	
2	Regularly produce treasury balances and submit budget accounts to the supreme audit co in time with budget execution reports	15	S	II		Treasury balances are produced regularly. The ti
3	Fully operationalize the supreme audit court	15	S	FI	Mar-03	
4	Respect the delays in presenting the budget execution reports to the national assembly	15	S	II		The government will fully catch up in 2004.
5	Prepare fiscal accounts on payment order basis	12	S	II		The TOFE on payment order basis should be ava
N						
Actions to strengthen public procurement						
1						
2						
N						

¹Actions reflect the descriptions held by FAD-PREM in the March 2003 Board Paper and should relate to the earlier action plans developed in prior AAPs.

²Show to which of the 16 indicators from the AAP the action chiefly relates.

³S=Short term action (within 12 months of action); M=medium term action.

* FI=fully implemented, II=Implementation initiated, NS=Not started (FI in blue reflects status as FI at the time of March 2003 board paper. Mission team should update the status for all other actions)

**Date achieved for FI reflects the action status in the March 2003 Board Paper.

*** Comments may explain any changes in the nature of proposed actions or changes to the timing of their implementation.

Table 4. Action plan to upgrade PEM capacity in Burkina Faso 1/

SHORT-TERM MEASURES (Within next 12 months)					MEDIUM-TERM MEASURES (12 months to 3 years)			
	No.*	Action **	Relates to indicator no.	TA Provider***	No.*	Action**	Relates to indicator no.	TA Provider***
FORMULATION								
Comprehensiveness	1	Clarify the role of different departments in the execution of foreign financed investment spending (PRGB)	4	EU, IMF, WB	7	Deploy the integrated accounting system for local communities and integrate the information in the TOFE according to WAEMU (PRGB)	1	France, Switzerland
	2	Reconstitute the project database and the table of agreements	4	EU, IMF	8	Produce consolidated public sector statistics following GFS classification, ex ante and ex post	1	IMF
Classification								
	3	Identify explicitly poverty reducing expenditure in the budget classification	6		9	Develop a computerized system for the monitoring of foreign-financed investment spending	4	EU
Projection								
EXECUTION								
Internal Controls	4	Reinforce ex post controls by IGE, IGF through increased staffing, improved legal framework, and coordinated exploitation of findings (PRGB)	9	AfDB	10	Develop accounting system for government property (PRGB)	9	EU, WB
Reconciliation								
REPORTING								
In-Year Reporting								
Final Audited Accounts	5	Accelerate production of treasury accounts, reinforce Supreme Audit Court, and submit audited accounts to the national assembly within 12 months after the closing of accounts (PRGB)	15	EU	11	Revise article 6 of law No 14/AN/2000 of 5/16/2000 to suppress the provision as regards the mandate of financial judges and provide a career plan for them assuring their independence	15	EU
					12	Adopt a specific status for financial judges giving them the position of magistrates (PRGB)	15	
NEW								
Procurement	6	Apply the new procurement decree and accompanying procedures and complete procurement regulation (PRGB)	16	WB	13	Conduct regular external and internal audits of procurement contracts (PRGB)	16	BM<EU
					14	Develop electronic procurement management system (PRGB)	16	

1/ Most measures in the action plan have been drawn from the government's plan for the improvement of budget management that was adopted in July 2002 and is under implementation. These measures are marked with (PRGB).

* Actions should be numbered

** Actions should describe the process recommended to improve the PEM system's performance in particular areas, such as the "Consolidation of Government Bank Accounts into a Treasury Single Account" or the "Introduction of a GFS compliant accounting system", rather than simply listing individual activities, such as training events, TA missions or the provision of equipment

TA providers in PEM

AfDB	African Development Bank
AFD	Agence Francaise de development
AsDB	Asian Development Bank
AusAid	Australian Governement Overseas Aid Program
CIDA	Canadian International Development Agency
CTB	Belgium Technical Cooperation
Coopération française	French development assistance
DANIDA	Danish Agency for Development Assistance
DFID	UK Department for International Development
Dutch aid	The Netherlands development assistance
EC	European Union
GTZ	German development cooperation (Gesellschaft fuer technische Zusammenarbeit)
IDB	Interamerican Development Bank
IMF	International Monetary Fund
Ireland aid	The Republic of Ireland aid
JICA	Japan International Cooperation Agency
JBIC	Japan Bank for International Cooperation
KfW, Germany	KfW Development Bank
NORAD	Norwegian Agency for International Development
OECD-DAC	Organization for economic cooperation and Development Assistance Committee
Swiss	Includes: Secrétariat d'Etat à l'Economie (Swiss State Secretariat for Economic Affairs)
SIDA	Swedish international Development Agency
USAID	United States Agency for International Development
UK-Treasury	United Kingdom
US-Treasury	United States
UNDP	United Nations Development Programme
WAEMU	West African Economic and Monetary Union
World Bank	World Bank
Other	Other