

## **Burkina Faso: Poverty Reduction Strategy Paper**

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# BURKINA FASO



## POVERTY REDUCTION STRATEGY PAPER

MINISTRY OF ECONOMY AND DEVELOPMENT

JULY 2004

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## FOREWORD

The primary lesson it is important to draw from the implementation of the Poverty Reduction Strategy Paper (PRSP) in the 2000-2002 period is that the strategy must be approached from a structural perspective. That is, combating poverty must be regarded as a long-term strategic objective. It is from this same perspective that one should read the findings of the recent surveys and studies on poverty in Burkina Faso.

Of course, the major quantitative objectives for the period under review could not be attained in full for various reasons relating to natural conditions, the subregional environment, and cumbersome administrative and procedural requirements that continue to pose obstacles to the judicious use of financial resources. However, the fact that the public administration and the private sector, as well as civil society and bilateral and multilateral cooperation authorities, wholeheartedly support the Poverty Reduction Strategy Paper (PRSP) as a unique reference point for guiding development raises highly promising prospects.

The Government of Burkina Faso is well aware of this important attribute of the PRSP and intends to create conditions to ensure that, at each successive stage of PRSP implementation, tangible results are achieved that genuinely benefit the poorest population groups. This desire should be reflected in the following:

- **First**, the completion of the economic and structural reform measures aimed at creating an environment favorable to business, competition, and private investment. To this end, the Government will implement the “performance contract” initiative with private sector stakeholders;
- **Second**, more intensive mobilization and more efficient and effective use of financial resources. As regards resource mobilization, dialogue with the Technical and Financial Partners (TFPs) in keeping with the spirit of Rome on the harmonization of procedures will be strengthened in order to achieve broad participation in budgetary support, on the one hand, and internally in efforts to continue improving tax collections, on the other hand. As regards the effectiveness of resource utilization, budgetary management will be strengthened and a focused review will be initiated of the constraints on and limits to economic growth with a view to making it more intensive;
- **Third**, increasing the focus of and speeding up reforms in the social sectors. The most recent survey on household living conditions continued to highlight the decisive role played by the social sectors in poverty trends. Indeed, it is duly noted that these sectors, in particular education and health, are benefiting from substantial resources. However, it is also in these sectors where progress is slow. The fact of the matter is that the persistence and intensification of the social deficit partly explain the current poverty situation. Redefining the concept of basic education, and making this level of education mandatory and free, as well as improving health services and strengthening the fight against HIV/AIDS, continue to be the Government’s primary and constant concerns;
- **Fourth**, a more clearly delineated partnership with civil society organizations. These organizations have played an effective role in the process of revising the Poverty Reduction Strategy Paper (PRSP) and have comparative advantages in various domains (literacy training, community development, health, etc.). The Government will introduce performance contracts with these organizations in order to ensure greater cohesiveness between their activities and the PRSP priorities.

In 2004-2006, the resources we devote to combating poverty will have to be intensified in order to achieve greater results. We wish to take this opportunity to congratulate all those who made valuable contributions to the process of revising the Poverty Reduction Strategy Paper (PRSP) and to reiterate our profound gratitude to all the development partners for their steadfast support.

**Seydou BOUDA**

**Minister of Economy and  
Development  
Officer of the *Ordre National***

## I. INTRODUCTION

Burkina Faso has, since 1991, espoused a market economy founded on the principles of free enterprise. To this end, the Government has, with the support of the international financial community, carried out major economic and structural reforms aimed at creating the conditions for promoting private initiative and achieving sustainable growth that substantially exceeds the rate of population growth. After more than a decade of uninterrupted adjustment efforts (1991-2002), the national economy grew at an average rate of 5 percent a year in real terms, while population growth registered 2.4 percent a year.

During the same decade, growth targets were not met in 1993 (-1.5 percent) and 2000 (1.6 percent) owing to adverse weather conditions and to the sociopolitical crises experienced in the subregion. Consequently, for the 1990-1994 period economic growth averaged 3.3 percent a year in real terms. The 1995-1999 period, thanks to the effects of the devaluation and more favorable climatic conditions, was characterized by a more sustained growth rate averaging 7.1 percent a year; as compared to this period, in the period during which the Poverty Reduction Strategy Paper (2000-2002) was implemented, growth slowed to an average of 4.3 percent a year. All these factors temporarily limited the impact of the reforms during 1991-2002, despite a growth rate (5 percent) that was 1.7 percentage points higher than that for 1981-1990 (3.3 percent).

Despite such notable macroeconomic progress, the national economy continues to be handicapped by its weak capacity to respond promptly and vigorously to exogenous shocks, this owing to certain intrinsic constraints and limitations that should be overcome on an urgent basis. These include (i) the weakness of national capacities, in particular of human capital; (ii) the inadequacy of economic development infrastructures; and (iii) governance problems.

### 1.1 ERRATIC ECONOMIC GROWTH AND THE PERSISTENCE OF POVERTY

All in all, the growth pattern was irregular for the period as a whole. Despite the good levels of growth recorded by the Burkinabè economy, the results of the three priority surveys conducted by the Government in 1994, 1998, and 2003 describe a worsening incidence of poverty. Based on an absolute poverty threshold estimated at CFAF 82,672 in 2003 as compared to CFAF 72,690 per person and per year in 1998, the proportion of the poor increased from 45.3 percent to 46.4 percent, an increase of 1.1 percentage point. By comparison with 1994, the incidence of poverty increased overall by 2 percentage points (in 1994, it was estimated at 44.5 percent on the basis of a threshold of CFAF 41,099 per adult per year). The indicators relating to the seriousness of poverty (its depth and severity) also rose slightly, indicating that the poor have fallen farther behind the poverty threshold. As regards the measurement of poverty, it is important to stress that, on the basis of sizable studies conducted by the World Bank on methodological aspects, a number of countries (Madagascar, Senegal, Cape Verde, the Kyrgyz Republic, and Russia) have revised their poverty statistics in order to produce data that are comparable over time. Burkina Faso is appreciative of these new methodological gains and will endeavor to make the best possible use of them (see Box **Error! Not a valid link.**).

The results of Burkina Faso's third survey on household living conditions confirm the trend toward the pauperization of urban dwellers. Indeed, the incidence of urban poverty practically doubled between 1994 and 2003, rising from 10.4 percent to 19.9 percent. However, poverty remains a rural phenomenon, and the contribution of rural areas, while declining, remains sizable: 92.2 percent in 2003 as compared to 96.2 percent in 1994. This poverty situation, which affects nearly half the population, explains the weakness of the level of human development in the country.

## **BOX 1: The subtleties of an comparable indicator of well-being**

In the desire to assist countries in constantly improving the methodology used for surveys of household living conditions with a view to permitting reliable comparisons over time, the World Bank has initiated an intensive review process the results of which have already enabled a number of countries to revise their respective overall poverty values.

For the case of Burkina Faso, the process consisted in identifying a new indicator of well-being (real per capita consumption at constant June 2003 prices) covering only those products that are listed in the same manner in the priority surveys of 1998 and 2003. Use of this subset results in the production of a partial indicator of food consumption that covers 84 percent of food consumption and 88 percent of total declared consumption in 2003. The coverage of the partial indicator is broader in 1998 (92 percent of food consumption and 93 percent of total declared consumption); this situation in all likelihood suggests that the 1998 questionnaire, all other things being equal, recorded relatively fewer consumed products than in 2003.

After performing operations to standardize household consumption as annual consumption and making adjustments to neutralize special or time differences in the cost of living, the overall comparable value of consumption for 1998 and 2003 was determined. The poverty threshold is determined endogenously on the basis of data from the 2003 survey on the overall value of per capita consumption in order to obtain the same numerical index of poverty as the index estimated by the INSD using the technique of a questionnaire on basic indicators of well-being and the total overall value of consumption. A poverty threshold of CFAF 72,110 at June 2003 prices in Ouagadougou corresponds to the numerical index of 46.4 percent given by the INSD for 2003 (INSD 2004).

On this new basis, there would appear to be a substantial reduction in poverty in Burkina Faso between 1998 and 2003, but without notable changes in respect of inequality. According to the estimates prepared, the numerical index of poverty declined from 54.6 percent in 1998 to 46.4 percent in 2003, a reduction of about 8 percentage points. The reduction in poverty was more pronounced in the rural regions, where the numerical index dropped from 61.1 percent in 1998 to 52.4 percent in 2003. The decrease was clearly more modest in the urban areas and is not statistically significant. Inequality remained unchanged between the two surveys (Gini index of 0.444), and is always more pronounced in urban areas (0.484) than in rural areas (0.376).

These findings more clearly demonstrate the effectiveness and sound performance of the policies implemented in recent years, from the time of the rebound in economic activity, and show the strong link between such growth and poverty reduction.

Of course, one could criticize the modification of the weights as regards living standards (the reduction of the basket of goods to a subset representing 88 percent of that basket probably entails a redefinition of the weights in evaluating the standard of living), but inasmuch as the process is carried out as part of improving the methodology for improving data comparability, it should be taken advantage of and, as necessary, taken into account in future research.

Furthermore, it should be noted that, quite apart from the limits in the comparability of the data from the two surveys and from this apparent methodological controversy, it is evident that currently nearly half the population of Burkina Faso lacks sufficient monetary income to afford a minimally decent existence.

Promotion of the basic social sectors (basic education and basic health, including reproductive health, clean drinking water, nutrition, hygiene, and sanitation) has always been the cornerstone of Burkina Faso's development strategy. Indeed, some 16 to 19 percent of national resources and official development assistance are devoted to these services. However, the country continues to suffer from a low level of human capital development which limits labor productivity, in particular in the agricultural sector, the source of jobs and incomes for nearly 80 percent of the labor force.

The gross enrollment ratio in primary school was 47.5 percent at the start of the 2002/2003 school year, as compared to 42.7 percent in 2000/2001. The gross enrollment ratio of girls was 41 percent as compared to 36.2 percent. While up slightly, the ratio is still one of the lowest in the subregion. Moreover, this rate masks considerable regional disparities and is an indicator of the very ineffectiveness of the educational system. The net enrollment ratio in primary school observed in 2003 (33.8 percent) has held steady at a level identical to that for 1994 (33.7 percent) according to the Burkina Faso Survey of Household Living Conditions (EBCVM). The same holds true as regards the literacy rate, which increased from 18.9 percent in 1994 to 32.25 percent in 2003, according to the latest statistics from the Ministry of Basic Education and Literacy Training.

With respect to health issues, the morbidity and mortality rates remain high but steadily declining. Indeed, according to the findings of the latest demographic and health survey (EDS III) conducted in 2003, the risks of infant, child, and combined infant-child mortality have declined considerably, from 105.3 per thousand, 127.1 per thousand, and 219.1 per thousand, respectively, in 1999, to 83 per thousand, 111 per thousand, and 184 per

thousand, respectively, in 2003. Maternal mortality is 484 per 100,000 live births, according to the demographic and health survey of 1998. This situation is attributable to infectious and parasitic diseases and to the increase in HIV infection. The HIV/AIDS pandemic has become a major public health problem and, in particular, a development problem, as it undercuts productive capacities in all sectors. In 2002, there were nearly 250,000 people living with HIV/AIDS, over half of whom were women. The prevalence of HIV infection in the population in the 15-49 age group, most of it in the workforce, is in constant decline (from 7.17 percent in 1997 to 6.5 percent in 2001 and 4.2 percent in 2002, according to WHO/UNAIDS estimates). The results of the latest demographic and health survey (EDS 2003) describe a considerably improved situation: the seroprevalence rate is 1.9 percent. Burkina Faso has made significant efforts that are bearing fruit thanks to the high level of political commitment to combat this pandemic.

Overall, the nutritional needs of the population are not being met satisfactorily. The level of coverage of nutritional requirements remains below the required standard of 2,500 calories per day. Beyond the issue of food availability, which is not permanent, food insecurity is explained by the pervasive poverty, the geographic dispersion of production, the country's landlocked location, and inadequate market flexibility and operation. Children and women are the most exposed: 44.5 percent of children 5 and under suffer from stunted growth, and 13 percent of women of childbearing age suffer from chronic malnutrition.

There have been improvements as regards access to clean drinking water. According to the results of the Burkina Faso Survey on Household Living Conditions conducted in 2003, the proportion of households using tubewells as their water source increased from 31 percent in 1998 to 40.4 percent in 2003, for all residential environments taken together, and from 37.9 percent to 48.8 percent for rural areas. However, this is still insufficient when it comes to covering all the needs of the urban and rural populations. It is in rural areas, however, where the problem of obtaining supplies of clean drinking water is most acute. Indeed, in 2003, 5.3 percent of rural households still consume water from rivers and other watercourses. In contrast, in urban areas 77.4 percent of households use running water.

Finally, while women represent about 52 percent of the total population, they remain insufficiently involved in the activities of national public life owing to sociocultural impediments. In 2003, no more than 32 percent of all Burkina Faso nationals over the age of 15 knew how to read and write in any language; the majority of the literate are men, and women lag far behind them. In carrying out their social function of childbearing, women receive very little assistance. In 1998, only 32 percent of childbirths were attended by qualified health professionals, 58 percent of pregnant women benefited from prenatal consultations, and the prevalence of contraceptive use, while increasing, remains low (10.2 percent in 1998 rising to 28 percent in 2003). It goes without saying that these statistics mask enormous disparities between the more affluent urban areas and the rural areas.

Such a situation, characterized by poor human development and mass poverty, constitutes a grave threat to social cohesion and to any initiative aimed at sustainable development. When the Government of Burkina Faso, with participation from the private sector, civil society, and technical and financial partners, prepared a Poverty Reduction Strategy Paper in 2000, its aims included demonstrating its strong desire to confront this phenomenon, which is a true political challenge, and making available to all development stakeholders a tool for ensuring policy cohesiveness and the coordination of official development assistance.

The results of three years of implementation of the poverty reduction strategy have been mixed. This is confirmed by the findings of the Burkina Faso Survey on Household Living Conditions. A look back over the past two decades of development in Burkina Faso shows that there are not only structural, but also institutional, constraints on growth. These constraints should be identified and eliminated in order to introduce conditions and an environment conducive to quality growth.

## **1.2 NEED FOR QUALITY, BROAD-BASED GROWTH**

Following the adoption of the Letter of Intent on Sustainable Human Development Policy (LIPDHD) in 1995, which served as the basis for the Poverty Reduction Strategy Paper, the

Government's aim has been to focus the country's development strategy on promoting human security. This entails increasing the effectiveness of public policies in order to ensure that they have maximum impact on the major social indicators, increase the purchasing power of the poorest population groups, and offer them a better framework for social betterment.

This economic and social policy renewal is all the more necessary in that Burkina Faso has subscribed to (i) the Millennium Development Goals (MDGs) and (ii) the New Partnership for Africa's Development (NEPAD). This implies, on the macroeconomic level, continuing efforts to achieve the paradigm of seeking high quality growth. The term "high quality growth" means, on the one hand, growth that is sustainable in the face of exogenous shocks and stronger because it is based on diversified sources and a broader economic base, and, on the other hand, growth that is redistributive and concerned with environmental protection. It entails the establishment of political, economic, and local good governance.

In this perspective, it is important to make use of relevant fiscal and sectoral policy instruments in order to help the Burkinabè population play a more active role in its own development and in reducing inequalities.

Economic growth is of course essential in order to raise the general income and well-being levels of the Burkinabè population, but growth does not suffice by itself to combat poverty and inequality. In the context of an economic policy intended to be prudent and to have an impact on the broadest possible population groups, striving for equity must be a key objective.

Various recent studies conducted by the Government have identified the main obstacles to balanced and sustainable growth. These are:

- the weakness of human capital, which contributes to low labor productivity, the high unemployment level, and income inequalities;
- the inadequacy of the economic development infrastructure, with its corollary the high costs of transactions and production factors, thereby hampering the emergence of a modern sector in the economy;
- insufficient national capacities, which give rise to problems with governance, civic participation, and effectiveness in the conduct of development policies;
- the low degree of economic openness to the outside world, thus limiting the opportunities for growth and job creation despite the efforts made as part of the stabilization and adjustment programs.

Burkina Faso wishes to make the most of the regional integration process now under way within the West African Economic and Monetary Union (WAEMU) in order to transform its handicap, that of being a landlocked country, into an asset, positioning itself as the crossroads for the economies of the subregion. By continuing and strengthening complementary structural reform programs focused on lifting the four major obstacles identified above, Burkina Faso could rapidly achieve growth rates that would make it possible substantially to reduce the incidence of poverty. In view of the scant competitiveness of the Burkina Faso economy at present, the West African economic integration process will probably impose some economic and social costs. However, the Government is confident in its capacity to work with the other partners in the Union with a view to: (i) limiting these costs; and (ii) making the most of the opportunities offered by a considerably broader regional market.

Moreover, Burkina Faso is among the least developed countries (LLDCs) which mobilize substantial flows of official development assistance (ODA). ODA contributes nearly 80 percent of the financing of the public investment program, but absorptive capacities remain insufficient owing to administrative red tape and the lengthy procedures generally applied by donors when projects and programs start up. Targeted studies show that such assistance has a perceptible influence on growth only within a framework characterized by "economic best practices." Hence the importance of effective economic policies based on economic openness and macroeconomic stability, and also of the need to apply, in both spirit and letter, the reform of official development assistance.

### 1.3 THE PRSP, AN ITERATIVE PROCEDURE BUILT ON BROAD-BASED CONSULTATION

The PRSP is a framework document intended to express the Government's priority development objectives. It does not replace the sectoral strategies already in place or now being finalized, but instead ensures their consistency in order to guarantee greater impact on the beneficiary population groups. Its aim is thus to influence sectoral objectives and the selection of indicators for monitoring the programs and action plans that are financed. It reflects the key choices made in all the priority sectors.

The process underlying PRSP preparation and implementation is iterative. The Government decided to update the PRSP every three years in order to take account of the lessons learned from implementing the public policies adopted in the paper, the results of the supplementary work carried out by various institutions with a view to better understanding the phenomenon of poverty, and the volume of resources available.

The Government is further convinced after the three years that the effectiveness with which the Poverty Reduction Strategy Paper was implemented depended heavily on the extent to which the various stakeholders had a sense of its ownership.

Accordingly, it insisted upon broad-based consultation in the process of revising the Poverty Reduction Strategy Paper, which was launched officially on April 18, 2003 at a ceremony gathering together all the social stakeholders (about 600 participants).

It is important to stress that the official launch of the process was preceded by a series of meetings in February-March 2003 with private sector stakeholders, under the auspices of the Chamber of Commerce, Industry, and Crafts (CCIA) and with civil society organizations and the technical and financial partners.

The aim of these meetings was to remind participants of the context within which the PRSP had been prepared, the partial results achieved, and the justification for revising it.

#### **BOX 2: Participatory process, toward ownership of development programs and policies by the social stakeholders**

Participatory development has long been one of the hallmarks of development efforts in Burkina Faso. The responsibility of grassroots communities is called upon in the selection and conduct of grassroots development activities. In support of this participatory development, a strong associative movement with its roots in traditional society has also emerged and expanded rapidly. Nongovernmental organizations (NGOs), the number of which expanded considerably following the major drought in the early 1970s, have contributed to the entrenchment of the concept of participation. There are now approximately 200 NGOs, which are organized into collectives. The most important of these are: the Permanent Secretariat of NGOs, the Liaison Office for NGOs and Associations, and the Network for Communication, Information, and Training of Women in NGOs; the Secretariat for Concertation of Sahelian NGOs; the Global Framework for Concertation of NGOs and Associations on the Environment and Development; the Coordination Office for NGOs for the Development of Basic Education, etc.

The associative movement encompasses nearly fourteen thousand (14,000) structures (cooperatives, groups, and mutual associations). In addition, the Government introduced pathways for discussions and exchanges with all the major social stakeholders by creating a framework for concertation between the state and civil society and a framework for concertation between the state and the private sector.

Among the noteworthy events marking this desire for participatory development, mention may be made of:

1. In May 1990, a national conference on the economy was held with a view to assessing the structural constraints and inadequacies of the economy and defining a new economic development strategy. At the end of the conference, it was agreed to introduce an economic reform program supported by the Bretton Woods institutions.
2. Annual organization, since 1993, of so-called Small Farmer Days, bringing together farmers and livestock raisers from the country's 45 provinces as well as NGOs to engage in dialogue with the Government on the problems they are experiencing in the field. These sessions are chaired by the Head of State.
3. In May 1994, the second national conference on the economy was held to analyze the relevance of the strategies being pursued and to identify the adjustments needed in order to derive the best possible advantage from the devaluation of the CFA franc. A further aim was to generate a positive perception of the devaluation and to call upon all to make an effort. This conference inspired the historical speech on production delivered on June 2, 1994 by the President of Burkina Faso. The essence of this speech was reflected in the Letter of Intent on Sustainable Human Development Policy (1995-2000), focusing on combating poverty and developing human resources.

## BOX 2 (Conclusion)

4. Organization of a Burkina Faso Women's Forum in 1994. This meeting, held under the high auspices of the Head of State, made important recommendations regarding taking better account of the "Woman" dimension in the development process.
5. In June 1995, the general meeting of project directors was held with a view to identifying ways and means of revitalizing and better streamlining the execution of development programs in order to increase their capacity to contribute to economic recovery while professionalizing their management.
6. Organization and participation of Burkina Faso women at the Beijing Conference in 1995.
7. In December 1997, the conference on the role and the mission of the state was held to reflect on public management in tandem with the strengthening of a government of law, an environment marked by competitiveness and efficiency, and improved listening to an ever more demanding national public opinion, which is a move toward strengthening the democratic process.
8. States General on education and health were held in 1994 and 1998, respectively, bringing together all stakeholders in these fields. The conclusions from these meetings were used to (i) draw up a ten-year plan for the development of basic education, adopted by the Government in 1999, and (ii) prepare the national health policy and the national health development plan.
9. Program budget preparation processes initiated in 1998 in all ministries, including the social ministries, which allow for policy dialogue and budget selection dialogue from the grassroots, as well as the introduction of a mechanism for allocating resources to decentralized structures.
10. Forum on justice held in 1998, the conclusions of which are the basis for ongoing reforms in the sector.
11. The decentralization process initiated by the country in 1995 was broadly expanded in 2001. It constitutes a major option which should enable local governments and grassroots communities to take their own development in hand.
12. The process of preparing and implementing the PRSP was deliberately participatory, based on national conferences, sectoral and topic-based commissions, regional consultations, and regional development councils established in the context of the decentralization.

### 1.3.1 Objectives and principles of the PRSP revision

There were four key objectives assigned to the process of revising the Poverty Reduction Strategy Paper:

- assessing the relevance of the PRSP objectives in light of the results attained and the new measurement of poverty incidence;
- examining the suitability of broadening the range of priority sectors and readjusting the components of the strategy;
- regionalizing the Poverty Reduction Strategy Paper; and
- ensuring broader involvement of the private sector and civil society.

The process of revising the PRSP was guided by the following principles:

- **Equity:** The growth sought must be strong and high-quality growth that reduces inequalities. It must benefit the majority of the people, especially the poor, because it involves active participation on the part of all (the poor, men and women) in producing and sharing the fruits of this growth. Growth that reduces the inequalities associated with the differences in human capacities and in access to productive assets and resources;
- **Consistency of actions:** This entails the systematic promotion of actions that reinforce one another in the various areas of intervention so as to create synergies that help reduce inequalities and poverty;
- **Empowerment of the poor:** The promotion of sustainable development requires that all members of the workforce, bar none, contribute effectively to the development process. It goes beyond assistance to the poor by enhancing their capacity to assume responsibility for their own destiny;
- **Reduction of the inequalities between men and women:** This will determine the chances of success of poverty reduction strategies. The processes that produce poverty affect men and women in different ways and to different degrees. The inequality between men and women is a major cause of poverty among women, and of poverty in general;

- **Reduction of regional disparities:** Regional disparities are a source of exacerbation of poverty and inequalities and limit the participation of the various regions in the national development process;
- **Participation:** The PRSP process must be properly understood as a process of social dialogue on the country's development problems. Consequently, all stakeholders must play their part in ensuring that the validity of the decisions taken is enhanced;
- **Accounting for the concerns of youth:** The idleness and unemployment of young people exacerbate their dependence and poverty even as these very youths are regarded as the nation's vital force and its future.

### 1.3.2 Organization of the PRSP revision process

The process lasted seven months, from April to October 2003, and occurred in seven stages.

#### 1.3.2.1 Regional consultations

These consultations made it possible, on the one hand, to take account of the concerns of each of the thirteen (13) regions in the revised Poverty Reduction Strategy Paper and, on the other hand, to provide each region with a regional strategic framework for reducing poverty. To this end, ten regional consultations were organized from May 8 to June 7, 2003. They brought together about three thousand (3,000) participants, of whom fewer than 10 percent were women; average participation was two hundred (200) participants per consultation, except in the case of the Centre and of Hauts Bassins. The consultation in the Centre grouped together the Centre-sud, Plateau, and Centre regions and mobilized four hundred (400) participations, while the Hauts Bassins consultation covered the Cascades and Hauts Bassins regions and involved three hundred (300) participants. Each of these meetings was sponsored by a member of the Government and chaired by the high commissioner of the province where the region's administrative seat was located. In addition to eliciting regional perspectives, these consultations made it possible to enhance the sense of ownership felt by the various stakeholders, most of them from the deconcentrated administrations and community organizations, and to provide each region with a regional strategic framework for reducing poverty that reflects local realities.

The technical and financial partners organized on an ad hoc basis to monitor these regional consultations and, through their highly pertinent observations, to contribute to improving their organization. They unanimously acknowledge that this innovative approach created a sense of dynamism that should be maintained.

#### 1.3.2.2 Meetings on the consistency of sectoral policies with the PRSP

Meetings on policy consistency were held with all the heads of ministerial departments from July 1 to July 17, 2003. Their primary aim was to clarify the link between sectoral policies and the various pillars of the Poverty Reduction Strategy Paper. Specifically, they allowed for:

- a greater sense of ownership of the Poverty Reduction Strategy Paper by the ministerial departments: the senior official in the department and his or her principal associates were enabled to discover or rediscover the PRSP and to compare it with sectoral policies. This outcome, it bears noting, implements the recommendation which emerged from the national conference on the PRSP organized in July 2002;
- a clear sense of the importance and role of sectoral policies as operational instruments of the PRSP: the ministerial departments that have a sectoral policy and strategy were able clearly to indicate their interaction with the PRSP and their contribution to its implementation. Those departments which do not have them recognized the need to have such policies and strategies as soon as possible;
- Substantive contributions to the revision of the PRSP: exchanges during these sessions demonstrated the need to take into account certain issues or themes that it was not possible to address in 2000 when the first version of the PRSP was prepared, namely: public security, jobs (in particular for youth and in the informal sector), social exclusion, the concept of "gender and development," the environment and living

standards, SMIs/SMEs, rural electrification, small-scale mining, and migration. It was also deemed necessary to add a matrix of performance indicators to the revised PRSP and to devote particular attention to national capacity building;

- the need to provide each policy and program with a communication strategy: such a tool is all the more essential in that it is important to establish ongoing policy dialogue with all stakeholders.

### **1.3.2.3 Stocktaking workshops**

The first workshop, held from August 4 to 17, 2003, in Bobo-Dioulasso, brought together all the regional directors of economy and development, the research and planning directors of the ministries responsible for agriculture, health, basic education, territorial development and decentralization, and security, as well as the senior staff of the Technical Secretariat for the Coordination of Economic and Social Development Programs, the Directorate-General of the Economy and Planning, and the Directorate-General of Territorial Development, Local Development, and Regional Development. They made it possible to enhance the cohesiveness and relevance of the options identified in the thirteen regional poverty reduction strategy papers and to draft summary memoranda aimed at facilitating taking the regional priorities into account in the PRSP.

The second workshop, held in Ouagadougou on August 25 and 26, 2003, brought together about sixty participants from the public administration, the University and research institutes, the private sector, and civil society organizations (SPONG, RECIF/ONG, RENLAC), some ten of whom were women. Using a report based on a critical reading of the PRSP, prepared by a team of three independent resource persons, including one woman, the aim of the participants was to:

- assess the relevance of the strategic options suggested in the recast version of the PRSP on the basis of the conclusions of studies and surveys conducted in the context of PRSP revision;
- finalize the strategies and policies to be implemented in the context of the revised PRSP by supplementing and refining the proposals emerging from the critical reading of the PRSP; and
- assess, if possible, the relevance of the matrix of PRSP monitoring indicators.

The results of these two stocktaking workshops had a decisive impact on the formulation of the revised Poverty Reduction Strategy Paper.

### **1.3.2.4 Information sessions with technical and financial partners**

Not only were all the technical and financial partners given broad latitude for participating actively in the process, but throughout the process the Government organized a number of sessions for information and exchanges with them. These sessions made it possible to (i) share the PRSP revision timetable and the lessons learned in the regional consultations; and (ii) seek out different views on the institutional mechanism for monitoring PRSP implementation as well as on the nature of the monitoring indicators.

### **1.3.2.5 Civil society forum on rereading the Poverty Reduction Strategy Paper**

On their own initiative, from July 28 to 30, 2003, the civil society organizations held a forum aimed at enhancing their ownership of the Poverty Reduction Strategy Paper in order to make a constructive contribution to the revision process and to its implementation. At the end of the forum, they unanimously adopted an important declaration on the PRSP process, which is summarized in Box 3.

### **1.3.2.6 National conference on the PRSP**

Taking the lead from the official ceremony launching the revision process on April 18, 2003, a national conference was held from October 2 to 4, 2003, involving approximately 600 participants, including members of the Government, representatives of the central,

deconcentrated, and decentralized administration, the private sector, civil society organizations, and including producer organizations, the Children's Parliament, representatives of the thirteen administrative regions, and the technical and financial partners. The work of the conference was conducted in six committees (rural development and food security, economic infrastructure, social sectors, public finances and resource allocation, private sector competitiveness and promotion, and governance and institutional reforms and decentralization).

The national conference validated the revised Poverty Reduction Strategy Paper, its logical framework, and the monitoring indicators, as well as the document summarizing the regional poverty reduction strategy papers. In addition to reviewing these documents, the conference issued directives pertaining to:

- eliminating the constraints on growth;
- improving the procedures for mobilizing and absorbing domestic and external resources;
- accelerating the development of the social sectors, namely basic education, literacy training, health, and the availability of safe drinking water;
- speeding the program for eliminating the isolation between and within regions;
- combating the lack of security;
- strengthening the statistical and monitoring mechanisms of the PRSP; and
- ensuring greater consistency between sectoral policies and the PRSP, and placing greater emphasis on the program approach.

#### **1.3.2.7 Consultation with the institutions of the republic**

As was the paper prepared in 2000, the revised version of the PRSP was brought before the Economic and Social Council by the Government, an approach which reflects best practices with respect to governance. Indeed, owing to this institution's highly diversified composition (public administration, private sector, civil society), its tasks include that of examining economic and financial development programs and calling the attention of the executive branch to the constraints and forces that may have an impact on program success. The Council devoted its first session of 2004 to the PRSP. The major findings set forth in the report submitted to the Government were taken into account.

Furthermore, in implementation of the provisions of Articles 101 and 112 of the Constitution, the Minister of Economy and Development submitted the new version of the PRSP to the National Assembly. This initiative is of great importance inasmuch as it is Parliament that approves the central government budget, the instrument whereby the PRSP is made operational.

### **BOX 3 : Declaration of the civil society forum on review of the PRSP**

Whereas poverty in Burkina Faso is mass poverty affecting the majority of the population;

Whereas we are reminded annually of the scope of such a phenomenon by the ranking of our country at the bottom of nations as measured by the Human Development Index;

We, the representatives of civil society organizations meeting in Ouagadougou on July 28, 29, and 30, 2003, to review the PRSP, make the following declaration:

We take note of the PRSP initiative as a catalyzing force for the efforts of the various stakeholders in combating poverty. However, we denounce the conditionality imposed by the World Bank and the IMF. We ask that this conditionality be eliminated as it is in contradiction with poverty reduction strategies.

We deplore the conditions surrounding the preparation, implementation, and evaluation of the PRSP, which failed to allow for broad concertation with all partners in general and with civil society in particular, as well as the low level of involvement of grassroots communities.

We acknowledge the legitimate need to accord priority to basic education as a poverty reduction strategy, but ask that forward-looking consideration continue to be given to providing the poor with the skills and capacities to effectively emerge from poverty and to enable Burkina Faso to compete internationally in an effective manner. We do not believe that basic education in and of itself will enable Burkina Faso to achieve the PRSP target of accelerating broad-based growth, inasmuch as economic growth depends in current times on expertise in science and technology at the highest level.

We resolve to join forces to intensify our day-to-day fight to combat poverty in all its forms.

We trust that the Government will further strengthen its will to combat poverty and to make this struggle a national priority that mobilizes all energies and the greatest possible amount of national resources. This will must be reflected not just in speeches, but in acts.

We emphasize the need to develop and adopt a national gender policy which is essential to ensuring the operational effectiveness of programs to combat the discrimination victimizing certain social groups.

We express serious doubts as to the relevance of the strategy that makes the private sector the driving force for combating poverty. In our opinion, the Government must play a fundamental role in development activities aimed at achieving a significant reduction in poverty.

We voice our serious concern as to the relevance of certain political choices taken in the agricultural area, in particular the promotion of agribusiness with, in consequence, the destruction of the best land held by small farmers, who are destined to become, in the best of cases and in the near future, simple agricultural laborers who have no real future. The same holds true as regards our country's recent undertaking with respect to experimentation with genetically modified organisms (GMOs) in cotton production. This raises all the more concerns in that even European countries are displaying reluctance to embark headlong into this transgenic adventure in view of the insufficient knowledge about the effects of these transgenic organisms on the environment and on human and animal health. Given the precarious nature of our ecosystem and of our technical, scientific, and material resources, we should be all the more cautious, if not to say wary. Moreover, our country's total dependence on seed marketed by multinational agribusiness firms driven more by profit than by solving the problems of production and poverty must be taken into account.

We duly note the legislative and institutional measures taken to ensure good governance, as well as participation in democratic national and local life, and the transparent management of public resources. However, we wish to observe that these measures are only theoretical, that the political stakeholders are not playing their role of educating the people, and that the management of public resources is working at cross purposes with the principle of poverty reduction, which requires level-headed and exemplary behavior on the part of leaders. We note that many acts of economic crime go unpunished, thereby calling into question the Government's genuine desire to combat poverty and undercutting the other stakeholders in national socioeconomic life. Thus, as regards the funds from the Heavily Indebted Poor Countries (HIPC) Initiative, funds targeted specifically toward the poor, we seek transparent management. In particular, we seek to have access to information on the resources gathered and the expenditures made.

We ask that the debt contracted by our country no longer be the concern of just the Government, but of all the people, through a control mechanism independent of the National Assembly. Moreover, considering that the debt poses an enormous obstacle to the development of poor countries and that it has been paid back many times over, we demand that it purely and simply be canceled.

We promise to strengthen our technical and organizational capacities with a view to contributing effectively to defending the strategic interests of grassroots communities. We further undertake to build our own capacities for lobbying and arguing in favor of a genuine impact of PRSP outcomes on the people.

In conclusion, we observe that civil society is pleased by its involvement in the PRSP revision process. However, this does not suffice, for building a country's future is an ongoing that involves all stakeholders. For these reasons, civil society insists that the poverty reduction effort be part of a common vision of the future, the future of all components of our society. Civil society hence seeks that the Government involve it on a lasting basis in the preparation, implementation, and defense of development policies benefiting the Burkinabè population. However, above and beyond our commitment alongside that of the other stakeholders, we, the civil society organizations, with the people at the grassroots, affirm that "**Looking ahead, if we don't get more, we're out!**"

Done in Ouagadougou, July 30, 2003

The Forum

#### **1.4 THE PRSP PROGRAMS AND STRATEGIC PILLARS**

The results of the survey on national aspirations, and those of the participatory survey on evaluating poverty and the Burkinabè survey on household living conditions (July 2003), as well as the structural analysis of the forward-looking national study known as "Burkina 2025," all indicate that the major challenge facing Burkina Faso is reducing the poverty of its people, their vulnerability to crises of any kinds, and the inequality among the various regions and socioeconomic groups. To meet this aim, the poverty reduction strategy targets reconciling

the needs for structural reform and economic recovery with the objectives for income growth among the poor and transfers to the poorest. However, bearing in mind the limited resources at its disposal and in an effort to be realistic in its approach to the problems, the Government has set forth the following as its development priorities targeting poverty reduction:

- reducing the social deficit;
- promoting rural development and food security;
- improving access by the public, particularly by the poor, to safe drinking water;
- combating HIV/AIDS;
- protecting the environment and improving living conditions;
- developing SMLs/SMEs and small-scale mining;
- strengthening public safety; and
- enhancing national capacities, with particular emphasis on the promotion of new information and communications technologies.

For the incidence of poverty to be reduced significantly, economic growth will have to increase in the years ahead. Such increased growth must:

- create the conditions for improving the living standards of the people, especially the poorest;
- improve the impact and efficiency of public policies, with initial focus on the social sectors;
- base actions on the rational management of natural resources; and
- build upon the introduction of improved governance and better coordination of official development assistance.

Achieving the objectives of the strategic framework will revolve around a number of programs organized around the four strategic pillars set forth below, for which the quantified priority actions are identified in the Priority Action Program (PAP):

**Pillar 1: Accelerating broad-based growth**

- Maintain a stable macroeconomic framework
- Increase the competitiveness of the economy and reduce factor costs
- Support the productive sectors and, in particular, speed up rural development

**Pillar 2: Promoting access to basic social services and social protection by the poor**

- Promote access to education services by the poor
- Promote access to health and nutrition services by the poor
- Promote access to safe drinking water and sanitation by the poor
- Improve the living conditions of the poor: housing
- Guarantee social protection to the poor

**Pillar 3: Increasing employment and income-generating activities for the poor in an equitable manner**

- Decrease the vulnerability of agricultural activity
- Intensify and modernize agricultural activity
- Support producers' organizations and develop collective infrastructures
- Increase and diversify the incomes of rural residents
- Speed up access to isolated areas
- Promote jobs for youths, and vocational training in particular
- Improve the living and working conditions of rural women

**Pillar 4: Promoting good governance**

- Promote political governance
- Promote administrative governance
- Promote economic governance
- Promote local governance.

## II. TRENDS AND DETERMINANTS OF POVERTY

### 2.1 DEFINITIONS OF AND APPROACHES TO POVERTY

Poverty is a polysemous concept that can best be grasped from a multidimensional perspective. The different approaches to poverty complement each other and highlight two essential dimensions of poverty: the monetary dimension, which is measured by income, and the human dimension, i.e. the issue of how resources are distributed among the individuals or groups that make up a society.

#### 2.1.1 Monetary poverty

The concept of monetary poverty essentially falls within the perspective of a quantitative and operational approach designed to provide a general benchmark for classifying individuals according to their level of well-being. There is a predefined level of well-being which, if it is not attained for lack of adequate income, corresponds to a social situation of poverty. The amount of income needed to satisfy this level of well-being is the poverty threshold; any person whose income falls below this threshold is thus considered to be poor.

In view of the practical difficulties in calculating the income of households or individuals, very often well-being is looked at in terms of level of consumption. If total spending on consumption is less than the predefined threshold, then the individual is considered to be poor. The proportion of poor individuals in the total population indicates the incidence or acuteness of poverty.

The poverty threshold (or poverty line) is thus a normative level of expenditure, calculated on the basis of food and nonfood requirements, below which individuals are considered to be poor.

The incidence of poverty is the proportion of poor persons (i.e. persons with a level of expenditure below the poverty line) within the total population.

Other equally important indices serve to characterize and analyze monetary poverty by taking into account the distribution of individual incomes in relation to the threshold. This particularly concerns the depth and severity of poverty.

#### **BOX 4: Poverty, a polysemous and multidimensional concept**

According to Mamphela Ramphele, poverty "...is not only lack of money. It is fundamentally about control over one's destiny... The whole issue about rights is not about putting money in somebody's hands. It is about creating space for people to be able to assert their rights, to be able to feel that their dignity is recognized, and to be able to act as historical agents willing and able to shape and the future of our common humanity."

According to Deepa Narayan, "While social exclusion and poverty are distinct concepts, they are deeply interconnected. Poor people remain poor because they are excluded from access to the resources, opportunities, information, and connections the less poor have. For poor people in developing countries, this translates into inter-generational poverty. In addition, poverty is socially stigmatized, making it even harder for poor people to gain access to the networks and resources they need for survival. This vicious cycle is difficult to break. Being disconnected from powerful institutions limits the information that the poor have about entitlements, scholarships for children, and their own earnings."

Analysis of the poverty profile of Burkina Faso, an exercise initiated in 1994 and now in its third edition, has the objective of targeting especially underprivileged groups, based on a number of indicators (income, expenditure, satisfaction of needs, and access to basic services such as healthcare, housing, and education), and the goal of thereby increasing the effectiveness of poverty reduction efforts, identified as a priority by international institutions, particularly the World Bank (1990). Two basic approaches or instruments have been used for this purpose.

The first is the absolute or nutritional approach, based on the caloric consumption required by a normal adult: this approach made it possible to establish an "absolute" threshold of poverty, which can be used to measure both the extent (the number of persons who fall below the threshold) and the depth (the proportion of the threshold to be transferred per individual in order to eliminate absolute poverty). This approach divided the population into two large groups: the poor and the non-poor.

The second is the relative approach (in this case, by quintile or fifth of the population, broken down by level of expenditure): this made it possible to look at the variations and gradations of poverty between groups at different expenditure levels. This is the approach generally used, with terms such as "poorer" and "less poor" or "non-poor" used to designate the categories at the extremes. The first quintile designates the poorest, and the fifth quintile the non-poor, while the in-between quintiles refer to different variations in the degree of poverty.

Maurizia Tovo (1995) clearly delineates the distinctions between and the respective advantages and drawbacks of these two approaches. According to her, an absolute poverty threshold can be calculated on the basis of the income needed to satisfy the minimum nutritional requirements, taking into account the dietary habits of people and other basic expenditures (clothing, fuels, household articles and implements).

The depth or scope of poverty is the average distance separating the incomes of poor persons from the poverty line. This index serves to determine the theoretical amount of resources needed to eliminate poverty.

The severity or gravity of poverty is a measurement of the dispersion (i.e. spread) of incomes of poor persons in relation to the average distance separating them from the poverty line.

#### **Box 4 (continued)**

Inasmuch as estimating a threshold of absolute poverty involves highly complex (and often controversial) calculations, a relative poverty threshold can be used as a way to classify in the category of the poor any individual situated below a certain level of consumption, determined in arbitrary fashion; the concept of a relative poverty threshold is not an ideal tool, but it does provide essential information for determining measures to be taken and for targeting poverty reduction programs.

The World Bank (1990) noted "The perception of poverty has evolved historically and varies tremendously from culture to culture. Criteria used for distinguishing poor from non-poor tend to reflect specific national priorities and normative concepts of welfare and rights. In general, as countries become wealthier, their perception of the acceptable minimum level of consumption—the poverty line—changes."

### **2.1.2 Human poverty**

In addition to manifestations linked to insufficient income, there are other aspects of poverty such as lack of access to productive resources, lack of access to certain social services (education, healthcare, safe drinking water, housing, etc.), social exclusion, lack of participation in community life, etc. These different aspects were identified at the World Summit for Social Development in Copenhagen on the "eradication of poverty" and then taken up and examined more closely by the United Nations Development Programme in order to formalize the concept of human poverty.

This concept of human poverty, which falls within the perspective of a qualitative approach to poverty, is essentially based on a lack or deprivation of capacities, ranging from the material sphere to the most complex social spheres.

The multiple faces of poverty—exclusion, marginalization, discrimination, vulnerability—indicate that poverty is no longer a purely economic and social matter: it constitutes a violation of human rights. Poverty and, more generally, inequality place social stability at risk and represent a threat to fundamental liberties from a civil and political standpoint. And, in reciprocal fashion, the elimination of all forms of discrimination and marginalization can mightily contribute to eradication of many of the root causes of poverty.

In addition to the characteristics emphasized above, as a less developed country (LDC), Burkina Faso is subjected to systemic causes of poverty as a result of globalization and unequal trade (agricultural subsidies in rich countries). Also, the need to take into account the different approaches to poverty has led the Government to undertake a number of investigations since 1994 with the goal of adequately targeting individuals affected by poverty and making use of a broad range of tools in order to fight poverty more effectively. The most important research efforts are:

- the priority surveys on household living conditions conducted in 1994, 1998, and 2003;
- the qualitative surveys on perceptions of poverty, called "participatory poverty assessment surveys," conducted in 1998 and 2003;
- the socioeconomic studies related to the public expenditure reviews and those related to the accessibility of essential social services (healthcare and education) conducted on a regular basis since 2000.

These studies have highlighted the massive nature of poverty affecting a majority of the Burkinabè population. In 1998, for example, 62 percent of households lived below the poverty threshold when issues of vulnerability and the precarious living conditions of a substantial segment of the population, specifically rural households, were taken into account. The scope of this poverty thus requires a more vigorous approach than would be required for residual poverty. Indeed, at this level, therapies must reach a certain threshold in order to produce cumulative effects likely, over time, to make the phenomenon residual.

## 2.2 CHARACTERISTICS AND DYNAMICS OF POVERTY

### 2.2.1 Household expenditure

The results of the Burkinabè survey of household living conditions conducted in 2003 indicate that the average level of expenditure per household is roughly CFAF 866,381, i.e. a monthly expenditure of CFAF 72,198. Of this amount, 47.9 percent is devoted to food, while the remaining 52.1 percent goes to nonfood expenditures. Cereal products account for the largest share of household spending on food items (48.9 percent).

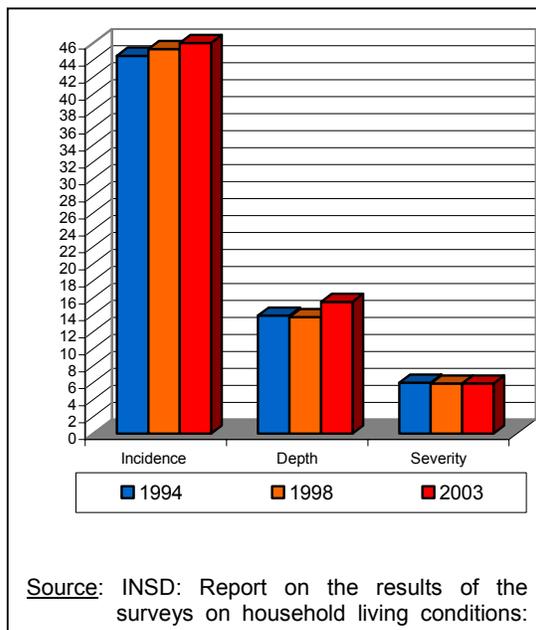
### 2.2.2 Poverty threshold and indices

Based on the results of the survey conducted in 2003, the absolute poverty threshold works out to CFAF 82,672 per person per year. This means that the proportion of the Burkinabè population living below the poverty line comes to 46.4 percent, i.e. an increase of 1.9 point compared to 1994 (44.5 percent) and 1.1 point compared to 1998 (45.3 percent).

The scope of poverty underwent a slight increase after a period of relative stabilization between 1994 and 1998. The depth of poverty went first from 13.9 percent in 1994 to 13.7 percent in 1998, then to 15.5 percent in 2003. In contrast, severity remained stable throughout the period, ranging from 6.0 percent in 1994 to 5.9 percent in 1998 and 2003.

Figure 1 tracks changes in the poverty indices in 1994, 1998, and 2003.

**Figure 1: Changes in poverty indices since 1994**



### 2.2.3 Poverty and household expenditure

The structure of household expenditure shows that, among the poor, spending is largely devoted to the acquisition of food products; close to two-thirds of all spending by poor households, versus 43.3 percent in the case of the non-poor, goes into purchases of food products. Home-consumed production is also a major item for the poor, representing 51 percent of their food expenditures. Cereal expenditures by the poor are even higher, accounting for 55 percent of their total spending on food products, including 42 percent for millet and sorghum.

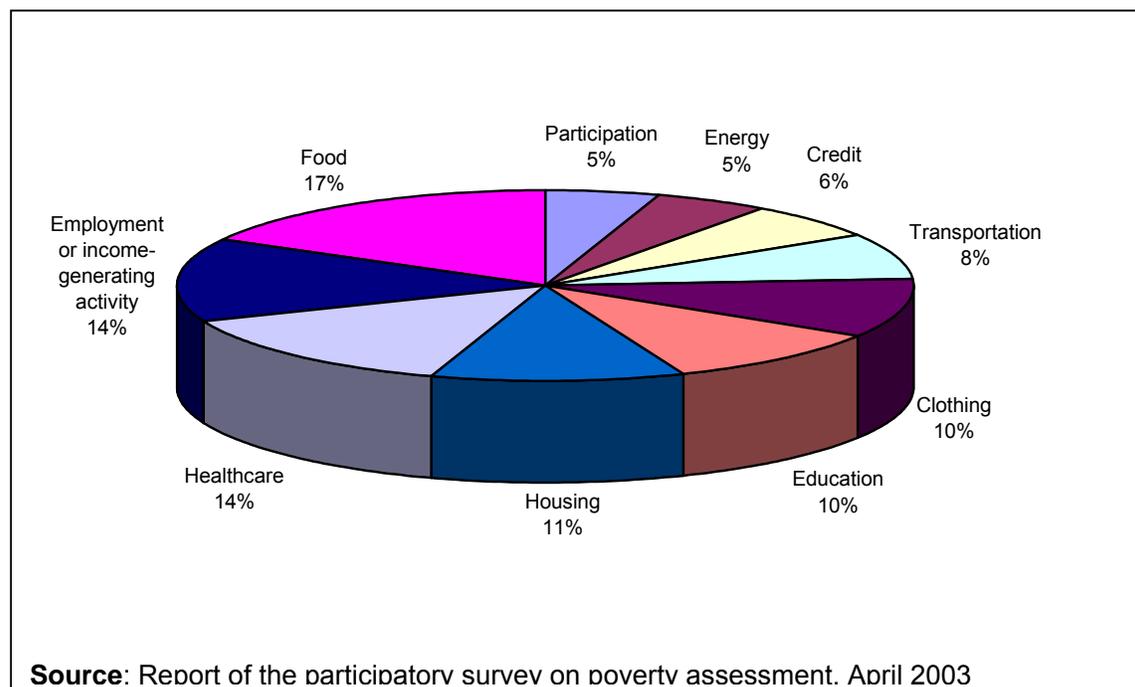
In the case of nonfood expenditure, home-consumed production by poor households accounts for 41.2 percent, versus just 17.7 percent for the non-poor. Rent, wood and charcoal, soap, spending on various ceremonies, and healthcare are the largest expenditure items for poor households. Among non-poor households, rent is the largest expenditure item, but the non-poor allocate more resources to healthcare than to the various ceremonies, the third largest item.

### 2.2.4 Perception of the status of poverty

According to the results of the participatory surveys on perceptions of the dimensions of well-being, poverty, and the accessibility of basic social services in urban and rural areas, conducted in 1998 and 2003, poverty, particularly economic poverty, is reflected at the individual level in the non-satisfaction of essential needs such as those for food, clothing, and housing. At the collective level, on the other hand, it is reflected in the absence of favorable natural factors and the emergence of famine and epidemics. In addition, the absence of a safe environment (public security), the lack of socioeconomic infrastructure (schools, markets, clinics, etc.), the isolation of certain areas, and the weakness of the means of

transportation accentuate this notion of collective poverty experienced by populations (see Figure 2).

**Figure 2: Componential diagram of frequency of mention of the ten leading perceptions of poverty at the individual level in 2003**



The diagram clearly shows that, at the individual level, the three leading perceptions of poverty concern, in order, food, employment or income-generating activities, and healthcare. This ranking and the elements of perception confirm the economic and human dimensions of poverty and lend support to the idea that analysis of this phenomenon can and should rely on an approach that integrates both these dimensions.

The perceptions held by populations regarding the determinants of their situation of poverty are clear, but the main factors of poverty are ranked differently depending on the area of residence.

In urban areas, the ten leading factors of poverty, in order of importance, are unpredictable climatic conditions, weak purchasing power, old age, large family, laziness or lack of initiative, lack of good governance, physical handicap, theft, death of a spouse, and chronic poverty. In rural areas, the list is as follows: laziness or lack of initiative, permanent failure, physical handicap, social decline, chronic poverty, weak purchasing power, social and cultural constraints, absence of NGOs or aid projects, large family, and difficulty in planning.

Finally, spatial analysis of the results of the survey on the participatory poverty assessment (April 2003) reveals nuances between different regions of Burkina Faso. Thus, the populations of the south central region emphasize the problems of healthcare and unemployment and those of the eastern region stress the lack of security, while the populations of the central plateau are preoccupied with the inaccessibility of social services and those of the Sahel cite illiteracy. It also reveals differences of perception on the part of specific groups such as street children and children who do not attend school, who stress the lack of jobs and income-generating activities, the absence of solidarity, the large size of the family, poor origins, and the intergenerational social reproduction of poverty.

Overall, weak purchasing power, the burden of a large family, and the lack of initiative appear to be important causes in both urban and rural areas. Although the causes and determinants are not indicated and analyzed, and the available data do not express differences in perceptions of poverty by gender (men/women, young/old, etc.), it is evident

that the perceptions of households often dictate their behavior. They should therefore be taken into consideration in defining a poverty reduction strategy.

### 2.2.5 Analysis of poverty by area of residence

Poverty has become more pronounced in urban areas, in terms of both incidence and depth and also in terms of its contribution to the overall national incidence of poverty. All the indices relating to urban areas practically doubled between 1994 and 2003.

The incidence in urban areas grew by 3.4 percentage points between 1998 and 2003, from 16.5 percent to 19.9 percent, whereas it stood at just 10.4 percent in 1994.

The depth of urban poverty was 2.5 percent in 1994, then increased to 4 percent in 1998 and 5.5 percent in 2003.

The severity of poverty in urban areas rose from 0.9 percent in 1994 to 1.5 percent in 1998 and 2.2 percent in 2003.

Lastly, the contribution of urban poverty to the overall incidence of poverty rose from 3.8 percent in 1994 to 7.8 percent in 2003; in 1998, it stood at 6.1 percent.

Table 1 gives the poverty indices based on area of residence from 1994 to 2003.

**Table 1: Poverty indices (%) based on area of residence from 1994 to 2003**

Poverty indices	1994	1998	2003	Change 1994-1998	Change 1998-2003
<b>Incidence</b>					
Urban	10.4	16.5	19.9	+ 6.1	+3.4
Rural	51.0	51.0	52.3	0	+1.3
National	44.5	45.3	46.4	+ 0.8	+1.1
<b>Depth</b>					
Urban	2.5	4.0	5.5	+1.5	+1.5
Rural	16.1	15.7	17.9	-0.4	+2.2
National	13.9	13.7	15.5	-0.2	+1.8
<b>Severity</b>					
Urban	0.9	1.5	2.2	+0.6	+0.7
Rural	7.0	6.8	6.8	-0.2	0
National	6.0	5.9	5.9	-0.1	0
<b>Contrib. (C<sub>0</sub>)</b>					
Urban	3.8	6.1	7.8	+2.3	+1.7
Rural	96.2	93.9	92.2	-2.3	-1.7
National	100	100	100		

Source: INSD, Poverty analysis reports, 1994, 1999, and 2003.

Despite the substantial worsening of urban poverty, poverty in Burkina Faso remains a mostly rural phenomenon. Indeed, as in 1994 and 1998, the results of the Burkinabè survey of household living conditions indicate that the incidence in rural areas is greater than 50 percent (52.3 percent in 2003 versus 51 percent in 1994 and 1998).

This increased incidence in rural areas between 1998 and 2003 was accompanied by an increase in the depth of poverty, stabilization of the index related to severity, and a drop in the contribution to national poverty. The depth of poverty in rural areas rose from 15.7 percent in 1998 to 17.9 percent in 2003, although it had declined by 0.4 percentage point in 1998 in comparison to 1994. This increase in the gap between the average income level of the poor in rural areas and the poverty threshold probably signals an increase in long-term poverty in rural areas, which still accounted for 92.2 percent of the overall national incidence of poverty in 2003.

### 2.2.6 Analysis of poverty by region

The Burkinabè survey of household living conditions in 2003 relied on the 13 administrative and planning regions established by Law No. 013-2001/AN of July 2, 2001 on decentralization for the production and representativeness of the data.

Spatial analysis of poverty on this basis serves to classify the regions into three groups (see Table 2):

- the first group includes the regions most affected by poverty, with a rate of incidence well above the national level. The northern, south central, central plateau, Boucle du Mouhoun, east central, and southwestern regions belong to this group;
- the second group consists of regions where the incidence of poverty is close to the national average. The west central, eastern, and Cascades regions are all part of this group;

- finally, the third group consists of regions that are relatively less affected by poverty. The Hauts Bassins, Sahel, north central, and central regions fall within this group.

In general, an area's contribution to national poverty is related to the size of its population and the incidence of poverty in the area. Thus, an area may contribute significantly to national poverty if its population is large or if its population is poor.

The Boucle du Mouhoun, northern, and east central regions thus contribute the most to national poverty with respective  $C_0$  indices of 15.9, 12.7, and 9.8 percent (regions with large populations and a high incidence of poverty). They are followed by the Hauts Bassins (8.1 percent), west central (7.7 percent), central plateau (7.6 percent), and eastern (7.5 percent) regions (regions with large populations and a low incidence of poverty). The regions that contribute the least to national poverty are the Cascades (3.1 percent), Sahel (4.6 percent), and central (4.9 percent) regions (regions with a low incidence of poverty).

**Table 2: Poverty indices by administrative region in 2003**

Regions	Incid. $P_0$	Contrib. $C_0$	Depth $P_1$	Contrib. $C_1$	Sev. $P_2$
Hauts Bassins	34.8	8.1	10.6	7.3	4.5
Boucle du Mouhoun	60.4	15.9	21.3	16.6	9.6
Sahel	37.2	4.6	12.6	4.7	5.8
East	40.9	7.5	12.3	6.7	5.3
Southwest	56.6	6.0	17.5	5.5	7.3
North central	34.0	6.0	8.2	4.3	2.8
West central	41.3	7.7	14.1	7.8	6.8
Central plateau	58.6	7.6	20.3	7.8	9.5
North	68.6	12.7	24.7	13.6	11.8
East central	55.1	9.8	19.7	10.4	9.1
Center	22.3	4.9	7.1	4.6	2.9
Cascades	39.1	3.1	14.6	3.4	7.4
South central	66.1	6.1	26.0	7.2	13.5
<b>Burkina Faso</b>	<b>46.4</b>	<b>100</b>	<b>15.6</b>	<b>100</b>	<b>7.1</b>

Source: INSD, Results of EBCVM, 2003

Analysis of changes in the status of poverty in the different regions hinges on a qualifying observation as to the comparability of the data on each region from the three survey periods (1994, 1998, and 2003). The 1994 data were in fact produced on the basis of the country's seven agro-climatic regions (north central, south central, east, north, west, southeast, and south).

The 1998 survey was based on the ten planning regions of the Ministry of Economy and Finance: central (corresponding to the current central and south central regions), east central, north central, west central, east, north, northwest (corresponding to the current region of Boucle du Mouhoun), west (corresponding to the current Hauts Bassins and Cascades regions), Sahel, and southwest.

The Burkinabè survey of household living conditions in 2003, on the other hand, yielded results that refer to the 13 administrative and planning regions, as indicated above.

In 1998, for the purposes of comparative analysis, the data on the ten economic regions were reprocessed based on the six agro-climatic areas. This led to the observation of a change in the poverty map stemming from a substantial regression in the incidence of poverty in the agro-climatic regions of the south, southeast, and north, by nearly 8 percentage points, and a significant increase in the south central area and, to a lesser extent, the west. The analysis indicated that the regional disparities are due to major differences in the availability of natural resources (water, fertile land, environment) that often determine the types of crops. Furthermore, heavy population pressure combined with a very fragile ecosystem makes the issue of poverty crucial in certain areas, especially the north central, south central, and southeastern regions.

**Map 1: Incidence of poverty by agro-climatic region in 1994 and 1998**



**Key:** INCIDENCE OF POVERTY BY AGRO-CLIMATIC REGION IN 1994 AND 1998  
1994 incidence in red; 1998 incidence in black

Additional studies show that changes in the incidence of poverty in the different regions of Burkina Faso between 1998 and 2003 can be used to group the regions into three categories (see Table 3 and Map 2):

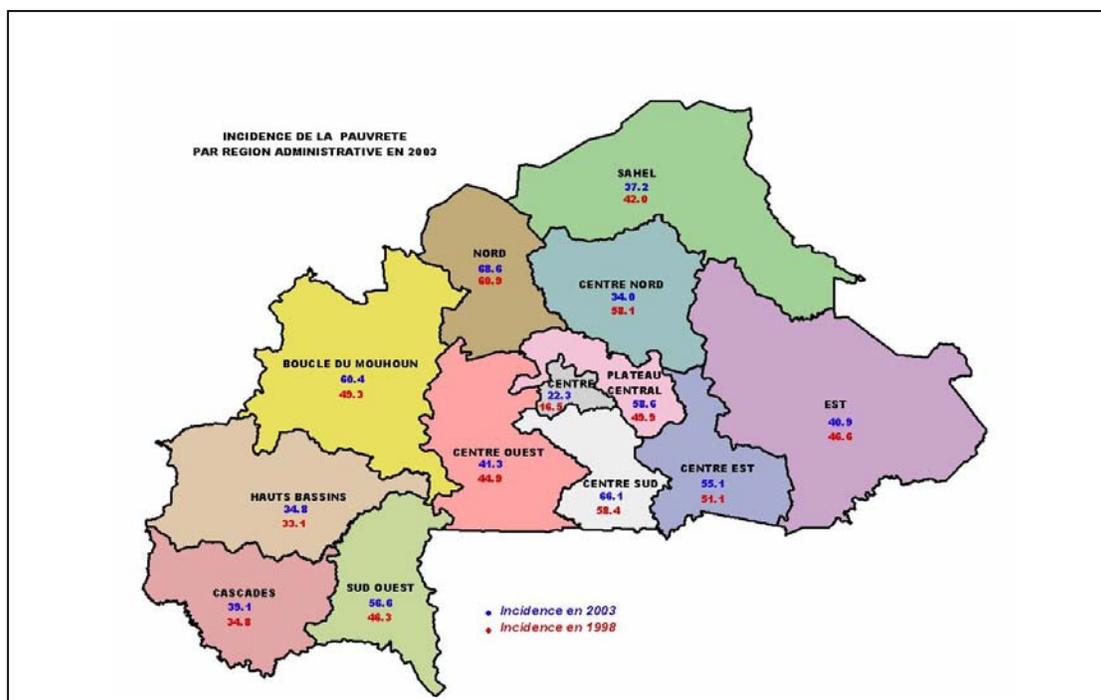
- regions where the incidence of poverty declined during this period: north central, which had the sharpest decline, east, Sahel, and west central;
- regions where the incidence rose by fewer than 5 percentage points: Hauts Bassins, east central, and Cascades;
- regions where the incidence rose by more than 5 percentage points: center, south central, north, central plateau, Boucle du Mouhoun, and southwest.

**Table 3: Changes in the incidence of poverty by region from 1998 to 2003**

Categories of regions	Regions	Incidence (%)		Change 1998-2003
		1998	2003	
Category 1	North central	58.1	34	-24.1
	East	46.6	40.9	-5.7
	Sahel	42.2	37.2	-5
	West central	44.9	41.3	-3.6
Category 2	Hauts Bassins	33.1	34.8	1.7
	East central	51.1	55.1	4
	Cascades	34.8	39.1	4.3
Category 3	Center	16.5	22.3	5.8
	South central	58.4	66.1	7.7
	North	60.9	68.6	7.7
	Central plateau	49.9	58.6	8.7
	Boucle du Mouhoun	49.3	60.4	11.1
	Southwest	44.9	56.6	11.7
<b>Burkina Faso</b>		<b>45.3</b>	<b>46.4</b>	<b>1.1</b>

Source: Jean-Pierre LACHAUD, "Pauvreté et inégalité au Burkina Faso: Profil et dynamique," 2003.

**Map 2: Incidence of poverty by administrative region in 1998 and 2003**



**Key: INCIDENCE OF POVERTY BY ADMINISTRATIVE REGION IN 1998 AND 2003**  
*Incidence in 2003 (blue) / Incidence in 1998 (red)*

**2.2.7 Analysis of poverty by gender**

The Burkina Faso Survey of Household Living Conditions (EBCVM) indicates that the level of discrimination between women and men, which can be expressed by the disparity in the incidence of poverty, is 1.4 percentage point in favor of men. Women also contribute more than men to the overall incidence of poverty at the national level (52 versus 48 percent), and the severity of poverty is slightly higher for women than for men.

**Table 4: Poverty indices by gender in 2003**

Poverty indices	Incid. P <sub>0</sub>	Contrib. C <sub>0</sub>	Depth P <sub>1</sub>	Contrib. C <sub>1</sub>	Sev. P <sub>2</sub>
<b>Gender</b>					
Female	47.1	52	15.9	52.3	7.3
Male	45.7	48	15.3	47.7	6.9
<b>Gender of household head</b>					
Female	36.5	4.1	12.7	4.3	5.7
Male	46.9	95.9	15.8	95.7	7.2
National	46.4	100	15.6	100	7.1

Source: INSD, Results of EBCVM, 2003.

However, it turns out that households headed by men are the poorest (46.9 percent versus 36.5 percent in the case of households headed by women). This situation is explained by, among other factors, the large size of households headed by men (see Table 4).

The lag in school enrollment for girls poses an obstacle to women’s participation in the modern sector, where educated women make up roughly 21 percent of the work force in general government and just 5 percent of the work force in private companies of the modern sector. With respect to leadership in public life (i.e. the political sphere), progress has clearly been made, yet women remain underrepresented in the Parliament, in the Government, and at senior levels of central and communal government services. In 2000, for example, 11,206 out of a total of 44,316 civil servants were women, i.e. 25.3 percent. In 2003, there were:

- 4 women ministers out of 30 (13.3 percent);
- 13 women deputies out of 111 (11.7 percent);
- 50 women magistrates out of 200 (25.0 percent);
- 4 women secretaries-general of provinces out of 45 (8.9 percent);

- 5 women high commissioners out of 45 (11.1 percent);
- 5 women ambassadors out of 25 (20.0 percent);
- 3 women mayors out of 57 (5.3 percent).

The health status of women is characterized by high morbidity and mortality. Direct causes such as hemorrhages and infections are responsible for roughly 72 percent of all cases of maternal death. In addition, it has been established that 55 percent of pregnant women are anemic. Nationwide, only 38.4 percent of pregnant women receive a prenatal consultation. Because of the frequency of childbirth in unhygienic conditions, the rate of prenatal mortality was 126 per thousand in 1995. The factors underlying the health status of women include not only ignorance and poverty, but also the burden of domestic activities, harmful traditional practices, and inadequate sanitation and safe drinking water supply.

Socioeconomic conditions and sociological and cultural constraints often dictate women's limited participation in economic and public life, particularly as a result of difficulties of access to land and credit. With help from NGOs, women's cooperatives are raising vegetables and producing handicrafts. However, these activities have low productivity owing to a lack of support services and access to credit.

The inadequacy of the institutional mechanisms set up to grant loans to women prevents them from benefiting from credit facilities. To improve the socioeconomic conditions for women, a network of financial institutions needs to be created that is capable of attracting savings and recycling them for investment purposes by extending medium- and long-term loans to women.

The literacy rate for women in Burkina Faso (12.9 percent) is half the rate for men (24.8 percent). This disparity is found in all social categories but is much more pronounced in the poorest categories. Thus, for example, the literacy rate for women in the top standard-of-living quintile (the least poor) was 33.5 percent in 1994, versus 53.8 percent of men, while the respective rates were just 3 percent and 10.8 percent in the lowest standard-of-living quintile (the poorest).

In summary, women have limited access to healthcare and to employment and credit opportunities and they participate less in the nation's political life and in the decision-making process. All these factors bear upon their level of poverty, just as they bear upon and expand the general population's level of poverty due to the decisive role played by women in production, healthcare, hygiene, nutrition, and education of children. There is thus an urgent need to speed up the task of boosting the literacy rate for women.

## 2.2.8 Analysis of poverty by socioeconomic group

The analysis by socioeconomic group distinguishes nine categories based on the status of the head of household. Table 5 indicates the incidence of poverty for the different groups in 1998 and 2003. In 2003, as in 1998, food crop farmers and cash crop farmers were the two socioeconomic groups whose monetary circumstances were most precarious.

The incidence of poverty rose from 53.4 percent in 1998 to 55.5 percent in 2003 for the first group, i.e. an increase of 2.1 points, while for the second group the incidence rose from 42.4 percent in 1998 to 45.5 percent in 2003. Over the same period, the incidence of poverty also increased for wage-earners in the formal private sector (11.3 percent in 2003 versus 1.1 percent in 1998) and for self-employed nonfarm workers (12.7 percent in 1998 and 21.5 percent in 2003). In contrast, the incidence of monetary poverty declined for wage-earners in the public sector, wage-earners in the informal private sector, family helpers and apprentices, the unemployed, and the economically inactive.

**Table 5: Incidence of poverty by status of household head**

Status of household head	1998	2003
Public sector wage-earners	5.9	4.4
Formal private sector wage-earners	1.1	11.3
Informal private sector wage-earners	16.2	14.8
Self-employed nonfarm workers	12.7	21.5
Cash crop farming	42.4	45.5
Food crop farming	53.4	55.5
Family helpers and apprentices	29.3	4.5
Unemployed	30.0	28.3
Economically inactive	41.3	34.5

Source: Jean-Pierre LACHAUD, "Pauvreté et inégalité au Burkina Faso: Profil et dynamique," September 2003

The precarious situation of food crop farmers is the result of several factors, including:

- a lack of information on prices and new outlets;
- limited marketing opportunities owing to the inadequate transport infrastructure and widespread home-consumed production;
- limited access to existing inputs to boost productivity;
- scarcity and poverty of land suitable for cultivation;
- limited access to educational, healthcare, training, and extension services.

Cash crop farmers also suffer from a weak supply of human capital. The various policies on price liberalization, institutional restructuring, and investment do not yet appear to have revitalized rural areas to the benefit of cash crop farmers.

## 2.3 ANALYSIS OF THE DETERMINANTS OF POVERTY

Understanding the dynamics of poverty necessarily involves investigations concerning the relationship that exists between poverty and well-being, economic growth, and inequality.

### 2.3.1 Growth, well-being, inequality, and poverty

Generally speaking, the links between growth and poverty indicate that one increases when the other declines. In other words, growth implies a reduction in poverty. Although this trend does not reveal a cause-and-effect relationship between the two phenomena, it does appear that growth promotes poverty reduction to some extent even if growth is not always the sole reason for the reduction. Growth alone is certainly not sufficient to force a decline in poverty, but the need for growth is justified by the fact that wealth must be created in order to raise the general income level and well-being of the population. For growth to be a powerful tool in poverty reduction, issues of disparity and inequality need to be resolved. Once this condition is satisfied, poverty reduction in and of itself becomes a real stimulant for growth through:

- the development of entrepreneurship and risk-taking, both of which are essential for growth;

- improved mobility of individuals as a result of access to more productive resources;
- improvements in human productivity and in the distribution and utilization of socioeconomic investments.

During the period 1991-2002, Burkina Faso recorded average annual economic growth of 5 percent in real terms. During the period of the PRSP (2000-2002), the average growth rate was 4.3 percent. These results fall well shy of the objectives initially set with a view to triggering a substantial improvement in the living standards of the people. In fact, the expected growth rate was around 7 or 8 percent, corresponding to an increase in per capita GDP on the order of 4 or 5 percent, which could cause per capita income to double in the space of 15 years.

With respect to disparities, the results of the 2003 survey on household living conditions show a reduction in per capita expenditure disparities between 1994 and 2003: the Gini coefficient concerning the level of per capita spending by households fell from 0.560 in 1994 to 0.530 in 1998 and 0.506 in 2003. However, this reduction pertains more to rural areas than to urban areas. In fact, the survey also shows a trend toward greater disparities in urban areas (+2.8 percent) and a decline in disparities in rural areas (-3.3 percent) between 1994 and 2003. All these factors tend to reinforce the disparities between rural and urban areas, which have become less homogeneous over the last ten years.

In terms of the concentration of spending, the value of the Gini coefficient (0.46) indicates an average concentration, but in reality there are great disparities in spending: 50 percent of the population spends less than a quarter of the total amount of spending, while less than 25 percent of the population spends more than 50 percent of the total amount.

At the regional level, between 1998 and 2003, the west central, south central, western, Boucle du Mouhoun, southwestern, and east central regions also showed a reduction in disparities, while the remaining regions were characterized by an increase. However, the changes in disparities within the different regions cannot be directly attributed to the dominant economic activity and changes in the poverty level, because the regions that showed a reduction in disparities are quite diverse in terms of economic activity.

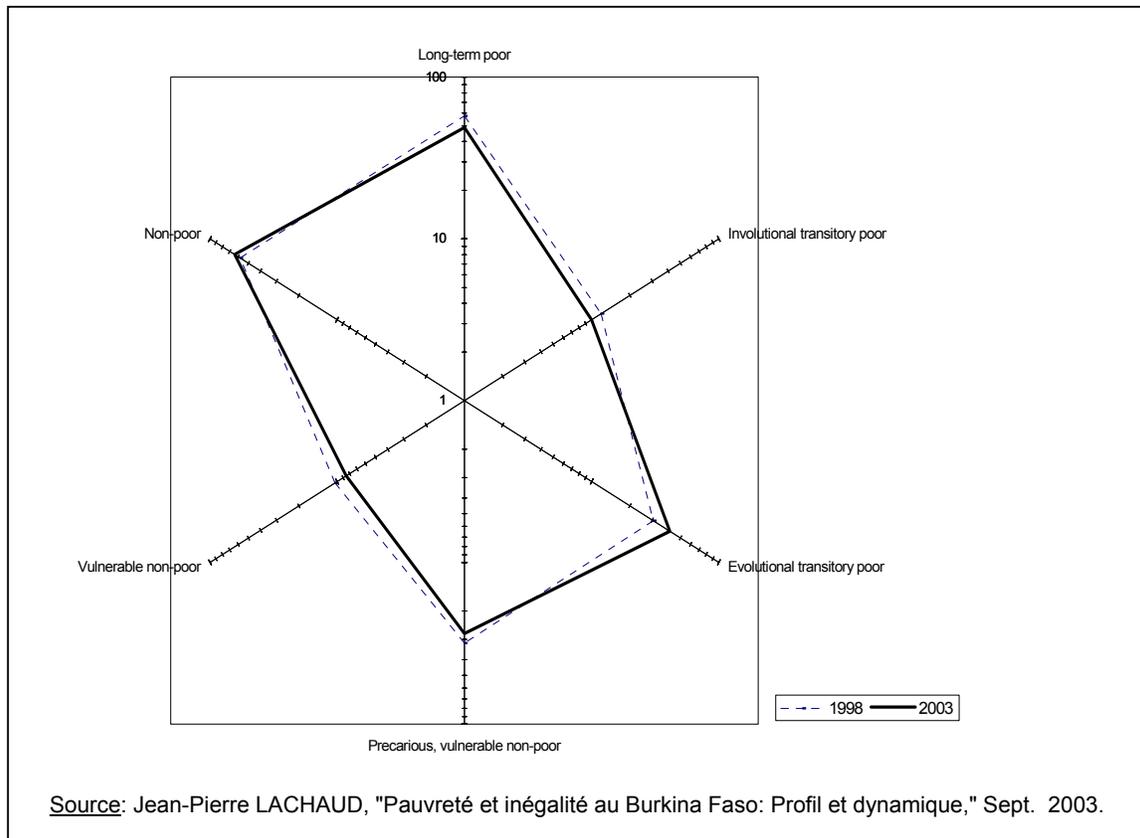
The Hauts Bassins and Boucle du Mouhoun regions, for example, are characterized by cash crop farming, while subsistence agriculture is dominant in the south central and east central regions.

Similarly, the regions where disparities grew also have diverse characteristics: cash crops in the Cascades region, stockraising in the north central and Sahel regions, food crops in the northern and central plateau regions, and farming and stockraising in the eastern region. The eastern region recorded a strong decline in the incidence of poverty, while the south central region, despite a reduction in disparities, showed an increase in the incidence of poverty.

### **2.3.2 Poverty and vulnerability of households**

The study on trends in poverty and vulnerability indicates that the increase in the phenomenon of poverty is primarily attributable to transitory poverty. The results displayed in Figure 3 indicate that, overall, the increase in poverty in Burkina Faso between 1998 and 2003 is due to the number of transitory and evolutionary poor. This number has increased much more than the number of long-term poor, which is in relative decline. This worrisome situation signifies an increase in the vulnerability of poor, and perhaps even non-poor, social groups. It raises the necessity of addressing the issue of the vulnerability of populations in the different strategies.

**Figure 3: Changes in poverty and vulnerability in terms of individuals between 1998 and 2003**



As regards the vulnerability of households, of course, urban poverty is not always well known, but the increase in the incidence of poverty in urban areas highlights the trend toward the urbanization of poverty (see Table 1).

Inasmuch as one-third of the Burkinabè population will live in urban areas by 2025, there is an urgent need to address this situation and the growth in urban poverty. In fact, the scope and general character of the phenomena of poverty and impoverishment require that steps be taken to set in place a dynamic and forward-looking mechanism of social protection against social risks and vulnerability, with the active participation of all segments of the Burkinabè population.

**BOX 5: The concept of vulnerability according to the World Bank**

According to the report of the pilot study on social risks and vulnerability in Burkina Faso, conducted under the auspices of the World Bank, "to be poor does not only mean having a low level of consumption, education, and healthcare.

"As the evidence clearly shows, it also means having fear of tomorrow and worrying about a crisis that might appear at any moment, without knowing whether one has the capacity to withstand it. This sword of Damocles is the daily lot of the poor, and it is quite possible that the changes taking place today in trade flows, technology, and climate will only heighten the dangers. The poor are very often among the most vulnerable elements of society, because they are most exposed to all sorts of risks.

"Their limited income keeps them from building up savings or accumulating assets, which leaves them unprotected in the event of a crisis. Economic growth helps to mitigate the potential danger, since it becomes easier to manage risks when income increases. But, whatever the circumstances, the poor are less vulnerable when they have mechanisms available to limit or lessen the risks, or to confront them."

Thus, for example, the north central region, where the incidence of poverty was 48.9 percent in 1994 (versus a national average of 44.5 percent), experienced an increase to 58.1 percent (versus a national average of 45.3 percent); then, in 2003, this region witnessed a decline in the incidence of poverty (34 percent, versus a national average of 46.4 percent).

## **BOX 6: The determinants of poverty in rural areas of Burkina Faso**

Apart from external transfers that cannot be monitored, the economic performance of a rural resident is the result of two basic elements: total output and the price at which this output can be sold. Total output is essentially of primary origin and includes not only crop production but also the output of other activities, including stockraising and nonfarm activities (handicrafts, processing of agricultural products, etc.). Among other factors, output depends on factor productivity: land, labor, and work tools such as draft animal traction equipment. The price corresponds to the amount that buyers are willing to pay for products and largely depends on market conditions. A rural inhabitant's situation of poverty or well-being is closely tied to the interaction of prices and the productivity of key inputs, as well as to his or her village environment, which can be described in terms of the extent of openness to the world based on the level of functioning of the village and the existence of markets for the basic goods and services necessary for a totally fulfilled life.

**1. Low productivity of farming and nonfarm activities.** Studies have pointed out the low productivity of Burkinabè agriculture. This is reflected in very low yields per hectare, particularly in vulnerable areas with a high incidence of poverty. The low yields per hectare can be explained by the low productivity of labor, exacerbated by the large number of dependents in most households (due to the presence of many young children). Recent survey results indicate that farm income per working individual ranges between CFAF 51,000 in Soum province (representative of the Sahelian zone), CFAF 71,000 in Passoré province (representative of the Sudano-Sahelian zone of the central plateau), and CFAF 89,000 in Bâlé province (representative of the North Guinean zone). The studies also show that nonfarm activities brought in each year per working individual CFAF 15,000 in Soum, CFAF 18,000 in Passoré, and CFAF 37,000 in Bâlé during a period of four months following the harvests of 1998/1999.

The weak factor productivity stems from a number of causes. In general, the tendency toward subsistence farming in the poorest areas limits the scale of production to a very low level, further accentuated by the lack of labor-saving equipment which appears to be a constraint at certain stages of production. Yet this orientation toward subsistence farming is not inevitable. Among immediate explanatory factors, three stand out: (i) the low level of education, one consequence of which is to limit small farmers' field of vision to what is happening in their immediate surroundings; (ii) the incompleteness of the technologies used in vulnerable areas, which are designed primarily for self-sufficiency; these technologies focus on the harnessing of water resources (small dikes, *Zaï*), but they are not complemented by heavy use of inorganic and organic fertilizers; (iii) the absence of a large-scale national policy for disseminating new technologies in vulnerable areas (with the exception of the cotton growing area).

**2. Strong price fluctuations within and between years.** Price fluctuations, with prices actually doubling between the harvest period and the pre-harvest gap, or even between one region and another, are evidence of imperfect markets. Low prices at harvest and rising prices during the months of farm production strongly penalize poor farmers and only increase their poverty. Indeed, the poor are often forced to sell their food crops at harvest in order to meet urgent needs and then must repurchase the same products six to nine months later in the face of food shortages.

A number of factors explain the wide price variations over time and space: (i) high transaction costs due to the fragility of markets, a lack of contracts, and a lack of insurance, creating a situation in which the prices received by farmers deviate sharply from the prices paid by consumers in centers of high demand. These same factors produce a gap between prices at harvest and prices a few months later, by excluding some farmers from the market and thereby rationing supply; (ii) the inadequacy of the infrastructure limits communication between markets and thus arbitrage in support of price levels. One example is the lack of an effective route between producing areas in the western part of the country (the provinces of Kossi, Houët, KénéDougou, and Bougouriba) and the Sahelian region where farm productivity is low (the provinces of Yatenga, Soum, and Séno); (iii) the lack of a price stabilization policy at the national level.

**3. Villages with little connection to the outside world and markets that function poorly.** Producing more than one can consume depends not only on the factors mentioned above, but also on the possible uses of any surplus. The existence of marketable goods arousing needs is necessary to stimulate the creation of a monetary surplus so as to gain access to these products. The rural areas receive few goods and services that enhance the quality of life. This profound lack of a market for modern goods and the distances and difficulties of road communications between villages and supply centers are significant obstacles to increased productivity.

**4. Gender relations tend to limit the agricultural output of certain underprivileged social categories such as women, youth, migrants, etc.** Some of the factors that limit the productivity of such groups are difficult access to land most particularly, the issue of land tenure security, difficult access to the means and techniques of production, and difficult access to extension services.

### **2.3.3 Poverty and socioeconomic characteristics**

#### **2.3.3.1 Education and poverty**

Burkina Faso is still one of the countries where the educational situation remains worrisome. According to the results of the EBCVM, the gross enrollment ratio at the primary level, which was 40.9 percent in 1998, rose to 44.1 percent in 2003. This means that nearly 56 percent of Burkinabè children of school age were still excluded from the system in 2003. However, progress was noted at the start of the 2003/2004 school year, when the gross enrollment ratio rose above the 50 percent mark to 52.3 percent. In addition, there are differences according to area of residence, gender, and administrative region. The gross enrollment ratio is in fact three times higher in the city than in the countryside (101.9 percent versus 34.1 percent). As regards the administrative regions, the central, Hauts Bassins, and west central regions have higher enrollment ratios than the national average, at 94.4 percent, 56.7 percent, and 56.1 percent respectively. The Sahel region has the lowest enrollment ratio, at 22 percent. In terms of gender, the percentage of boys of school age enrolled in the

system exceeds the percentage of girls by 11.4 points: 49.6 percent of boys versus 38.2 percent of girls.

The literacy rate rose from 18.9 percent in 1998 to 21.8 percent in 2003 but, according to the latest MEBA statistics, the rate is now 32.5 percent. The literacy rate is unevenly distributed by gender and by area of residence.

The results of the Burkinabè Survey of Household Living Conditions indicate that the literacy rate of the poor is half the national average and a fourth of the literacy rate of the rich, which is 42.1 percent.

With respect to gender, the survey indicates that the literacy rate for men improved by 2.3 percentage points between 1994 and 2003, rising from 27.1 percent to 29.4 percent; over the same period the literacy rate for women rose by just 1.1 percentage point, from 11.4 percent to 12.5 percent.

As regards area of residence, those living in urban areas are often more literate (56.3 percent) than those in rural areas (12.5 percent). Between 1994 and 2003, the literacy rate in urban areas improved by 9.1 percentage points, compared to an improvement of just 5.9 points in rural areas.

In terms of the administrative regions, the central, western, and west central regions once again had the highest rates, while the south central and Sahel regions recorded the lowest rates in 2003.

For secondary and higher education, in 2003 the gross enrollment ratios at the national level were 15.6 percent and 2.1 percent, respectively. All the trends identified with respect to the literacy rate and the gross enrollment ratio at the primary level are echoed in these findings (see Table 6).

### **BOX 7: The determinants of urban and rural poverty**

In his study on the dynamics of poverty in Burkina Faso—analytical aspects, conducted in September 2001, Jean-Pierre Lachaud highlights several determining factors of poverty in both rural and urban areas: the level of education of the head of household and other adult members of the group, the gender of the head of household, the number of children under 14 in the household, the household head's access to employment, the "marital status and type of household" variable, etc.

Regardless of the area of residence, the education of the head of household and other adult members of the group has a positive influence on a household's per capita consumption: households in which the head or other adult members have attained a high level of education are characterized by greater spending than uneducated households. However, this education level effect would appear to be more pronounced in urban than in rural areas.

With respect to gender, in both urban and rural areas the comparative advantage in terms of well-being favored households headed by men in both 1994 and 1998, but the analysis shows progress during the same period in the living standards of households headed by women. Contrary to educational level, it is in the rural areas that the gender of the household head has the greatest effect on household well-being.

As regards marital status and type of household, groups whose head is married or is running a single-parent family have a high level of well-being. In both urban and rural areas, this variable captures effects related to household size, but the demographic effect of the household is generally expressed through the relative weight of children under 14 and elderly persons.

In both urban and rural areas, the presence of a large number of children under 14 in the household has a negative influence on the household's well-being. The negative effect of the relative weight of children is more pronounced in urban than in rural areas. The relative weight of elderly persons is also more significant in the urban areas, where, paradoxically, it has a positive effect on households' per capita consumption.

Finally, the head of household's access to employment is a factor in raising the household's per capita consumption level, especially in the case of households headed by a protected wage-earner. In rural areas, between 1994 and 1998, the relative gains in terms of per capita consumption, i.e. the relative improvement in well-being, of households headed by an unprotected wage-earner dwindled, and their well-being shortfall in relation to the households of protected wage-earners grew by over 50 percent. The same trend applied to self-employed nonfarm workers and the unemployed. The phenomenon underscored here is the precarious nature of the status of unprotected work in rural areas.

**Table 6: Education indicators in 2003**

Gross enrollment ratios		Area of residence			Expenditure quintile					Total
		Urban	Rural	Total	1 (poorest)	2	3	4	5(least poor)	
Primary	Male	104.2	40.6	49.6	36.3	44.6	50.7	51.1	74.4	49.6
	Female	99.6	27.0	38.2	22.1	32.5	37.6	43.98	66.1	38.2
	Total	101.9	34.1	44.1	29.1	23.8	44.5	47.7	70.3	44.1
Secondary	Male	53.8	8.0	17.3	6.1	7.7	13.5	19.7	43.7	17.3
	Female	47.9	4.2	13.8	3.5	5.9	9.6	12.0	33.2	13.8
	Total	50.7	6.1	15.6	4.9	6.9	11.6	15.8	37.6	15.6
Higher Ed.	Male	11.5	0.08	3.4	.....	4.3	0.3	0.7	11.1	3.4
	Female	5.0	.....	1.2	.....	.....	.....	0.2	2.5	1.2
	Total	8.2	0.03	2.1	.....	.....	.....	0.1	4.0	2.1

Source: INSD, Report analyzing the results of EBCVM 2003.

### 2.3.3.2 Health and nutrition

The data from the Burkinabè survey of household living conditions in 2003 can be used to assess the health and nutritional situation, basically through the overall morbidity rate, the health consultation rate, the indicators of access to healthcare services in general and maternal healthcare in particular, the HIV/AIDS indicators, stunted growth in children, and the incidence of underweight children under the age of 5. Analysis of all these indicators shows that the health situation is worrisome.

The overall morbidity rate, which measures the general status of health, was 5.8 percent in 2003, meaning that almost six of every 100 persons experienced at least one illness. This rate was an improvement over 1998, when the rate was 7.1 percent, i.e. a difference of 1.3 percentage point. In 2003, the rate was 6.8 percent in urban areas, versus 5.3 percent in rural areas.

In terms of the spatial analysis, the administrative regions of the central plateau (8.3 percent), the southwest (7.6 percent), the center (7.3 percent), and the east central region (6.9 percent) all have morbidity rates above the national average. The regions with the lowest rates are the Cascades (3.9 percent), the north (4 percent), and the east (4 percent).

The health consultation rate in 2003 was 4.2 percent. It is higher in urban areas (5.8 percent) than in rural areas (3.8 percent). It is substantially the same between women and men (4.4 percent and 4 percent respectively) but differs by region, ranging between 6.6 percent and 2.2 percent. In the central plateau (6.6 percent), center (6.1 percent), and east central region (5.2 percent), inhabitants have more consultations in health facilities (16.6 percent), while the health consultation rate is lowest (3.7 percent) in the north (2.2 percent), south central (2.7 percent), east (3.4 percent), Boucle du Mouhoun (3.6 percent), Cascades (3.6), and Sahel (3.7 percent) regions.

**Table 7: Status of a few health indicators in Burkina Faso in 2003**

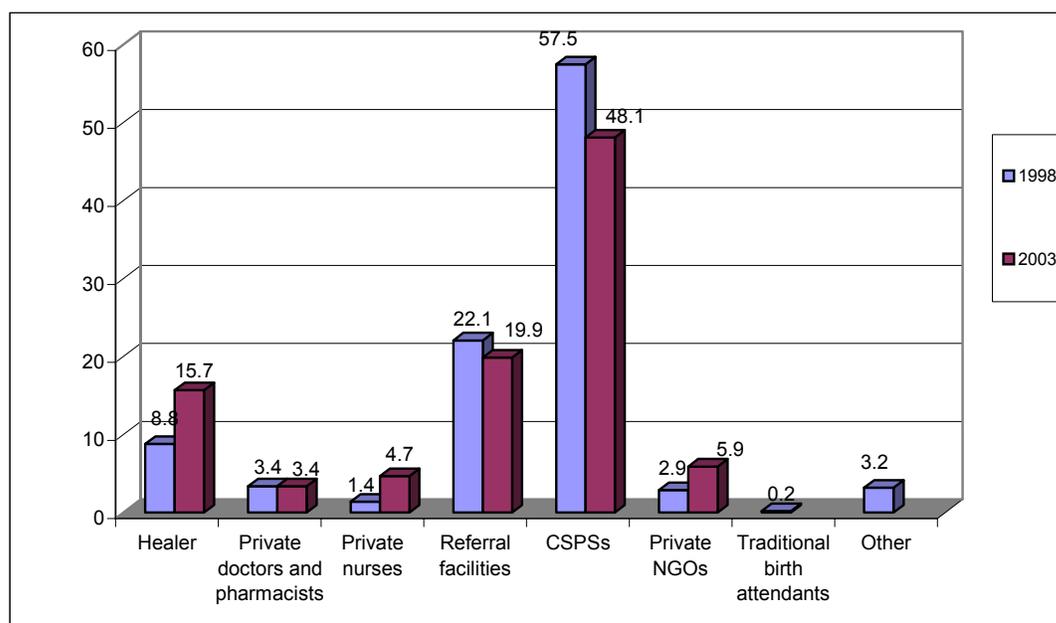
	Access to health services	Morbidity rate	Rate of use
<b>Total</b>	35.2	5.8	4.2
<b>Area of residence</b>			
Rural	26.6	5.5	3.8
Urban	74.3	6.8	5.8
<b>Administrative regions</b>			
Hauts Bassins	46.6		4.4
Boucle du Mouhoun	33.7		3.6
Sahel	21.3		3.7
East	30.1	4.0	3.4
Southwest	5.3	7.6	4.2
North central	21.2		4.0
West central	29.7		4.1
Central plateau	21.4	8.3	6.6
North	42.6	4.0	2.2
East central	33.3	6.9	5.2
Center	79.3	7.3	6.1
Cascades	20.9	3.9	3.6
South central	29.0		2.7
<b>Socioeconomic group</b>			
Public	81.6	7.8	7.0
Formal private	72.0	7.8	7.3
Informal private	59.1		4.8
Self-employed farm worker	26.7	5.4	3.7
Other self-employed	67.2		5.0
Unemployed	56.9		5.8
Other	73.3	24.3	4.9
<b>Gender</b>			
Male	35.4	5.9	4.0
Female	35.1	5.7	4.4

Source: INSD, Report analyzing the results of EBCVM 2003

In general, the people of Burkina Faso visit the Health and Social Promotion Centers (CSPSs) most frequently, but the proportion of individuals visiting them is declining: the CSPSs provided 48.1 percent of all consultations in 2003, versus 57.5 percent in 1998. Among referral facilities (Medical Centers/Medical Centers with surgical wards, Regional Hospital Centers, National Hospital Centers), only the Regional Hospital Centers saw their proportion of visits increase, from 5.3 percent to 8.3 percent. The proportion of persons using the services of traditional healers (marabouts and pharmacopoeists) practically doubled (15.7 percent in 2003 versus 8.8 percent in 1998).

A population's access to healthcare services can be measured by the length of the trip between home and a health facility. Overall, 35.3 percent of the population is located within 30 minutes (the official standard) of a healthcare facility. However, as Table 7 shows, this figure masks tremendous disparities. Nearly three-fourths of urban residents (74.3 percent), versus just one-fourth of rural residents (26.6 percent), have access to healthcare services. At the regional level, only three regions—Hauts Bassins (46.6 percent), the north (42.6 percent), and the center (79.3 percent)—have higher rates of access than the national average; most of the other regions have rates below 30 percent. The situation is particularly troublesome in the southwestern region, where only 5.3 percent of the population is located within 30 minutes of a healthcare facility.

**Figure 4: Breakdown (%) of consultations by type of facility/practitioner consulted in 1998 and 2003**



In the area of maternal health, in 2003, 73.3 percent of women who had a live birth during the preceding year had received prenatal care. The proportion of women giving birth in a health facility (maternity clinic or hospital) returned to its 1993 level (43 percent) after the decline recorded in 1998 (27 percent). Over the last five years, 44.2 percent of births were attended by qualified personnel (doctors, nurses, and midwives); this figure is 3.8 percentage points higher than the figure given by the 2003 demographic and health survey (40.3 percent). Table 8 shows a few indicators of maternal health in 2003.

In addition, the fertility index for women between the ages of 15 and 49 has steadily declined, from 6.9 percent in 1993 to 6.8 percent in 1999 and 6.2 percent in 2003. The decline in the fertility index was thus more pronounced between 1999 and 2003 than between 1993 and 1999 owing to the increasing use of contraceptive methods.

**Table 8: Maternal health indicators in 2003**

	Place of childbirth		Assistance during the birth					
	Hospital / Maternity clinic	Other	Doctor	Nurse	Mid-wife	Total with qualified personnel	Traditional birth attendant	Other personnel
<b>Total</b>	43.0	57	0.9	10.9	32.4	44.2	51.9	3.8
<b>Area of residence</b>								
Rural	35.8	64.2	0.6	11.1	25.3	37	58.8	4.2
Urban	90.8	9.1	2.8	9.7	80.1	92.6	6.3	1.1
<b>Administrative regions</b>								
Hauts Bassins	57.3	42.7	0.4	16.2	40.5	57.1	36.1	6.8
Boucle du Mouhoun	38.4	61.6	0	12.1	26.4	38.5	58.9	2.6
Sahel	17.5	82.5	0.5	1.3	15.6	17.4	76	6.6
East	31.4	68.6	0.3	15.8	16.8	32.9	62.8	4.2
Southwest	21.9	78.1	0	0.6	21.5	22.1	76.8	1.1
North central	34.3	65.7	0.2	10.1	24.8	35.1	64.1	0.9
West central	44.8	55.2	0.6	4.7	43.5	48.8	48.5	2.7
Central plateau	44	56	0	8.9	42.9	51.8	46.1	2.1
North	36.2	63.8	1.5	6.5	29.7	37.7	60.9	1.3
East central	52.1	47.9	3.3	23.7	25.2	52.2	39.8	7.9
Center	85.8	14.2	3.5	9.1	73.4	86	13.4	0.5
Cascades	42.1	57.9	0.6	18.1	23.6	42.3	48.4	9.3
South Central	50.1	49.9	1.3	9.2	42.2	52.7	39.8	7.6
<b>Socioeconomic group</b>								
Public	97.5	2.6	4.1	12.5	81.3	97.9	1.6	0.6
Formal private	87.9	12.1	6	8.5	74.5	89	7.3	3.7
Informal private	59.9	40.1	0	5.7	52.9	58.6	39.1	2.3
Self-employed farm work	36.4	63.5	0.6	11	26.4	38	57.8	4.2
Other self-employed	73.8	26.2	1.9	11.6	60.2	73.7	23.9	2.3
Unemployed	63.6	36.4	0.6	12.9	51.3	64.8	33.5	1.6
Other	100	0	0	100	0	100	0	0.0

Source: INSD, Report analyzing the results of EBCVM 2003.

In 2003, the rate of prevalence of HIV/AIDS in the general population was estimated at 1.9 percent, i.e. a decline of nearly 5 percentage points since 1999. Knowledge of HIV/AIDS increased substantially among women between the ages of 15 and 64 (96 percent in 2003 versus 87 percent in 1998); among men in the same age bracket, knowledge of the modes of transmission of HIV/AIDS increased from 96 percent to 97 percent. Generally speaking, the population has a good understanding of the modes of transmission of this pandemic, but the use of condoms as a means of prevention remains low (6.6 percent in the case of women and 23.4 percent in the case of men).

Indicators of child mortality improved slightly between 1993 and 2003 as shown in Table 9. With the exception of the infant and child mortality rate and the post-neonatal mortality rate, which rose between 1993 and 1998, other indicators showed substantial declines.

**Table 9: Changes in child mortality in Burkina Faso between 1993 and 2003**

	1993	1999	2003
Infant and child mortality (‰)	204.5	219	184
Infant mortality (‰)	107.6	105.3	83
Neonatal mortality (‰)	51.3	41	31
Post-neonatal mortality (‰)	56.2	65	51

Source: INSD, Analytic reports of the 1993, 1999, and 2003 demographic and health surveys

With respect to nutritional status, the Burkinabè Survey of Household Living Conditions (EBCVM) indicates that 44.5 percent of Burkinabè children experience growth retardation. Malnutrition more often affects children in rural areas (46.8 percent) than those in urban areas (29.7 percent). The east (59.9 percent) and the central plateau (52.2 percent) are the regions most affected by growth retardation. Insufficient body weight affects 42.2 percent of the children in Burkina Faso, particularly in rural areas. In the eastern and east central

regions, more than 50 percent of the children are affected. Finally, the prevalence of growth retardation (emaciation) affects 19 percent of the children in Burkina Faso.

**Table 10: Nutrition indicators in 2003**

	Growth retardation	Insufficient body weight
<b>Total</b>	44.5	42.2
<b>Area of residence</b>		
Rural	46.8	44.5
Urban	29.7	27.0
<b>Administrative regions</b>		
Hauts Bassins	38.8	36.4
Boucle du Mouhoun	39.4	41.0
Sahel	50.0	45.7
East	59.9	56.1
Southwest	45.6	34.4
North central	39.6	36.8
West central	44.7	38.0
Central plateau	52.2	47.0
North	46.1	43.5
East central	41.4	52.2
Center	31.7	31.9
Cascades	48.9	34.8
South central	50.6	45.5
<b>Socioeconomic group</b>		
Public	31.1	22.5
Formal private	29.6	26.4
Informal private	39.9	34.6
Self-employed farm work	46.2	44.1
Other self-employed	39.0	36.2
Unemployed	39.3	35.4
Other	0.0	50.0
<b>Gender</b>		
Male	46.8	43.4
Female	42.3	41.0

Source: INSD, Report analyzing the results of EBCVM 2003.

### 2.3.3.3 Safe drinking water

The situation with respect to safe drinking water supply is characterized by an improved rate of coverage as a result of the efforts made to equip the country with tubewells and other sources of supply. The proportion of households using water from tubewells increased from 31 percent in 1998 to 40.4 percent in 2003. As regards hygiene and sanitation, the situation is even more worrisome in both rural and urban areas, heightening the risks of mortality and morbidity attributable to waterborne diseases associated with unhealthy water and habitat: 4.2 percent of rural households still consume water from rivers and streams.

Roughly 90 percent of households drew water from dug wells, tubewells, or public taps in both 1998 and 2003. The use of taps, however, increased moderately between 1998 and 2003 in urban areas, while the use of tubewells grew somewhat in rural areas, compared to other sources of safe drinking water. These trends reflect an improvement in the quality of safe drinking water available to households. Yet safe drinking water remains scarce in certain regions, particularly Boucle du Mouhoun (33.7 percent), the west (54.6 percent), and the southwest (59.6 percent). The favorable results are partly due to the national policy on safe drinking water ("Safe drinking water for all in 2000"). Thanks to vigorous implementation of this policy, the southwest, which in 1994 drew 68 percent of its water from rivers (i.e. nonpotable sources), reduced this source to 25.4 percent in 2003. However, the data collection period in 2003 (during the dry season) does not rule out the possibility that rivers and streams were little used because they had dried up.

### 2.3.3.4 Living conditions

The quality of the residence, which brings together a number of components that make the dwelling comfortable or uncomfortable, is analyzed from a number of different perspectives: the kind of walls, floor, and roofs, the method of wastewater disposal, the type of toilet, the

presence of electricity, and the type of energy used for cooking. For this human development indicator, the divide between cities and villages is enormous.

Of all household amenities, electricity is the one that can help change a person's way of life substantially. In rural areas of Burkina Faso, fewer than 1 percent of households had access to electricity in 1994, and no real progress was recorded in 2003 (barely 1.1 percent). It is true that Burkina Faso has not yet adopted a rural electrification policy, perhaps because service is still insufficient to meet demand in urban areas. The proportion of urban households in dwellings served by electricity has increased only slightly, from 29 percent in 1994 to 34 percent in 1998 and 45.7 percent in 2003. A majority of city dwellers still use kerosene lamps for lighting: 69 percent in 1994 and 51.8 percent in 2003.

One important finding is that urban households in the lowest standard-of-living quintiles made no substantial progress in terms of electric supply between 1994 and 2003. This is due to a large gap between supply and steadily growing demand, as outlying areas are increasingly occupied.

### **2.3.3.5 Employment, level of education, and poverty**

Participation in the labor market and the level of human capital endowment appear to be determining factors in guaranteeing individuals' access to employment and income stability with a view to reducing poverty. In 2003, the rate of participation in the labor market by persons between the ages of 15 and 60 was estimated at 87.3 percent and 64.8 percent in rural and urban areas, respectively. It was 87.8 percent for men and 77.7 percent for women. Such participation is linked to several factors, including:

- the level of education of individuals: the supply of work is highly sensitive to education for persons between the ages of 15 and 60 in rural areas, whereas in urban areas this high sensitivity applies to young people (girls and boys);
- the standard of living of households: the labor supply rate is 71.5 percent for poor households and 60.1 percent for rich households; this result shows the low productivity of the work performed by the former. The variation in the labor supply rate based on standard of living is related to the presence of secondary members in these households, particularly in urban areas. It reflects the survival strategies of households in general and likely masks the phenomenon of child labor.

In this regard, several elements of the analysis indicate that focusing economic policy on non-vulnerable employment and more effective participation in the labor market is likely to help reduce poverty in the medium or long term.

Women's access to employment represents, to some extent, a step toward autonomy. Yet, in the case of poor women, access to employment usually means farm work or self-employed nonfarm work, specifically through their inclusion in the informal sector. Moreover, a deterioration has been observed in the standard of living of households managed by women engaged in these two types of work. All these factors point to the difficulties of inclusion of the majority of women and the ineffectiveness of the informal sector in creating opportunities for bringing men and women more into line with one another.

Another aspect of employment is its distribution by work category, area of residence, gender, and type of household. In this regard, the studies indicate that the labor market is structured around three major productive systems: the agricultural sector, the rural (essentially agricultural) and urban (essentially non-agricultural) informal sector, and the essentially urban modern sector (formal public and private sector wage-earners).

### **2.3.4 Other determinants**

Poverty depends on the availability and yield of a set of human and social physical assets. These assets are usually governed by the market and a multitude of institutions, standards, and values. Among these assets, land, productive capital, and certain financial services appear to be determining factors when the objective is to provide the poor with income-generating opportunities.

#### **2.3.4.1 Access of the poor to land**

The legal provisions establishing the Agrarian and Land Tenure Reorganization (RAF) have been revisited on a number of occasions in order to reflect changes in national realities. Implementation remains limited, even though it is imperative for poverty reduction initiatives; the distribution and ownership of land, particularly land suitable for cultivation (including the issuance of title deeds), have a major impact on the production, incomes, and living conditions of poor rural households.

Apart from its significance as a productive agricultural resource, land also holds value as the principal asset and property of poor households. It can also be assigned a trade value so as to promote the most effective use of this natural resource, out of several possible uses, and thereby contribute to improving the well-being of the poor. Finally, in connection with financing micro-infrastructure or income-generating activities, land, often the sole asset of poor households, can stand as collateral for credits or loans.

#### **2.3.4.2 Access of the poor to productive capital and financial services**

With respect to improving the living conditions and incomes of poor groups, access of the poor to productive capital and appropriate technologies provides access to employment or an income-generating activity and, as a consequence, to financial capital and, more specifically, credit. Apart from the recognized impact of savings and credit on poverty reduction and increasing incomes, the key question for the development of microcredit targeting the poor revolves around financial intermediation, which serves to bring together the supply and demand of funds through professionals.

In this area, the Burkinabè authorities have introduced financial instruments such as the support fund for employment promotion, the support fund for the informal sector, the support fund for women's income-generating activities, and the support project for promoting small and medium enterprise. These funds supplement initiatives developed by cooperation agencies involved in small enterprise development: the Ouagadougou small enterprise support unit, the business management support bureau for the Bobo-Dioulasso region, etc. These funds have been used to finance a number of projects and create a number of jobs, but they remain limited in terms of their capacity to meet the needs of the target population.

As a general rule, however, financial intermediation has barely touched the poorest areas and households. The economy of the poor remains illiquid because of the nonexistence of banks in their vicinity and the scarcity of microcredit organizations. Thus, they can neither accumulate savings nor gain access to credit. From the perspective of human poverty reduction, there is a need to increase the supply of microfinancing in order to propose a varied range of essential activities for improving the living conditions of the poor, satisfying their basic needs, and building their capacities.

While there are many causes of poverty, there is a well recognized correlation between the creation of wealth and access to financing. Indeed, difficulties in acquiring productive assets are just as critical as problems of access to training, production techniques, and information systems; moreover, in many cases these difficulties can only be resolved through access to borrowing. Even traditional wisdom holds that a person needs borrowed money to escape from poverty.

From a structural perspective, i.e. with a view to a long-term development framework, the search for adequate financing of the economy cannot sustainably rely on the existing scheme, which excludes a wide segment of the population, especially within a context of great poverty.

Based on the preceding analysis, it appears that, in addition to ecological and geographic factors, poverty in Burkina Faso is primarily attributable to:

- an uncompetitive economy, growing at a modest rate that cannot generate sufficient income and employment for a large portion of the uneducated population and that

also cannot generate sufficient resources for the Government to provide basic socioeconomic services;

- the low literacy rate and educational level of the population, which receives little healthcare and faces the risk of AIDS.

In recent years, poverty has not declined as might have been expected since the economy has been growing at a rate of more than 5 percent. Overall, poverty has remained stable, with a slight decrease in rural areas offset by a substantial increase in urban areas. Monetary poverty in Burkina Faso has stayed basically the same, but the structural changes now under way are likely to grow stronger. The dynamics of poverty are closely related to the existence and development of inequalities. Disparities in spending, which have remained stable at the national level, have decreased in rural areas but increased in urban areas. This growth in inequalities in urban areas has more than counterbalanced the reductions in real spending, thus explaining the increase in urban poverty, while the decline in disparities in rural areas has helped slow the growth of poverty there.

Other improvements have occurred to varying degrees, if economic growth is assumed to have a positive effect on the incidence of poverty. The reduction of inequalities in rural areas can be interpreted as a sign of pro-poor growth. This conclusion is corroborated by the analysis of urban centers, which indicates that the distribution component is positive, exceeding the growth effect in the two large cities of the country. In addition, in the Sahel, west central, and north central regions, where the incidence of poverty registered a statistically significant decline between 1994 and 2003, the effects of inequality have certainly exceeded the effects of growth, indicating a redistribution in favor of poor populations. The results are thus mixed, both at the macroeconomic level and in terms of key social sectors (with timid progress in the education and health sectors), but nonetheless encouraging, pointing to the necessity of maintaining efforts to strengthen the foundations of growth and ensure the cohesiveness of sector policies.

Poverty reduction in Burkina Faso basically means reducing the poverty of the population living in rural areas, which accounted for more than 92 percent of the poor in 2003, 94 percent in 1998, and 96 percent in 1994. It can only result from growth in rural incomes and improvements in rural living conditions. Support for the diversification of current income sources such as farming and stockraising is of fundamental importance, but should be accompanied by a search for additional income sources stemming from diversification of the economic activities of the rural areas and increased working time. At this level, poverty reduction requires sustained actions to reduce the disparities of access to physical assets (land, equipment, financial resources) and human assets (education, skills, healthcare, nutrition). It also requires that actions be undertaken to stimulate a greater return on such these assets.

The risk of urbanization of poverty appears to be linked to three factors:

- heightened tensions over the urban labor market in relation to migratory flows: immigrant populations have little education and few skills for securing gainful employment and contribute to the growing number of unprotected wage-earners;
- the increasingly precarious nature of the urban working conditions in terms of incomes and protection;
- the scope of female unemployment: despite its marginal character, female unemployment reflects a number of difficulties of access to the labor market and capital for women in the large cities.

Support for growth should thus be reflected in greater access to production factors such as land, credit, technologies and information, and greater investment in infrastructure. At the same time, the conditions for access to basic social services such as water, healthcare, and education, which differ greatly between rural and urban areas, must be a priority of the poverty reduction strategy.

### **III. PERFORMANCE SINCE 2000**

#### **3.1 GENERAL OVERVIEW OF DEVELOPMENT FINANCING**

Implementing the poverty reduction strategy requires huge resources. For this reason, the Government opted to pool public and private resources to achieve the poverty reduction objectives it set itself. While securing the gains already made and deepening the reforms initiated earlier under various programs, the Government set about mobilizing all the resources available to implement the Poverty Reduction Strategy Paper.

Overall, for the period 2000-2002, CFAF 1,306.6 billion in financing (excluding debt) was injected into the economy. Current expenditure expanded more rapidly than capital expenditure, by 9.9 percent as against a mere 1 percent a year, respectively.

Capital expenditure in particular was supported by all the technical and financial partners in the context of official development assistance, most of it highly concessional and predominantly in grant form. All told, external financing (excluding HIPC resources), with a strong focus on the social sectors and rural development, came to CFAF 496.8 billion for the period 2000-2002, leaving a shortfall of CFAF 41 billion compared with the PRSP estimates. Nevertheless this gap was substantially narrowed by budgetary support (totaling CFAF 159.1 billion), thus illustrating the partners' commitment to making the PRSP the framework par excellence for mobilizing resources. Nevertheless, the implementation rate for externally financed projects was 71 percent, a reflection of the economy's chronically low absorptive capacity.

The functional analysis of expenditure shows that the priority ministries did actually benefit from large shares of the financing mobilized for the following portfolios. Those benefiting were: basic education (12.94 percent), infrastructure (11.63 percent), agriculture, water, and fisheries (10.78 percent), and health (9.9 percent). This is to some degree a reflection of the consistency between the budgetary process and the priorities in the PRSP. However, it bears noting that some expenditure made to benefit the priority sectors was recorded on the accounts under shared interministerial expenditure, a category which continues to grow. Such expenditure accounted for 8.56 percent of total public expenditure over the period 2000-2002 and posted an average annual growth rate of 18.7 percent. In future, analysis will be facilitated by disaggregating the data on public resource allocation to the priority sectors.

As regards the implementation of the HIPC Initiative to reduce the debt of the heavily indebted poor countries, the amounts mobilized have reached CFAF 54.3 billion, of which 64 percent has been expended. This is yet again a reflection of low absorptive capacity at the sectoral level.

#### **3.2 PRSP IMPLEMENTATION STATUS REPORT BY STRATEGIC PILLAR**

##### **3.2.1 Pillar 1: Accelerating broad-based growth**

###### **3.2.1.1 Stabilization of the macroeconomic framework**

Over the period 2000-2002 the economy operated under the influence of particularly severe exogenous shocks (rise of the dollar and the price of oil, adverse climatic conditions, a decline in repatriated savings, and a return *en masse* of Burkinabè nationals previously residing abroad). Given the context, the economic growth recorded did not make it possible to trigger any significant improvement in the incomes of the most disadvantaged population groups. Real GDP growth averaged 4.3 percent as against population growth of 2.4 percent. There has been a reversal of the trend in the GDP structure with an increasingly large share contributed by the tertiary sector at 43.4 percent, followed by the primary sector at 39.5 percent and the secondary sector at 17.1 percent. This growth was coupled with a firm grip on prices, which rose on average by 2.3 percent, in line with the community criterion (no higher than 3 percent).

On the budget side, the tax collection efforts and the tax reforms undertaken allowed for steady growth in receipts. However, the tax ratio (10.6 percent of GDP on average) still remains low relative to the community criterion (17 percent). Furthermore, the current

revenue structure points up the preponderance of export and import taxation over domestic taxation. This state of affairs can be explained by the narrowness of the tax base and some collection-related difficulties.

Budgetary savings declined over the years, from CFAF 40.4 billion in 2000 to CFAF 22.4 billion in 2002, indicating a sharper rise in current expenditure, at an annual rate of 12.1 percent, than in current revenue, at a rate of 6.8 percent, thus reducing the capacity to self-finance investment. Nevertheless, efforts have been kept made to keep the ratio of self-financed investment to tax receipts at a level some 13 points higher than the community criterion, which is a minimum of 20 percent.

Despite efforts to bring the wage bill under control, it remains quite high (44.3 percent of annual tax receipts on average) as against the community objective of 35 percent maximum.

In relative terms, the basic overall budget deficit (on a commitments basis and including grants) deteriorated over the period (4.8 percent of GDP in 2002 compared to 3.9 percent in 2000), or more than four points above the zero-deficit community criterion.

The overall outstanding balance of the central government's external debt is still constraining from the sustainability standpoint (at 50.4 percent of current GDP on average), despite some relief brought about by implementation of the HIPC Initiative. The rate of indebtedness, however, is in line with the community target, which is a maximum of 70 percent. Moreover, thanks to better scheduling of payments, there are no more payments arrears on the debt, which is in keeping with the community criterion.

In the area of foreign trade, the structural deficit in the trade balance eased somewhat over the period. The result was a reduction in the external current account deficit (excluding grants), which dropped from 12.3 percent of GDP in 2000 to 9.1 percent in 2002, despite a marked decline in private transfers, itself a reflection of the unfavorable economic climate in the subregion. Despite these efforts to curb the current external deficit, the current level is close to double that of the community criterion of 5 percent.

Table [Error! Not a valid link.](#) shows the situation in Burkina Faso vis à vis WAEMU convergence criteria.

**Table 11 : WAEMU convergence criteria—compliance status**

Criterion	2000	2001	2002	Standard
<b>Primary criteria</b>				
Ratio of budget balance on a commitments basis, including grants, to nominal GDP (%)	-1.6	-2.7	-3.7	Min 0
Average annual inflation rate (CPI) (%)	-0.3	4.9	2.3	Max 3
Ratio of total outstanding debt to nominal GDP (%)	54.8	50.1	46.3	Max 70
Nonaccumulation of domestic or external payments arrears	0	0	0	0
<b>Secondary criteria</b>				
Ratio of wage bill to tax revenue (%)	43.8	46.3	42.7	Max 35
Ratio of self-financed investment to tax revenue (%)	26.3	35.3	37.4	Min 20
Ratio of current external deficit (excluding grants) to nominal GDP (%)	15.0	13.3	11.8	Max 5
Tax ratio (%)	11.0	10.2	10.6	Min 17

Source: CID-TOFE, IAP.

### 3.2.1.2 Competitiveness of the national economy

The Central Government continued its economic liberalization program by welcoming to the market new entrants (or "marketers" as they are styled) and setting up new retail outlets on the hydrocarbons distribution market. The legal and regulatory provisions applicable to the national commission on competition and consumption were revised, and the gradual dismantling of the protection extended to industrial units, initiated in 1996 in the WAEMU area, has been continued the privatization program. However, as there has yet to be an evaluation of this privatization program, it is difficult to state with certainty that the job market has been revitalized or private investment increased.

The entry into operation of the one-stop shops for legal formalities and the opening of a trade point have considerably shortened the processing times for applications to start businesses (from 3 months to 15 days) as reduced the number of formalities (from 15 to 8). In addition, the Government has put in place a private sector support project which resulted in the creation of the House of Business, and also established a framework for regular dialogue with private sector operators. In any event, the Government is still cognizant of the need to remove all constraints of a structural and institutional nature so as to improve competitiveness.

With regard to reducing factor costs, looking beyond the telecommunications sector where it is abundantly clear that significant improvements have been made, the costs of energy (electricity) and water continue to undermine the competitiveness of production units.

Given the difficulties being experienced by the private sector in financing its activities, the Government established a number of financing mechanisms, including the support fund for income-generating activities for women; the microenterprise support project; the informal sector support project; the employment promotion fund—all of them to support SME/SMI promotion, as well as the interbank guarantee fund (created in 2003). Competition in the financial sector has also spurred the emergence of new products including hire purchase arrangements that are more suited to the development needs of SMEs and SMIs. In addition to this type of financing there have been contributions from the decentralized financial system, in which practices will be harmonized.

### **3.2.1.3 Transport development and support for the productive sectors**

Initiatives over the period 2000–2002 were focused on asphalt-paving 411 kilometers of new roads, rehabilitating another 261 kilometers, and conducting routine maintenance on more than 760 kilometers. Nevertheless, even though significant strides have been made in road transport, other types of transport faced huge difficulties, in particular air transport—with the demise of the multinational “Air Afrique”—and rail transport, where operations slowed before being suspended since the start of the sociopolitical crisis in Côte d’Ivoire. It is worth underscoring that since the Ivorian crisis, the national road network is being overused, thereby accelerating wear and tear. The Government will have to pursue its efforts to maintain its quality.

## **3.2.2 Pillar 2: Promoting access to basic social services by the poor**

### **3.2.2.1 Developments in the education system**

In its 10-year basic education development plan (PDDEB), the Government set itself the ambitious objectives of rousing the educational system from its lethargy and boosting the gross primary school enrollment ratio from 40.3 percent in 1999 to 70 percent by 2010, with special emphasis on increasing enrollment of girls, which should increase from 36 percent to 65 percent over this period. In this context, actions were implemented with the assistance of the Government’s development partners, making it possible to increase the enrollment and teaching capacity of the system, as well as making education more affordable.

Experiments have been run with nonformal basic education formulas, with results that were encouraging, particularly in terms of reducing the inequalities between girls and boys and better preparing small children for school. However, they were too limited in scope to have any significant impact on the system as a whole.

Thus, for example, enrollment in nonformal basic education centers doubled between 2001 and 2002, climbing from 1,100 to 2,062, with dramatically higher enrollment of girls (up from 38 percent to 58.2 percent). But enrollment is still falling short of expectations, leaving educational infrastructure apparently underutilized. Furthermore, the fact that only a small number of such schools are constructed from lasting materials poses the problem of the durability of most of them. The situation is even more worrisome in the 20 provinces known for being the least educated or literate, where barely 19 percent of the infrastructure is permanent.

Preschool programs, intended to better prepare infants more effectively to make the transition to school, doubled their rate of enrollment from 0.72 percent in 2000 to 1.44 percent in 2002. However, they are confined to urban areas and their impact is limited in quantitative and qualitative terms. The classic preschool formula has been losing ground to the integrated early childhood development formula, in particular through the *bissongo*, making it possible to take into account the child's needs through a holistic approach (nutrition, health, protection, education, and so on).

In order to increase accessibility to schooling for the poorest, measures have been taken to ease the burden on parents. Specifically, the measures include free distribution of books and fee waivers for parents. The result was a near 10 percent reduction in school fees between 2000 and 2001. Nevertheless, in an aggressive poverty reduction strategy, these measures remain inadequate.

Literacy initiatives, which had burgeoned between 2000 and 2002, began to slow down in 2002, even regressing, particularly because of the withdrawal of the WFP's supplementary feeding program. Furthermore, 80 percent of those who complete the initial literacy cycle do not go on to the supplementary basic training cycle, and yet this is the most important if they are to improve their productivity. Most of the individuals in this situation are women (86 percent).

The joint actions of the Central Government and its development partners made it possible to increase the system's intake and teaching capacity. The efforts were reflected in an increase in the gross enrollment ratio (GER) from 42.7 percent (36.2 percent for girls) to 45.8 percent (about 38 percent for girls). This is an annual increase of one percentage point. At this rate, it will take 20 years to reach the PDDEB target (GER of 70 percent) and even longer to achieve the Millennium Development Goals.

## **BOX 8: Burkina Faso's progress toward meeting the MDGs**

### *1 Eradicate extreme poverty and hunger*

Economic growth and the impact of public policies were not enough to reduce the incidence of poverty over the period 1990-2003. There was a 2 percentage point increase in poverty, which rose from 44.5 percent in 1994 to 46.4 percent in 2003. Nevertheless, possibilities for reducing absolute poverty do exist. In fact, the remarkable results recorded in terms of structural reforms (especially in the rural sector) and the positive macroeconomic results (5 percent between 1998 and 2002) suggest that there are chances for reducing poverty in the country.

As far as malnutrition is concerned, even though the share of the population with shortfalls in their minimum caloric intake dropped from 31 percent in 1990 to 24 percent in 1999, the proportion of underweight children rose, from 27 percent in 1990 to 30 percent in 1998 and 42.2 percent in 2003. However, prospects remain good for achieving this goal because of the energy and food production potential and, in particular, the promotion of information and training activities focusing on nutritional recovery.

### *2 Achieve universal primary education*

The universal education targets will most likely not be reached by 2015 although great progress has been recorded in terms of school coverage. Even operating on the assumption that the national target of 70 percent by 2010 would be met, that is to say three percentage points more each year compared with 2004, the gross enrollment ratio (30 percent in 1990 and 52.3 percent in 2004), would probably be around 86 percent in 2015, and it would be 2020 before one could hope to achieve universal primary education.

Regarding the adult literacy rate (for ages 15-24), the country is making progress (18.4 percent in 1998 and 32 percent in 2003). If things continue at the current pace (up 2.7 percentage points annually), the national target of 40 percent by 2010 could be reached. The literacy rate would probably be about 60 percent in 2015. Nevertheless, it is expected that the pace will quicken, given the commitments undertaken recently at the topmost level aimed at bringing about a more significant reduction in illiteracy over the next 10 years.

### *3 Promote gender equality and empower women*

It seems illusory to hope to achieve parity between boys and girls in primary education by 2005, the girl-boy ratio having moved from 0.62 in 1990 to 0.74 in 2000 and 0.76 in 2003. Even though slight progress can be noted, there is still a very long way to go. The ratio would probably be 0.78 in 2005 and it would require another 22 years of effort (or until 2025) to achieve gender parity. By the same token, in secondary education, the progress made is not enough to inspire hope that the goal will be achieved in 2005, since the girl-boy ratio moved from 0.52% in 1990 to 0.62% in 2000 and 0.81 in 2003.

There would be less work remaining than for primary education because of the encouraging work done in the period 1990-2003. It would take almost nine years (or until 2012) to expect to achieve the target of gender equality.

### *4 Reduce by two-thirds the under-five mortality rate.*

The results of efforts to attain the goal of reducing infant mortality by two thirds do not seem to suggest any reversal of current trends and that the goal can be attained by 2015. Nevertheless, the recent data indicate a downward trend. There was a clear improvement in the mortality rate when it shifted from 105.3 per thousand in 1998 to 83 per thousand, that is, a reduction of 22 points. With the implementation of major anti-malaria, vaccination, and epidemiological monitoring campaigns, there should be an acceleration of this trend toward the target of at least 38.2 per thousand by 2015. These performances could further improve with spurred growth in education and literacy.

### 3.2.2.2 The health sector

Efforts to provide more healthcare resulted in the building and standardization of health units, as well as the recruitment and deployment of staff in the rural areas (some 3,000 staff) making it possible, among other things, to standardize the health and social promotion centers in terms of minimum paramedical staff.

The effectiveness of the healthcare services was also increased when over sixty general practitioners completed specialized training (82 physicians were trained in essential surgery between 2000 and 2002 and deployed in 21 health districts).

There was a relative improvement in the availability and financial accessibility of medicines and consumables in outlying units.

There was a clear improvement in immunization coverage. Between 2000 and 2002, the coverage rate for BCG antigens rose from 80 percent to 90.35 percent; for DTCP3 it moved from 57 percent to 69.1 percent, for measles, 59 percent to 64 percent, and lastly, for yellow fever, from 56 percent to 61.3 percent.

Nevertheless, the use of health units, gauged by the number of new visits per person per year in the first tier centers (CSPS, CMA), rose only slightly (from 0.21 percent in 2000 to 0.25 percent in 2002).

Lasting improvement in the demand side of healthcare services remains a priority and requires the definition and implementation of solidarity mechanisms to provide access to and finance healthcare.

It is important to continue actions already undertaken to boost the supply side of healthcare for the poorest by increasing infrastructure and staff as well as upgrading existing skills.

The battle against HIV/AIDS is today a major development concern.

### Box 8 (Cont.)

#### 5 Reduce maternal mortality by three quarters

Maternal mortality is increasingly being addressed through health facilities, and the rate is down from 566 deaths per 100,000 live births in 1993 to 484 deaths in 1998, a decline of about 14.5 percent in five years. If the efforts are continued, the rate of decline compared to 1998 could hit the 50 percent mark in 2015 (283 deaths per 100,000 live births) and draw closer to the millennium development goal set for Burkina Faso, which is 142 deaths per 100,000 live births.

With respect to reproductive health, the target will most likely not be met but meaningful progress can be observed. The 1993 Demographic and Health Survey showed a contraceptive prevalence rate of 17 percent in urban areas and 1.5 percent in rural areas. In 1998, the rates were approximately 20 percent and 3 percent, respectively, that is to say, gains of 3 and 1.5 percentage points in five years. In 2003, those rates were around 28 percent and 5 percent, respectively. More gains were made in urban areas than rural areas.

Compared with national estimates, there is still more work to be done. In fact, the national targets set were to reach in 2000 (compared with the 1993 level) a prevalence rate for modern contraceptive methods of 32 percent in urban areas and 9 percent in rural areas, or 12 and 7.5 percentage points lower than forecast.

#### 6 Combat HIV/AIDS, malaria, and other diseases

The efforts made by the authorities to intensify preventive measures and promote behavior changes appear to be yielding encouraging results. According to the results of EDS III (Demographic and Health Survey) the HIV prevalence rate was around 1.9 percent as against 4.2 percent in 2002 and 6.5 percent in 2001. If the current trend continues, despite the current population growth rate (2.37 percent annually), Burkina Faso, given the awareness raising efforts and outreach at all levels, would move from the stabilization phase of the pandemic and settle into the final phase, during which there is a more noticeable ebbing of the pandemic.

Malaria remains an endemic disease in Burkina Faso. It is the primary cause of under-five infant mortality. In 2000, malaria-induced mortality was 292 deaths per 100,000.

On the tuberculosis front, work is ongoing to define standards for all levels of the healthcare system for diagnosing and treating opportunistic infections. About 2,500 cases of tuberculosis were detected in 2001, with 1,600 cases of positive cultures (64 percent). There has been a marked drop in cases of Dracunculosis. The number of cases of Guinea worm dropped from 1,956 in 2000 to 1,031 in 2001, or a rate of decline of 47.3 percent. Deadly diseases such as meningitis, measles, and cholera persist.

#### 7 Ensure environmental sustainability

The Burkinabè authorities have been mainstreaming the principles of sustainable development in national policies and have specific programs in place by subsector, geared toward increasing the protection and rational management of natural resources: national land management program, forestry program, national program for combating desertification, and the integrated water management program, national climate change early warning, and national biological diversity action plan. The national sustainable development strategy and the decentralized rural development policy letter were adopted to serve as frames of reference and the framework for harmonizing the different programs aimed at achieving sustainable development.

As a result of the institutional measures and initiatives developed to further engage grassroots communities and reduce the price of ARVs the prevalence of infection has been reduced (4.2 percent in 2002 as against 6.5 percent at end-2001 and 7.17 percent in 1997), according to the data collected from sentinel sites (using the WHO/UNAIDS method). The results of the demographic and health survey (EDS III) point to an improvement in the situation, with the 2003 rate of seroprevalance estimated at 1.9 percent.

The fact is that despite this slight decline, the impact of this epidemic on productive capacities is such that this area will require that work be continued and intensified. Since the first AIDS cases appeared in 1986, the number grew exponentially to reach some 20,000 in 2002 (Figure 5).

The gravity and complexity of the problems posed by the increasing incidence of HIV/AIDS led to the epidemic being viewed not only as a public health issue, but as a development issue.

The consequences of HIV/AIDS in the economic and social sectors as a whole are clearly visible. On farms, for example, they take the form of a chain of successive repercussions: weaker and less manpower to work the farms and less financial resources. Furthermore, remittances from migrants (on average CFAF 40 billion to CFAF 45 billion annually from 1990 to 1999) are put to multiple uses. Remittances have dwindled because of AIDS and this has an effect on the rural landscape. The impact of HIV/AIDS is increasingly visible among the work force, affecting income levels, the well-being of households, and the production structure of the economy.

**Box 8 (Concluded)**

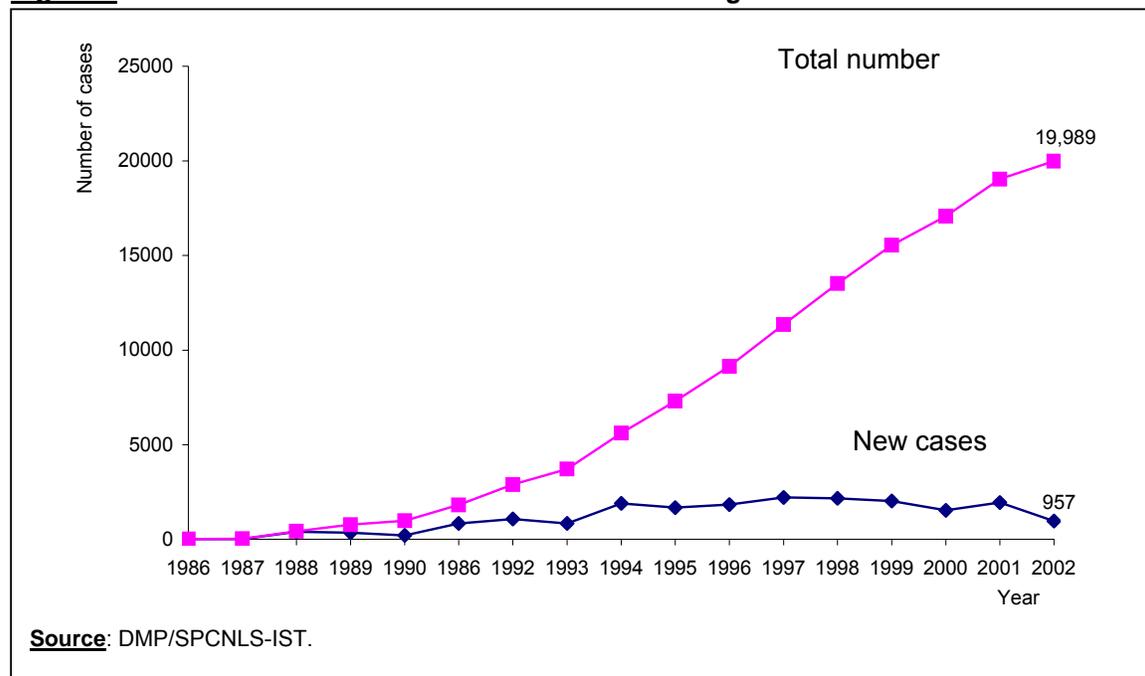
As far as access to safe drinking water is concerned, 42 percent of households drew water from protected wells and tubewells in 1998, compared with 41 percent in 1994. Between 1998 and 2003, the share of households using tubewells grew by 31.2 percent, accompanied by a reduction in those drinking water from rivers (-56.7 percent). These results are quite encouraging given the importance of the waterworks and hydraulic infrastructure completed in Burkina Faso. If the current trends continue, it will be possible to provide comfortably for the safe drinking water needs of over 73 percent of the population by 2015.

*8 Develop a global partnership for development*

Burkina Faso has benefited from debt relief under the Heavily Indebted Poor Countries Initiative. Implementation of the decisions should result in the freeing up of US\$829 million (in NPV terms) over the period 2000-2017, which will be allocated to meet the basic social development needs of the country.

With regard to the transfers of official development assistance, the country has received an annual average of US\$400 million since devaluation, involving over 50 bilateral and multilateral donors and impacting more than 500 projects and programs in all sectors of the country's economic and social life.

**Figure 5: Trends in the number of AIDS cases and running total from 1986 to 2002**



Burkina Faso has posted a decline in the prevalence rate, estimated at 1.9 percent in 2003 as against 4.2 percent in 2002, 6.5 percent in 2001 and 7.17 percent in 1997, a drop of almost five percentage points in 7 years; nevertheless, it remains one of the most severely affected countries in the subregion. The relative decline in the rate reflects a stabilizing trend in HIV prevalence, especially if one considers the trends in HIV prevalence based on tests conducted in the target group of women seeking prenatal care. (Table 12).

**Table 12: Average HIV prevalence rate in pregnant women by site**

Sentinel site	1997	1998	1999	2000	2001	2002	2003*
Bobo-Dioulasso	7.58	8.4	5.7	6.2	5.7	6.2	1.6
Ouagadougou	6.74	8	7.7	6.3	4.8	4.7	4.4
Ouahigouya	6.5	7	6		5.1	4.2	1.2
Gaoua		4	6.04	5.4	5.9	4.6	3.8
Tenkodogo		4.3	3.78	2.8	2.2	2.3	1.1

Source: SP/CNLS - INSD, EDS III.

(\* ) With the exception of Ouagadougou, the data refer to the Hauts Bassins, northern, southwestern, and east-central regions.

This stabilizing trend in HIV infection in Burkina Faso is most likely explained by the many approaches adopted in the fight against HIV/AIDS since the short- and medium-term plans were implemented and by the implementation of a multisectoral approach to the fight. These approaches include:

- Numerous information, education, and communication campaigns supported by a campaign in all the provinces of Burkina Faso with messages promoting behavior changes;
- Voluntary, confidential testing campaigns with a clear trend among youths toward more testing in order to know their HIV status;
- Improvement in treatment of the sick with ARVs with emphasis on opportunistic infections;
- Promotion of preventive means, including condoms, abstinence, and faithfulness;
- Treatment of sexually transmitted infections in all healthcare facilities, thereby preventing HIV infection;
- The guarantee of safe transfusions in hospitals and other healthcare facilities where blood transfusions are given;
- A very high-profile launch of the national mother-to-child HIV transmission prevention program.

The situation of orphans worsened as the number of orphans increased exponentially. UNAIDS 2002 estimates put the number of orphaned children at 350,000 and the number of children infected with HIV/AIDS at over 2,000. The proportion of households with AIDS orphans is estimated at 42 percent in rural areas and over 45 percent in urban centers according to a study on orphans in Burkina Faso conducted in 2001.

### 3.2.2.3 Household access to safe drinking water

With the assistance of its partners, the Government has carried out major programs to meet communities' needs for safe drinking water. The coverage rate reached 73 percent in 2002.

With regard to access to drinking water, the urban accessibility rate was 26 percent for private homes and 52 percent for public standpipes and water supplies.

Major work was approved for secondary centers and rural areas, which yielded 2,588 water points. However, the various options for involving people in putting in place and managing water points have not yielded all the results envisaged (20 percent of the tubewells are not functional). To this end, emphasis must now be on better coordination of actions in this area, with a view to reducing the regional disparities in drinking water supply and improving the sustainable management of investments made.

In the light of the foregoing, the main issues to be addressed in the social sectors are:

- Efficient use of resources in the social sectors;
- Improvement of the quality of the education system;
- Development of a coordinated literacy program;
- Improvement in the quality of healthcare services and greater use of health units;
- Improvement in safe drinking water supply;
- Strengthening of the institutional coordination structure and the financing mechanism for the social sectors.

### **3.2.3 Pillar 3: Increasing employment and income-generating activities for the poor**

Given the importance of the rural sector in terms of its share of the gainfully employed active population and its contribution to GDP, actions to increase employment and income-generating activities for the poor were largely focused on this sector. This area of activity is still essentially bound up with the vagaries of climatic conditions and the fact that new agricultural techniques have still made few inroads because of the low literacy level. The Government therefore embarked upon a series of actions, with a view to:

- Reducing the vulnerability of the agricultural sector;
- Intensifying and modernizing agricultural activity;
- Increasing and diversifying rural incomes;
- Providing consistent support to producers and ensuring that collective infrastructure is put in place;
- Speeding the process of reducing the isolation of remote areas;
- Increasing national solidarity and the advancement of women; and
- Promoting employment and vocational training.

#### **3.2.3.1 Reducing the vulnerability of agricultural activities**

In order to reduce the vulnerability of agricultural activities, the Government implemented "Operation Manure Pit." Under this program, some 52,000 pits were dug in 2002 and 196,000 in 2003. Effective use of these manure pits should make it possible to increase the yields of the various crops. Some agricultural water works were developed, and cloud seeding was conducted under "Operation SAAGA" with a view to supporting agricultural activities. In a bid to better utilize water resources, experimentation with small-scale village irrigation has begun. This is promising, given the already encouraging results, provided that measures will be put in place to provide market outlets for the farmers, 49 percent of whom are women.

Furthermore, activity geared toward securing optimal, high quality animal productivity (upgrading cattle grazing areas by setting up veterinary stations and water points, delimiting pasturelands, cutting cattle paths, and intensifying the fight against common diseases) have created conditions that will ensure improved cattle production.

Nevertheless, not all the conditions for proper transhumance of livestock are in place. Care must be taken to ensure that the legal and regulatory provisions on agrarian and land tenure reorganization, as well as the law orienting use of pasturelands, are properly enforced.

#### **3.2.3.2 Intensifying and modernizing agriculture**

Intensifying modernizing agriculture continued to be a major development concern for the Government. Initiatives to disseminate research findings and to improve access to equipment and agricultural inputs have impacted many farmers (40.4 percent of them women), providing them with many improved seed varieties (rice, niébé, corn, sorghum, and groundnuts) threshing and hulling equipment, and pumping equipment (foot pumps) for irrigated farms. This made it possible to improve agricultural production and make more cereals available, thereby contributing to greater food security.

Major investments were made in the cotton sector and farmers were able to benefit from innovations in seed technology and crop rearing techniques. The combined efforts of the Central Government and its development partners made it possible to increase incomes

significantly in cotton production areas and distribute more than CFAF 180 billion to cotton farmers.

The sustainable intensification and modernization of agriculture depend on the Government's continued efforts to create conditions under which more farmers can achieve secure land tenure.

### **3.2.3.3 Increasing and diversifying rural incomes**

To increase and diversify rural incomes, lending activities were strongly encouraged. About CFAF 7 billion in microcredits was distributed over the period 2000-2002. Generally speaking, such financing was for the agricultural sector (4.61 percent); the crafts sector (1.77 percent), stockraising (38.77 percent), processing (22.68 percent), and commerce (31.86 percent). Support was also extended to other sectors (fruits and vegetables, poultry farming, fish farming, forestry, and wildlife/game farming, among others) and the jobs created made it possible to distribute as much as CFAF 6 billion in income among the communities.

However, it is important that efforts be continued to create conditions in which more of the poor will gain more access to credit, especially by considering ways and means of better integrating decentralized financial systems into the modern financial system.

### **3.2.3.4 Ongoing support to farmers and the development of shared infrastructure**

With a view to supporting rural development promotion, several umbrella organizations have been set up by farmers since 2000 (UNJPA-B, FEPA-B, UNPC-B, FENOP, FENAFER-B, FEB, FNA-B). More specifically, the Faso Farmer's Confederation was established in 2002. The Government also became heavily involved in supporting this process by implementing the action plan known as "Emergence of professional agricultural organizations" (30,515 grassroots farmers' organizations recognized under Law No. 14/99/AN of April 15, 1999 were still extant in 2002 and 6 umbrella organizations were legally recognized), conducting regional diagnostics of professional organizations, creating regional chambers of agriculture and, more important, granting more funds to support farmers in their activities (CFAF 394.8 million disbursed at the village level and CFAF 516.9 million at the provincial level).

### **3.2.3.5 Improving access**

Efforts to improve access led to the construction of 800 kilometers of rural roads, well above the target of 300 kilometers. This improved rural communities' physical access to schools, healthcare facilities, and markets. In addition, technical studies on 818 kilometers of roads were also conducted.

Emphasis was also placed on promoting rural electrification to promote income-generating economic activities of all types. To this end, nine secondary centers were electrified in 2000 and 125 departmental population centers have been benefiting (since 2000-2001) from the use of renewable energy sources following the installation of solar panels on certain strategic sites (prefectures, schools, CSPSs, state technical services), economic sites (markets), and cultural sites (youth centers), and, more importantly, the installation of public lighting. Moreover, the towns of Pô and Léo were linked to the Northern Ghana power grid.

These initiatives are promising because of the encouraging results thus far and the existence of a national rural transport strategy. The necessary steps must now be taken to define and implement a plan of action; in particular, such steps must include relevant monitoring indicators.

### **3.2.3.6 National solidarity and the advancement of women**

A mechanism known as the national solidarity fund was set up to meet the needs of disadvantaged groups and those in emergency situations. In addition, a series of initiatives targeting women was developed and carried out, resulting in an improvement in their economic and social situation, particularly in the 20 most disadvantaged provinces construction and rehabilitation of shelters for women, purchase of mills, shea nut presses, cereal hulling machines, motor pumps, sewing machines, wheelbarrows, carts, etc.). These initiatives resulted in improvements in their economic and social situation.

However, given the increasingly deep social divide, relevant strategies to reduce social inequalities must be put in place, as should effective mechanisms for strengthening national solidarity. There is still a need to draft a consensus-based strategy to mainstream gender in policies and programs, because there is a need to clarify the roles of the various stakeholders in this field.

### **3.2.3.7 Promoting employment and vocational training**

The evaluation centers and vocational training centers were able to improve their performance as a result of initiatives to rehabilitate them and increase their intake as well as their pedagogical and training capacity. In addition, to improve access to financing on the part of promoters of micro and small enterprises, the capacities of the financing structures (FAPE, FASI) were strengthened. Lastly, to enhance the visibility of the labor and job market, an employment and vocational training observatory was put in place and an operational register of occupational trades and jobs is being developed.

In view of the difficulties in accessing the labor market, it is important to strengthen the national vocational training mechanism and increase the intake capacity; likewise it must be brought in line with the economic realities while facilitating access to credit for a great many individual and collective promoters.

### **3.2.4 Pillar 4: Promoting good governance**

The national good governance plan, adopted in 1998, is the frame of reference for governance in Burkina Faso. Its implementation since 2000 has made it possible on the political front to strengthen democracy and the rule of law, and on the economic front to promote transparency in budget management.

#### **3.2.4.1 Democratic governance**

Significant strides were made with the regular holding of multiparty elections at the legislative and municipal levels. The strengthening of democratic culture was supported by an ongoing dialogue among the various political and social stakeholders. This dialogue was complemented by the opening up of the press freedom forum, within the framework of a new, more open information code and a policy on communication for development. The organization of the national day of pardon made it possible to guarantee that the social peace essential to development would be in place. Among the outcomes was the financial compensation of the victims of political violence. Over 300 persons were compensated in 2002 and about CFAF 1.5 billion was paid out. Efforts to promote human rights led to the establishment of a ministry in 2002 and the completion of a program of action in this field.

However, access to justice remains a priority in creating a more business-friendly and free environment where democracy is a given. The national Plan of Action for Justice Reform is designed to establish an independent, accessible justice system. To this end, the Supreme Court has been recast into four autonomous higher jurisdictions (the Council of State, Audit Office, Court of Cassation, and the Constitutional Council) and a new status for magistrates was adopted in order to guarantee full independence of the judiciary by depoliticizing that function. Nevertheless, the low number of lower jurisdictions (courts of first instance) and the capacity shortfalls at all levels tend to hamper the efficiency of the judiciary system.

Sustainable improvement in democratic governance requires the strengthening of the institutional mechanisms put in place for this purpose.

#### **3.2.4.2 Improving economic governance**

In furthering the cause of economic governance the Government embarked upon a series of initiatives with its partners over the period 2000-2002 to strengthen strategic piloting and improve the day-to-day and operational management of the economy and the fight against corruption.

In terms of the strategic piloting of the economy, a forward-thinking approach was adopted within the framework of the "Burkina 2025" study with a view to developing a long-term vision of the development path of Burkinabè society and thereby have a clearer framework within which development strategies may be devised. The preliminary results of the study have

made it possible to pinpoint the potential problem areas from a retrospective look at the political, economic, and social landscape, looking at strengths and weaknesses on the one hand, and on the other hand highlighting the opportunities and the threats, as well as the seeds of change. Likewise, the surveys on national aspirations included recommendations aimed at eliminating the constraints on monitoring and effectively implementing the poverty reduction policies and programs.

In respect of the day-to-day and operational management of the economy, the Government sharpened its budgetary programming and management tools. The integrated expenditure circuit was consolidated while an integrated revenue circuit is being developed. In the same vein, the preparation and drafting of the Central Government Budget were improved by making use of the Medium-Term Expenditure Framework, which makes it possible more consistently to reflect PRSP priorities in the Budget Law. Achieving greater efficiency in public expenditure was also a constant concern that led to public expenditure reviews in the priority sectors of education, health, infrastructure, and rural development. Implementation of the recommendations of these reviews resulted in more substantial budget allocations as well as improvement in the budget implementation rates in these sectors.

Apart from its efforts to enhance the efficiency of public expenditure, the Government was keen to inculcate a culture of budget transparency and accountability. The draft settlement laws for the budgets of fiscal years 1995 through 2002 were therefore submitted to the Chamber of Accounts, which was upgraded to an autonomous and operational Audit Office in July 2002. Efforts have also been made to deconcentrate budget implementation as a means of supporting the introduction of appropriations earmarked for the priority ministries, as well as to revise government procurement procedures with a view to enhancing transparency in the Government's contracting practices.

The annual general meetings of state enterprises and public administrative entities, as well as the meetings of project heads, constitute ownership frameworks for all those in positions of responsibility at all levels of good economic governance. Substantial progress has been made in the public management framework since 2000 with the introduction of the new merit-based evaluation system, the introduction of programming tools for the administrative units (including mission statements, performance-based contracts, activity schedules, management indicators, and activity reports), the implementation of the new by-laws governing contractual staff, and the production of job descriptions in the various areas of activity. The establishment of human resources departments and the deconcentration of the management of employee records through the Integrated State Personnel Administrative and Salary Management System (SIGASPE) currently being deployed on the Government's shared administrative network (RESINA) are also components in the capacity-building of those tasked with effectively applying these new tools in all the administrative units.

In the fight against corruption, the Government stepped up the institutional dimension of the fight against fraud and corruption by establishing a National Ethics Committee in 2001 and the High Authority for Combating Corruption in 2002. The aim was to instill a greater moral sense in Burkinabè society and coordinate anticorruption initiatives. The emergence of a national network to combat corruption—a civil society initiative to complement the efforts of the authorities—must be highlighted in this regard.

### **3.2.4.3 Local governance**

The creation of the 13 administrative regions completes the institutional architecture for the decentralization process. However, the viability of the process is hamstrung by the failure to transfer authority and, more importantly, resources to the local government level. True, the process did allow for the renewal of the teams in 49 municipalities which are still in existence, and there was an increase in the proportion of women elected from 12 percent to 21 percent between 1995 and 2000. But citizen participation in managing the municipalities is hampered by capacity shortfalls on the political, administrative, organizational, and resource fronts. Furthermore, for the time being, the decentralization affects but 18 percent of the population and covers only 20 percent of the country. Lastly, the tardiness observed in the implementation of the comprehensive administration reform is slowing the initiatives of the sectoral ministries, in particular the ministries of education and health, which are awaiting the

implementation of the legal framework for the regionalization of human resource management.

Extending the decentralization process to the rural areas in accordance with the guidelines on the decentralization process, as well as the definition of a legislative framework governing rural communes, remain priority objectives.

## **IV. DEVELOPMENT OUTLOOK AND NATIONAL PRIORITIES**

### **4.1 BURKINA FASO'S DEVELOPMENT PROSPECTS AND VISION**

In 1995 the Government of Burkina Faso set forth its vision of long-term development in a letter of intent on sustainable human development policy, the ultimate goal of which was to focus the country's development strategy on the concept of human security, thus giving every Burkinabè access to:

- economic security, linked to access to education, vocational training, and gainful employment;
- health security, linked to less expensive access to both preventive and curative medical care;
- food security, linked to access to basic foods, including safe drinking water;
- environmental security, linked to the conservation of a healthy environment;
- individual and political security, linked to development of the positive principles of sound public management, namely the primacy of law, accountability and participation, effectiveness and transparency.

This renewed attention to economic and social policy was based on the following guidelines:

- pursuit of maximum impact from public spending on the principal social sectors;
- promotion of fairness and equality of opportunity between different social brackets and genders with no restrictions on public and civil liberties;
- environmental protection;
- human resources and employment development;
- participation by members of civil society (particularly NGOs and associations) in the development, execution, monitoring, and evaluation of development policies and programs;
- transparent public resource management procedures and tools.

This letter remains the conceptual framework of the national poverty reduction strategy in which the Government set for itself the following broad goals:

- strengthen actions aimed at reducing the state of poverty and vulnerability of populations and the various disparities;
- pursue good macroeconomic policies to achieve strong, sustainable, and more evenly distributed growth;
- speed up and strengthen the decentralization process and actions designed to modernize government;
- successfully integrate the country into the globalization and regionalization process.

In addition, since 1999 the Government has fostered a forward-looking debate on "Burkina 2025," the objective of which is to encourage social dialogue on the major development issues as a way to further clarify the vision of the country's future a generation from now.

The results of the different stages of this forward-looking national study confirm the urgent need to promote human security by attacking poverty from a structural perspective, i.e. as a strategic objective that must absolutely be achieved in the long term. To achieve this objective of a structural nature, special attention should be given to three key elements, as follows:

- the requirements of good governance;
- the foundations of cultural integration and openness;
- the platform of factors and stakeholders.

The basic philosophy underlying this perception is that the Burkinabè people should rely on their own values, coupled with the requirements of good governance, i.e. governance that is both visionary and ambitious. This means, on the one hand, making the fight against corruption a catalyst for the inclusion of identifying reference points as a tool of governance and, on the other hand, eliminating the prejudices concerning the informal sector and tourism because of their major role in poverty reduction.

Furthermore, the dynamic of regional integration should be considered as an action-based variable that will enable Burkina Faso to participate more effectively in the globalization process.

## **4.2 MEDIUM-TERM DEVELOPMENT OUTLOOK**

The major quantitative objectives set by the Government for the coming years are to: (i) increase per capita gross domestic product by at least 4 percent per year beginning in 2004; (ii) reduce the current incidence of poverty to less than 35 percent by 2015; and (iii) increase life expectancy to at least 60 by 2015. These objectives fall within the framework of achieving the Millennium Development Goals, as well as the goals set forth by the New Partnership for Africa's Development.

To meet these development objectives, the Government has set specific objectives in a number of priority sectors. Achieving these objectives will have a significant impact on poverty reduction.

### **4.2.1 Education**

In general, education appears to be the central concern of government officials inasmuch as education permits optimal development of human resources and constitutes an important instrument for poverty reduction and improving the well-being of the population.

The overall policy for developing the educational system through 2010 is based on four principles:

- expand basic education to include the first cycle of secondary education;
- increase the coverage of basic education while improving its quality;
- ensure balanced development of the educational system in order to meet the needs of the economy with respect to both quantity and quality;
- develop a specific and consistent program to provide broad opportunities for effective literacy training to adults in general and women in particular.

The Government's option for the coming years is to undertake the quantitative and qualitative development of basic education and literacy training. The goal is also to strive for better overall balance in the system, address the aspirations of the population in this area, and develop the foundations for meeting the requirements of the economy in the context of globalization and regionalization.

The experience of PDDEB implementation in recent years shows a very timid rate of change in the indicators. Yet accelerated development of basic education remains essential for the poverty reduction strategy to succeed. This being so, the Government will maintain its quantitative objectives in this area over the coming years. However, achievement of these objectives should be accompanied by more effective organization and more vigorous action on the part of all involved in education.

The objectives for the coming years are to:

- increase, at a reasonable cost, the gross enrollment ratio in primary school to 70 percent by 2010, especially for children and girls in rural areas, and improve the quality and effectiveness of the system;
- develop and diversify literacy training activities and approaches so as to raise the literacy rate to 40 percent by 2010, especially for women and inhabitants of underprivileged areas;

- improve the availability and supervision of preschool education as a framework for early learning and preparation for primary school;
- improve the quality of learning and teaching so as to reduce the waste associated with high numbers of school year repeaters and drop-outs;
- build the management capacity of schools, inspectorates, and regions, as well as MEBA's steering capacity, commensurate with the very rapid growth in the volume of activities that will be generated by the country's decentralization and deconcentration program and policy.

To consolidate the progress made toward achieving these objectives, a decisive impetus will thus be given to the educational system as a whole, in order to increase supply while endeavoring to eliminate disparities of all types. In this regard, the Ten-Year Plan for Basic Education Development (PDDEB) will be strengthened by the various initiatives mentioned above.

Along the same lines, nonformal educational outreach will be strengthened through a "just do it" approach and by building up the national fund for literacy training and nonformal education.

**Table 13: Harmonization of indicators from the PRSP and the various phases of the PDDEB**

INDICATOR	Calendar and school years/Objectives				
	2001	2002	2003	2004	2005
	2001 - 2002	2002 - 2003	2003 - 2004	2004 - 2005	2005 - 2006
<b>Budget indicators</b>					
Share of budget earmarked for MEBA (%)	10.55	10.59	11.23	20.03	14.46
Share of budget earmarked for MEBA from the Government's own resources (%)	11	11.19	14.46	15.15	16
<b>Gross admission ratio (GAR) (%)</b>	39	45.7	46	49	54
GAR for girls	33	37	41	46	52
GAR for 20 priority provinces	28	32	37	42	48
GAR for girls in 20 priority provinces	23	27	33	39	46
<b>Ratio of school year repeaters by subcycle (%)</b>					
*CP (preparatory)	13	11	9	7	6
*CE (elementary)	17	14	12	10	8
*CM (middle)	19	16	14	12	10
<b>Gross enrollment ratio (GER) (%)</b>	42.7	47.5	52.2	53	56
GER for girls	36.2	38	42	47	50
GER for 20 priority provinces	28	31	34	38	42
GER for girls in 20 priority provinces	23	26	30	34	39
<b>Book/student ratio</b>					
* Math	0.5	0.6	0.7	0.8	1
* Reading	0.6	0.7	0.8	0.9	1

Source: DEP/MEBA, 2003.

#### 4.2.1.2 Other types of education

From the perspective of expanding the concept of basic education and balanced development of the education system, the Government will develop and implement a cohesive program for developing other types of education. Special emphasis will be placed on learning the trades, science and technology, technical and vocational education, etc.

#### 4.2.2 Health

Health is a critical element of human development. Since 1995, the national health strategy has focused on the pursuit of health security, based on less expensive access to preventive and curative medical care. This strategy, advocated in the letter of intent on sustainable human development policy, is rooted in the following principles:

- a primary healthcare policy with an emphasis on prevention;
- a system of healthcare cofinancing between government and grassroots communities;
- real decentralization of healthcare facilities so as to guarantee the participation of populations and the accountability of local authorities;
- an incentive system to encourage the private sector to create healthcare facilities and pharmacies.

These principles stem from the Bamako initiative, the objectives of which were the strengthening of primary healthcare, the autonomous management of healthcare facilities by health center management committees, the availability of generic essential drugs, and cost recovery.

In principle, the strategy was intended to bring grassroots health services closer to the people and involve them more fully in managing and assuming responsibility for their own health problems. However, numerous difficulties arose during implementation, particularly as regards weak community participation in management, the low level of financial resources that households can devote to their health, and the current technical limitations of the healthcare facilities.

The Government adopted a national health policy paper in 2000 that laid out the country's broad goals in terms of healthcare and the objective of working to improve the health status of the people. To pave the way for policy implementation, a national health sector development plan covering the period 2001–2010 was adopted in July 2001, then updated in 2003 at the time of the Round Table of health sector donors. This plan sets forth the following intermediate objectives:

- expand national healthcare coverage;
- improve the quality and increase the use of healthcare services;
- intensify the fight against transmittable and nontransmittable diseases;
- reduce HIV/AIDS transmission through an appropriate strategy;
- develop human resources in the health field;
- improve the people's financial access to healthcare services;
- increase health sector financing;
- build the institutional capacities of the Ministry of Health.

To achieve these specific objectives, the national health policy paper identified a number of strategies:

- in view of the generally low rate of visits to healthcare facilities, forward-looking studies need to be conducted so as to identify and analyze the determinants of healthcare demand in Burkina Faso through the development of a healthcare demand model. These studies will serve to redefine the new strategies to be implemented in order to achieve a substantial improvement in rates of visits to healthcare facilities;
- health policy should pay special attention to vulnerable groups that may have particular health needs. Efforts should be made to step up interventions targeting the poorest areas and the most underprivileged and vulnerable populations by redirecting resources (funds, staff, and supplies) to these areas in order to fight against the diseases and ailments that disproportionately affect the poor;
- many health services are not available at healthcare facilities because of insufficient staffing and expertise. Indeed, not even the minimum package of activities is offered in toto at all the existing healthcare facilities, as some of the health districts are not operational. There is thus a need to make the minimum package of

activities available at all healthcare facilities in order for the poor to have access to basic healthcare;

- health services should be improved through a quantitative and qualitative increase in staffing, efforts to boost staff motivation, improved supervision, better staff-patient communication, improvements in how patients are received, shorter waiting times for patients, and better availability of drugs for patients;
- the Government should consider an insurance system to cover the poor. There is indeed a need to design systems that spare the poor from paying for services from their own pockets, by increasing the volume of advance settlements through a system of general taxation, mandatory contributions to health insurance, or voluntary initiatives, and by subsidizing the poorest.

#### 4.2.3 HIV/AIDS control

The Strategic Framework for HIV/AIDS Control 2001-2005, adopted by the Government in May 2001 and favoring a multisectoral approach, suggests that the fight against HIV/AIDS will mark a major turning point in Burkina Faso. The framework sets forth four main goals: (i) intensify efforts to prevent the transmission of sexually transmitted diseases and HIV; (ii) step up surveillance of the epidemic; (iii) improve the quality of overall support for infected and affected individuals; (iv) broaden the response and promote national and international partnership and multisectoral coordination.

#### **BOX 9: HIV/AIDS and debt relief**

As HIV/AIDS has become recognized as a threat to development in many developing countries, so have attempts to “mainstream” HIV/AIDS control into instruments of development. For poor countries, where PRSPs serve as the country’s agenda for poverty reduction, it has become crucial for country-level managers and analysts to make credible proposals for the inclusion of HIV/AIDS in the poverty reduction effort.

For countries that are eligible for debt relief through the enhanced HIPC Initiative, there is a potential for significant increases in the public financing of HIV/AIDS control programs through earmarking of funds. Only a few countries have seized this opportunity to do so, but their numbers are growing. Burkina Faso is one of them.

Debt relief can be a prime source of financing for national AIDS programs in the most heavily affected African countries: several hundred million dollars annually could be generated from debt relief for AIDS in Africa, if governments choose to allocate a significant share of their expected debt relief “savings” to AIDS. This can help narrow the gap between what is currently spent on AIDS and what is actually needed to mount effective national responses.

Source: SAFCO, No. 01, January–March 2001.

#### 4.2.4 Safe drinking water

As part of the effort to make the water policy adopted by the Government in 1998 operational, an action plan for integrated water management was adopted in 2003. This plan sets forth new approaches, objectives (see Table 14 ), and specific actions in the area of safe drinking water supply, and includes three distinct components to take into account management methods and procedures which hinge on the size of communities and their technical and financial capacities. The three components are:

- (i) safe drinking water supply in urban centers;
- (ii) safe drinking water supply in semi-urban centers;
- (iii) safe drinking water supply in rural areas.

**Table 14: Objectives for the provision of safe drinking water**

INDICATORS	2004	2005	2006
1 - Reduction of disparities between provinces with respect to safe drinking water supply through an increase in the rate of coverage			
Number of provinces (NP) < 50%	4	2	0
50% < NP < 75%	10	8	0
75% < NP < 85%	10	10	10
85% < NP < 90%	10	14	15
90% < NP	11	11	20
2 – Expansion of facilities in secondary centers (2,000 to 10,000 inhabitants)	40	40	40
3 – Rate of breakdown of human powered pumps (%)	20	18	15
4 – Access to safe drinking water (creation of new water points)	1,000	1,000	1,000

#### 4.2.5 Rural development

In 2003, the Burkinabè Government, drawing a lesson from implementation of the sustainable growth strategy in the agriculture and livestock sectors and changes in the regional and international context, and acting on the principles of the decentralized rural development policy letter, adopted a new national strategy for rural development through 2015.

The vision espoused in this strategy is the advent of a rural world that is less poor and that enjoys sustainable food security as a result of:

- increased output from agriculture, livestock, fisheries, forests, and wildlife as a result of improved productivity;
- increased incomes as a result of greater integration into the market economy and the diversification of economic activities in rural areas;
- modernization of family farms;
- regional diversification and specialization of production;
- sustainable management of natural resources and ecosystems.

The overall objective in the area of rural development is to ensure sustainable growth of the rural sector and thereby contribute to poverty reduction, greater food security, and the advancement of sustainable development.

The specific objectives are to:

- increase the output from agriculture, forests, livestock, and wildlife over the coming years;
- contribute to growth in the income of farmers and livestock raisers so as to improve their standard of living and reduce the incidence of poverty in rural areas through the diversification of activities;
- strengthen the link between producers and markets;
- create favorable conditions to make a balanced and adequate diet available and accessible to populations; cover standard caloric intake requirements (2,500 calories/day) and increase the consumption of animal protein (from the current level of 9.3 kg per person per year to 21 kg per person per year);
- strengthen and bring into widespread use the sustainable management of natural resources by rural communities;
- improve the economic and social status of women and youth in rural areas;
- build the capacities of rural populations and develop their accountability as development stakeholders.

#### **BOX 10: Policy Letter for Decentralized Rural Development**

In 2002, the Government of Burkina Faso adopted a policy letter for decentralized rural development (LPDRD) to serve as a unifying framework for the various programs and projects targeting the development of rural communities at the grassroots level, so as to permit more efficient use of resources and good national coverage with respect to poverty reduction. To achieve greater efficiency, a synergy of interventions should be established by harmonizing the approaches and methods and by setting up a mechanism for coordination and for monitoring and evaluation at the national level.

This letter, which crystallizes the overall vision of the rural world in the year 2010 within a well focused multisectoral framework, is structured around the following points:

(i) Rural populations have full responsibility for development at the local level, through decentralized communities and within the framework of an effective partnership with the Government and government agencies; they are competent to choose development priorities, to develop social and socioeconomic infrastructure, and to manage natural resources on community lands.

(ii) Rural populations enjoy efficient access to social services (healthcare, education, safe drinking water, etc.) and to basic infrastructure.

(iii) The mission of the technical agencies of the Government is refocused on the sovereign functions of formulation and monitoring of sector policies, compliance with regulations, and implementation of formative public investments.

(iv) Private operators, NGOs, and associations contribute to the implementation of local development plans by providing various services on a contractual basis.

(v) The income of rural populations has increased and their food security has improved.

Success in meeting these objectives will hinge on the following strategic goals:

- increase and diversify the output from agriculture, livestock, forests, wildlife, and fisheries;
- strengthen the link between producers and markets;
- increase and diversify sources of income;
- improve safe drinking water supply and sanitation;
- ensure sustainable management of natural resources;
- build the capacities of stakeholders and create a favorable institutional framework;
- promote a gender-based approach in order to improve the economic and social status of women and youth in rural areas.

#### **4.2.5.1 Increase and diversify the output from agriculture, livestock, forests, wildlife, and fisheries**

**Output from agriculture:** Analysis of the situation reveals that, as a whole, current farming techniques not only fail to mitigate the negative effects of natural constraints, but actually make the situation worse. In addition, farmers' strategies rarely take into account changes on the domestic and external markets, except in the case of cotton and a few export crops (e.g. green beans). In an increasingly open subregional and international economic context, this traditional form of agriculture will be unable to meet the competition and fill a slot in the international market. Growth, diversification, and intensification of agricultural output will necessarily require qualitative transformations in the production system, the behavior of stakeholders, and the socioeconomic environment. For this reason, the following priority actions should be considered:

- support and advice for producers, along with research and development;
- agricultural water supply;
- development of agricultural water systems, with a priority given to lowland development in order to intensify small-scale irrigation;
- development of growth industries;
- development of agroprocessing and the marketing of agricultural products;
- development of agricultural mechanization;
- better and more secure access to land;
- integrated management of soil fertility;
- better conditions as regards access to credit from banks and microfinance institutions.

**Output from livestock:** The Government intends to make stockraising a powerful tool for reducing food insecurity and boosting incomes, particularly in rural areas. The main interventions in this subsector involve:

- improved resource management and development of pastoral areas;
- improved feed and water;
- improved animal productivity;
- improved animal health;
- improved competitiveness and access to animal product markets;
- support for livestock farmer organizations.

**Development and management of forest and wildlife resources:** The emphasis will be placed on:

- development and strengthening of the fuelwood industry;
- development of non-woody forest products;
- reduction in the amount of land burned by bush fires;
- increase in the size of wildlife populations;
- development of an information system to generate better data on forests and wildlife;
- conservation of the biodiversity of different ecosystems.

**Development and management of fishery resources:** The current domestic production of fish is highly insufficient to cover the country's real needs. This substantial shortfall results in increased fish imports and thus contributes to the trade imbalance. However, increased production is possible because potential resources are underexploited. Consequently, by 2015 the goal is to:

- increase fish production and catch on a sustainable basis;
- develop aquaculture and diversify fish production.

#### **4.2.5.2 Strengthen the links between producers and markets**

Meeting this strategic goal requires that constraints be lifted both upstream and downstream (preserving, processing, marketing). To that end, the priority actions to be undertaken will focus on:

- improved access to producing areas;
- development of infrastructure for bringing products to market;
- product processing to preserve products better and increase their added value (cotton, fruits and vegetables, sesame, shea kernels, milk, meat, woody products, etc.);
- development of an effective information system on markets;
- development of communications infrastructure;
- improved competitiveness of products intended for export;
- development of industrial or semi-industrial units to increase the added value of products;

- capacity-building and improved services in the areas of product processing and quality control;
- development of commercial products wherever possible, depending on the comparative advantages.

#### **4.2.5.3 Increase and diversify sources of income**

The goal of increasing and diversifying incomes requires improved access to credit, monetization of rural activities, improvements in the competitiveness of cash crops and commercial products, and the promotion of income-generating activities and self-employment.

**Improved access to microcredit:** Microfinance is the instrument of choice for financing the diversification of income-generating activities in rural areas; to that end, a rural microfinance development strategy needs to be worked out, with terms and procedures appropriate to the specific needs of activities such as the development of rural handicrafts, the production, preserving, processing, and marketing of agricultural and livestock products, and the export of forest and fish products. In addition, the Government will continue its efforts to create conditions conducive to the geographic expansion of decentralized financial systems and organizational capacity-building for such systems through the development of refinancing and guarantee fund mechanisms at other financial institutions. Special attention should be given to the needs of food producers, who are the poorest and most vulnerable group.

**Accelerated monetization of rural activities:** The small-scale village irrigation program will be strengthened in order not only to increase food security, but also to create rural employment during the dry season. At the same time, the Government will continue to steer producers toward new, more lucrative activities such as: (i) livestock fattening; (ii) mini-dairies, usually managed by women; (iii) leather and hide handicrafts; (iv) small animal breeding; (v) fish farming and aquaculture; (vi) small logging operations; (vii) wildlife development.

**Improvements in the competitiveness of commercial products:** In the context of regionalization and globalization of trade, efforts will be made to encourage the diversification of export products and export potential, along with improvements in the competitiveness of growth industries (such as cotton, oil-producing plants, fruits and vegetables, leathers and hides, tourism based on hunting, etc.). These products have a formative effect on the entire rural sector (in view of the need to organize upstream and downstream services) and a multiplier effect on incomes, particularly rural incomes.

**Development of income-generating activities and self-employment:** In addition to the implementation of a private initiative support program to promote agroprocessing, small animal breeding, off-season crops, handicrafts, and small trade, emphasis will be placed on the development of other activities such as fisheries, the development of non-woody forest products, and the development of utilitarian local species.

The contribution of the fishery resources subsector to job and income generation will hinge on the implementation of actions in support of the production, processing/consumption, and marketing of fishery and aquaculture products.

#### **4.2.5.4 Ensure sustainable management of natural resources**

As a result of population growth, intensified migratory movements, and the growing needs of society, the pressure on land, water, forest, wildlife, and fishery resources is steadily increasing, thus exacerbating the conflicts over the use of these resources.

To achieve the strategic goal of sustainable natural resources management, the priority actions are as follows:

##### **Land resources management**

- promote production systems that guarantee the durability and sustainability of ecosystems by adopting approaches that favor careful intensification of production systems;
- strengthen security of land tenure;
- restore soil fertility;

- promote widespread use of erosion controls (CES/AGF and DRS);
- improve rangeland and water point management;
- build the capacities of those in the sector.

#### **Water resources management**

- create an enabling environment for clearly defining the rights, responsibilities, and roles of all stakeholders (Government, local communities, users) in implementing the principles and tools of integrated water resources management;
- set in place a water resources information system to ensure better knowledge and better monitoring of water resources, their uses, demand, and water-related risks;
- develop procedures for implementing laws and regulations on water use for the attention of all actors involved in water resources management;
- promote research and development in order to improve the basic understanding of the cycle and uses of water resources, with a view to better exploitation of these resources;
- develop human resources so as to provide those involved with the necessary capacities to fill their respective roles;
- carry out informational, educational, awareness-raising, and advocacy actions to ensure responsible support and participation by all participants;
- set in place an institutional framework specifically adapted to integrated water resources management;
- implement the national strategy for sustainable development of irrigated agriculture;
- implement actions to protect watersheds and the banks of streams and rivers.

#### **Forest, wildlife, and fishery resources management**

- promote sustainable forest development, which will consist of: (i) real integration of forestry into rural development by rebuilding, developing, and managing forest resources on community lands so as to ensure optimal and sustainable exploitation of the productive potential of farmlands, rangelands, and forests; (ii) regionalization and decentralization of forest planning so as to optimally adapt forest development to specific socioeconomic and ecological contexts;
- manage seed production areas and seek genetic improvements in forest species;
- promote environmental assessments and environmental education;
- protect classified forests in order to help maintain essential ecological processes (water resources cycle, air, cycle of organic matter, etc.) and provide goods and services to populations;
- build accountability on the part of riverside populations for ecosystem management;
- promote actions to protect and restore aquatic ecosystems;
- rigorously enforce the laws and regulations in force and improve the governance of forest, wildlife, and fishery resources.

#### **4.2.5.5 Build the capacities of stakeholders and create a favorable institutional framework**

Several stakeholder groups have roles to play in implementing the rural development strategy:

- government agencies;
- professional organizations and private operators;
- local and grassroots communities;
- technical and financial partners.

There is a need to build the capacities of the first two groups in particular.

#### **4.2.5.5.1 Build the capacities of government agencies**

In the current context, marked by regionalization and globalization of the economy, capacity-building is an absolute necessity for Burkina Faso, which must make its policies succeed while meeting the demands of the market. Yet experience has shown the weak performance of government agencies, in terms of both management and strategic planning, because of inadequate professional capacities and work resources. For the rural development strategy to succeed, it now appears that this capacity deficit needs to be reduced. However, capacity-building should not be limited to training activities alone. It should be addressed from a holistic perspective, so as to integrate the institutional dimension and elements such as professional behaviors and practices, logistics, and motivation.

In addition, the New Information and Communications Technologies (NICT) constitute a powerful instrument for streamlining the management of development and should be harnessed in order to benefit optimally from the opportunities offered in this area.

The priority actions are to:

- improve staffing by resuming or continuing civil service hiring for the ministries involved in rural development;
- improve the institutional arrangements;
- build the technical and operational capacities of government agencies;
- provide government agencies with access to the New Information and Communications Technologies.

#### **4.2.5.5.2 Build the capacities of professional organizations**

The reforms implemented in the agricultural sector seek to refocus the Government's role on its sovereign functions, but they also aim to develop total accountability on the part of producers and their organizations in the development process. However, while this new context opens opportunities and favorable prospects, it also introduces new requirements which farmer organizations must meet if these organizations are to become effective. For this reason, capacity-building for farmer organizations is critical to the success of the rural development strategy. Capacity-building efforts should cover the following topics:

- structuring and institutional development of professional organizations;
- vocational training;
- functional literacy.

**Structuring and institutional development of professional organizations:** The Government has repeatedly reaffirmed its desire to promote producer organizations and maintain partnership relations with them in a way that respects the autonomy of each partner.

To that end, the Government's strategy focuses on the professionalization of producer organizations, requiring the development of a real capacity to promote and defend the agricultural trade, and on better vertical and horizontal structuring of these organizations.

In the economic sphere, the Government will continue to support the emergence and structuring of producer organizations created under Law 014/AN/99. These bodies are based on the rule of voluntary membership, i.e. the voluntary participation of individuals in forming groups and cooperatives, and of producer organizations in forming unions, federations, and confederations. They are managed in accordance with universally recognized cooperative principles: democratic control, economic participation of members, autonomy, independence, and nondiscrimination. Their primary objective is to handle certain necessary functions pertaining to their members' economic activity, particularly with respect to market access (marketing, access to inputs and equipment, etc.). They may set in place targeted services, which contribute to the vertical structuring, by subsector, of the greater agricultural sector.

The regional chambers of agriculture are institutions that represent and defend the interests of the agricultural profession; they have been set up in all regions through a democratic process. They represent the entire agricultural sector, in all its components and diversity, following a principle of vertical structuring in a territorial framework. The regional chambers

of agriculture are consular organizations; they have no members, but nationals, who are all producers in the area. They enjoy the status of public entities of a professional nature and are solely managed by the elected representatives of farmers and livestock farmers. They are called upon to take over from the Government certain functions of general interest, such as training, information, and technology transfers.

Government support will be based on the activity plans adopted by the different producer organizations, defining their objectives and their methods of intervention. They will benefit from training programs and trips organized for the purpose of sharing experiences, and they will receive the material, human, and financial support needed to play their role effectively. To implement these actions, the Government could rely on service structures such as associations, NGOs, and training centers that possess demonstrated technical capacities in certain areas.

**Vocational training:** For producers and their organizations, this is a key element for improving productivity, promoting technology transfer, and adjusting to technological developments and changes linked to globalization. The sustainability of a high level of growth can only be ensured through continuous improvements in the professional qualifications of producers and their organizations. Vocational training is essential it is desired to keep large numbers of youth in their communities.

Promoting vocational training remains the primary channel for skills development. However, the current system of vocational training, based on training centers and schools, cannot meet the full range and diversity of needs in terms of professional qualifications. To address this lack of relevance and effectiveness, the Government is attempting to develop a new approach to vocational training that will make it possible to train greater numbers of youth in various fields of specialization.

**Functional literacy:** Illiteracy in all its forms, and particularly in connection with a lack of capacities and qualifications, is more pronounced in rural areas. The development of basic education and functional literacy is therefore a key element of the rural development strategy. The Ten-Year Plan for Basic Education Development calls for accelerated action in disadvantaged areas.

#### **4.2.5.5.3 Build the capacities of private operators**

Private operators need vocational training to improve productivity and build their capacities in order to adjust to business competition, encourage private investment, and attract foreign capital. The development and implementation of a program to support private initiative in the areas of agroprocessing, small animal breeding, off-season crops, and services in rural areas will facilitate private involvement in implementation of the rural development strategy.

#### **4.2.5.5.4 Create a favorable institutional framework**

In connection with its role as promoter, the Government should work to improve the tax-related, institutional, legislative, and regulatory environment so as to allow each rural stakeholder to fully play his or her role. In addition, the Government must provide public goods and services in the areas of research, outreach, controls, and regulations. The Government will also provide institutional support to farmer organizations and local communities through appropriate training programs.

The Government will support the development of private investment in the rural sector, specifically by adopting an agriculture and livestock investment code that takes into account the criterion of investment return, in order to encourage private investment and permit private parties to take over from the Government in several areas (agricultural equipment and input supply, veterinary services, product processing and marketing, etc.).

In addition, the Government has adopted new terms and conditions that give private operators access to agricultural water systems. In a similar vein, the Government will also pursue and strengthen its policy of contract-based links with private operators, while retaining its role in steering, monitoring and evaluating, and overseeing implementation of the actions.

#### **4.2.5.6 Promote a gender-based approach in order to improve the economic and social status of women and youth in rural areas**

As indicated above, according to the results of the Burkinabè survey of household living conditions conducted in 2003, there is a degree of discrimination between men and women in terms of poverty, to the disadvantage of women. Women do in fact contribute more than men to the overall incidence of poverty at the national level (52 percent of women versus 48 percent of men), and among women the severity of poverty is slightly higher than for men (7.3 percent versus 6.9 percent).

Socioeconomic conditions and sociocultural impediments often explain the problems faced by women with respect to access to inputs (land, equipment, credit, etc.).

The literacy rate for women (12.9 percent) is half that of men (24 percent). This disparity, which is found in all social categories, is much more pronounced in the poorest categories. Women have limited access to healthcare, land, employment opportunities, and credit, and participate less in public life and decision-making.

Although this survey did not provide specific information on youth, experience proves that this category of the Burkinabè population also faces a serious situation due to social dependence and difficult access to production factors, resulting in a rural exodus that deprives the countryside of vital force.

In view of their economic circumstances, their precarious social status, and their essential contribution to agricultural and pastoral output, special attention will be given to improving the living conditions of women and youth in the rural development strategy, as one component of the poverty reduction strategy for rural areas of Burkina Faso. This will also require moving toward a more socioeconomic approach that takes into account the returns from women's economic activities.

Women contribute more than men to the creation of national wealth, particularly in rural areas. Accordingly, improving their working conditions will have a definite impact on efforts to increase output.

#### **4.2.6 Physical environment and living environment**

After Rio 1992, Burkina Faso subscribed to the Millennium Development Goals and the agenda of the Johannesburg Earth Summit in 2002. The Burkinabè Government is well aware that the promotion of sustainable development requires concerted action.

The links between poverty and the degradation of natural resources, most acutely reflected in desertification, are so evident that they must be taken into account in any poverty reduction strategy. But this implies a framework of multisectoral action to guarantee populations, especially poor populations, basic prospects for:

- water that is suitable for consumption and conducive to food security;
- a sustainable supply of energy;
- good health from the responsible use of natural resources;
- sound agriculture in a viable rural context;
- guaranteed biodiversity of life and the protection of essential ecosystems.

In specific terms, for the period 2004-2006, the Government will focus on the following priority actions:

- intensification of the fight against desertification, which requires fine-tuning the implementation of local development programs based on the results of the experiments and studies carried out;
- improvement of the living environment of urban and rural populations by developing an action plan for sanitation and landscape improvements. Special attention will be given to rural concerns, particularly with respect to the management of agricultural pollution, pollution due to mining and industrial activities, etc.

Improvement of the living environment will go hand in hand with efforts to strengthen rural electrification programs and develop solutions to make electric power more accessible to the

most disadvantaged segments of the population. Rural electrification constitutes a genuine vector for improving living conditions, promoting productive activities, and upgrading the equipment of administrative services. Rural electrification also helps to reduce the disparities between the cities and the countryside. Initiatives such as the development of solar energy and multifunctional platforms will receive a great deal of attention, along with measures to guarantee the security of the installations.

Sanitation began to be taken into account in the 1980s during the International Water Supply and Sanitation Decade. In Burkina Faso, three quarters of all households have no latrine; this is largely due to rural households, the great majority of which have no such infrastructure.

The sanitation situation is characterized by the absence of public sanitation systems in large cities. Domestic and industrial wastewater is discharged into the environment through gutters with little or no treatment. Only the cities of Ouagadougou and Bobo-Dioulasso have strategic plans for the disposal of wastewater and excreta now under way and have instituted significant actions in the area of waste management and rainwater removal. This weakness at the urban level is tied to the constraints posed by overpopulation and its corollary of lack of space and obligation for rigorous hygiene.

In rural areas, where concerns about space and crowding are less of an issue, the social or public constraint of having a place laid out carries less weight. But this does not diminish the fact that the consequences for the population, in terms of morbidity, are a reality that deserves careful consideration.

The national sanitation strategy aims to safeguard the natural and human environment such that each citizen can enjoy clean water, air, and public spaces in sufficient quantity and quality to satisfy his or her essential needs in terms of health, aesthetics, and general well-being.

The resulting policy of environmental protection aims to promote sanitation, prevent environmental degradation, and protect living species and property.

In the area of sanitation, the objectives are to:

- involve the authorities as closely as possible in the planning process to ensure a certain continuity of approaches, capacity-building, and greater ownership of the strategies, based on real demand at the community level;
- incorporate the concept of shared management responsibility in the institutional arrangements between government services, the private sector, NGOs, and local communities;
- make sanitation an essential component of development programs, with an emphasis on community initiatives and opportunities.

The national sanitation strategy refocuses the roles of the different actors in line with the following breakdown of sanitation requirements: (i) rainwater; (ii) wastewater and excreta; (iii) household garbage and solid waste.

#### **4.2.7 Efforts to combat insecurity**

In the area of security, the Government has made significant efforts, reflected primarily in: (i) the creation of a ministerial department specifically responsible for security issues; (ii) the establishment of an institutional mechanism, composed of the high authority on weapon imports and uses and the national commission to fight the proliferation of light weapons, created in January and April 2001 respectively. In addition, in May 2003 the National Assembly adopted a law on internal security which then served as the foundation for developing a national plan to combat insecurity.

The ultimate goal of this plan, which covers the period 2004–2008, is to enable security forces to respond effectively to the demand for security from the citizenry so that citizens can live their lives in peace and participate in the country's development. The plan has three major objectives:

- increase national security coverage by lowering the number of inhabitants per security officer from 2,000 to 1,000;
- improve the organizational capacities of the security forces;
- organize citizens' participation in managing their security.

The measures to be taken to increase the country's security coverage involve, first and foremost, setting up squads of constables in the rural communes and police stations in the urban communes and at border posts. Some of the measures also involve setting up firefighter brigades. This increase in security coverage will essentially be based on two actions:

- recruitment of officers to increase the size of the security forces. The plan is to recruit 8,400 security officers, with the following breakdown: 5,000 police officers, 3,000 constables, and 400 firefighters;
- construction and rehabilitation of infrastructure housing the security services.

To improve the operational capacities of the security forces, the Government will carry out the following actions during the period 2004-2008: (i) acquire means of mobility and transmission; (ii) provide the security services with adequate equipment; (iii) maintain the various units in operational condition.

To encourage populations to participate in managing their security, measures will be instituted to guarantee their involvement in the prevention of insecurity and crime. These measures involve setting up frameworks for consultation on security issues.

#### **4.2.8 Small and medium enterprises, small and medium industries, and small mining operations**

The Government continues to make efforts to promote the private sector in general and small and medium enterprises and industries in particular. These small production units contribute directly to poverty reduction, specifically by providing employment and income opportunities. But they still face problems of financing, supervision, and access to government contracts. In view of the critical role played by these small production units, the Government will attempt to develop in the coming years a specific national program of support for the development of small and medium enterprises/small and medium industries. Special attention will be given to: (i) their financing, by creating an SME/SMI support fund; (ii) equipment; (iii) supervision and training of operators.

The multiform actions undertaken to promote the mining sector in general and small mining operations in particular have led the Government to establish an institutional, legislative, and regulatory framework. These actions range from the statement of mining policy (January 1997) to the development of a mining investment code (updated in 2003). Mining operations in Burkina Faso primarily extract gold, which is the country's third leading export after cotton and livestock products. Faced with the many potentialities of the country's soil and subsoil, as revealed by research work, the mining sector remains at the stage of small-scale operations. This is reflected in the statistics on traditional mining, which employs more than 200,000 persons in at least 200 sites around the country.

In recent years, the contribution of traditional mining to gold production in Burkina Faso has come to roughly 15 metric tons per year, valued at CFAF 50 billion. The income derived directly from this activity totals CFAF 3 billion per year. Moreover, for the decade 1991-2001, the contribution of these small-scale operations in the form of support for provincial budgets from gold washing taxes amounted to approximately CFAF 500 million. Over the same period, the Public Treasury collected roughly CFAF 450 million from mining royalties and CFAF 1,350 million from business profits taxes. However, it should also be noted that operators in this sector face a variety of difficulties of a technical, financial, and legal nature.

Traditional mining operations clearly have a damaging effect on the environment and on public health. Yet, despite the drawbacks, this activity remains a source of income and contributes to some extent to poverty reduction. In the coming years, the Government intends to place a special emphasis on this sector through measures designed to: (i) better organize traditional mining operations; (ii) secure gold washing sites; (iii) improve outreach to

gold washers; (iv) provide adequate logistical and technical support to improve productivity at the different sites; (v) restore the environment.

#### **4.2.9 Capacity-building and NICT promotion**

The experience of PRSP implementation has shown the weak performance of both management and line agencies due to insufficient ownership of programs and a shortage of professional capacities and equipment. For the poverty reduction strategy to succeed, it now appears that this capacity deficit needs to be reduced. However, capacity-building is not limited to training activities alone. It should be addressed from a holistic perspective, so as to integrate the institutional dimension and elements such as training, professional behaviors and practices, logistics, and motivation.

The Center for Economic and Social Policy Analysis (CAPES), which receives support from the Foundation for Capacity-Building, has already begun a diagnostic study on the status of capacities in Burkina Faso. CAPES is thus in a position to make a major contribution by furthering government action in the area of capacity-building, particularly as regards the cycle of formulating, implementing, and monitoring macroeconomic and sectoral policies to shore up the economy and reduce poverty. Specifically, it should contribute to the following objectives:

- identification of the fields in which the capacities of government agencies are of critical importance to the poverty reduction strategy;
- establishment of a critical mass of national professional staff for economic management;
- development of a national plan of action in the area of capacity-building.

In the context of regionalization and globalization, capacity-building is an absolute necessity for Burkina Faso, which must make its policies succeed in the face of persistent poverty.

The New Information and Communications Technologies (NICT) constitute a powerful instrument for streamlining the management of development. In this area, the Government has begun to develop a strategy for effective implementation of the national information and communications infrastructure development plan, the main objectives of which are as follows:

- elimination of the country's overall isolation;
- stronger administrative governance;
- sustainable human resources development;
- creation of new resources and new jobs;
- enhancement of the country's influence.

## **V. POVERTY REDUCTION STRATEGY**

### **5.1 GUIDING PRINCIPLES**

The Government's overall strategy for poverty reduction in Burkina Faso is based on eleven closely linked overriding principles:

1. Taking a resolutely long-term approach
2. Promoting good governance
3. Developing human capital
4. Sustainable management of natural resources
5. Gender mainstreaming
6. Promoting employment and youth
7. Cultural adaptation and openness
8. Promoting new information and communication technologies
9. Reducing regional disparities
10. Factoring in the subregional dimension
11. Promoting a new partnership with donors.

#### **5.1.1 Taking a resolutely long-term approach**

Our actions need to be part of a long-term approach if they are to contribute to a substantial reduction in poverty, which has become a mass phenomenon in Burkinabè society, and help bring it back down to a residual level.

Poverty has various representations and takes many forms, which means that reducing it calls for long-range planning. That is to say, the Government must have a clear idea of where the country is headed and what it wants for its future. Reducing poverty also calls for better governance practices, meaning governance with effective leadership. The long-term approach provides a logical framework for defining and sequencing short-term, medium-term and long-term poverty reduction policies and programs.

#### **5.1.2 Promoting good governance**

There is a dialectical relationship between democracy, good governance, and socioeconomic development. This is why Burkina Faso has supported every initiative in this area, including the African Peer Review Mechanism and the Durban Declaration on good governance. Democracy cannot be strengthened without improvements in the living conditions of the majority of citizens. Good governance has an economic dimension and a political dimension.

Burkina Faso has made substantial progress in governance in recent years. Political governance has been strengthened by the introduction of a multiparty system, the adoption of a liberal constitution, the establishment of democratic institutions, and regular elections. Economic governance has been strengthened by efforts to improve the transparency of fiscal management and public affairs through such instruments as new laws and regulations and the creation of an Audit Office. However, we need to build on this progress with a series of further measures to strengthen the culture of democracy.

The Government should also focus its efforts on those areas where it enjoys comparative advantages, while respecting the subsidiarity principle. Government intervention should always be guided by two major concerns: remedying market failures in the efficient allocation of resources and striving for social equity. Therefore, it is important to establish a "strategist government" that is able to anticipate and properly perform its regulatory and redistributive functions in order to prevent slippages and worsening inequality.

### 5.1.3 Developing human capital

The quality of human capital is a key factor for promoting sustainable human development. Burkina Faso falls very short in this area, with an average of 0.5 years of education. This means it is urgent to stress the quantity and quality of human capital development, as it has been demonstrated that one additional year of schooling can lead to a gain of 3 or 4 percentage points in gross national product.

### 5.1.4 Sustainable management of natural resources

Population growth and poverty place great pressure on natural resources, which are often the main asset held by the poor. Consequently, excessive use is made of the available natural resources, which tends to undermine the sustainability of development actions. The poverty reduction strategy will be based on reconciling the population's short-term needs with the sustainable management of available resources.

### 5.1.5 Gender mainstreaming

The Government and other social players are broadly convinced that women, just as much as men, are a vector for disseminating economic and social welfare. Consequently, no human-centered development strategy can ignore this fact.

Therefore, appropriate gender-based planning is required to ensure equitable outcomes for women and men, particularly for the poorest groups. A consensual national strategy will have to be developed in view of the many interpretations of gender mainstreaming.

#### **Box 11: Gender equality and equity**

Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programs, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring, and evaluation of policies and programs in all political, economic, and social spheres so that women and men benefit equally and inequality is not perpetuated. The ultimate goal is to achieve gender equality.

Source: Agreed conclusions on mainstreaming the gender perspective, ECOSOC, 1997.

### 5.1.6 Promoting employment and youth

The challenge of creating jobs is more topical than ever in Burkina Faso, especially since the country's main resource is its hard-working and industrious population, which is still largely under-employed.

The country's economy continues to grow, following major recovery efforts, but it is not yet generating many jobs. The country's labor factor is massively underemployed in both urban and rural areas, and a large proportion of the population is living below the poverty line. Unemployment and underemployment are not only a waste of economic and human resources; they are also among the root causes of social decline, crime, and growing insecurity.

Consequently, the poverty reduction strategy should be based on a policy of labor-intensive growth. From this perspective, employment should no longer be considered a by-product of macroeconomic policy, but instead the explicit policy objective.

A policy for increasing employment necessarily goes hand in hand with an equally integrated policy to promote youth. More than 55 percent of the population in Burkina Faso is young. This young population is a precious source of innovators, entrepreneurs, consumers, citizens, and members of civil society for Burkina Faso against the backdrop of political, economic, and social globalization. It is the country's young who will take the lead in revolutionary new information and communication technologies. Their creativity, enthusiasm, and energy are an asset for economic and social development. Yet, the young are the most vulnerable to unemployment and underemployment, to sexually transmitted infections and HIV/AIDS, and these things can lead them to crime, lawlessness, drugs, and prostitution.

In view of this, the young are an asset and not a problem. Promoting youth requires a genuine political commitment to factor youth into all development policies in all sectors.

### **5.1.7 Reducing regional disparities**

Various data sources show that, despite their natural assets, regions have still not achieved the same level of development, particularly with regard to income and the availability of basic social services, such as education, healthcare, and safe drinking water. All these factors contribute to rural flight and migration. Actions to keep the young in the countryside have already been undertaken and deserve support in order to build up local development capacities and consolidate the decentralization process currently under way. Reducing poverty nationwide calls for narrowing the development disparities between regions, and between cities and rural areas, particularly as regards access to social services. The poverty reduction strategy will therefore be aimed at striking a balance between regional development levels and slowing the spread of poverty in urban areas. With this in mind, the regional and urban dimensions of development will be factored into the allocation of resources. The national development plan, regional plans and, *inter alia*, the regional investment programming law currently being drafted will all guide the allocation process.

### **5.1.8 Cultural adaptation and openness**

The limited success of various development strategies can be explained by the lack of attention to cultural values and to the lessons to be learned from the history of development. Change which favors promoting sustainable and more deeply rooted development calls for a break with acquired habits and lazy thinking. It calls for a break with the idea that exogenous development is better than more endogenous development and a break with the idea that poverty is inevitable, so that proactive behavior can emerge.

Burkina Faso is a mosaic of some sixty cultures. This diversity can be a source of cultural wealth and innovative energy, as long as it is used wisely and channeled into developing new trade and cultural contacts. Yet, conscious ownership of culture and traditions still has to be achieved, as part of a cultural adaptation process that makes it possible to socialize the members of a community with their own values. This enables people to own these values more consciously and more actively than when they are an unconscious part of their daily lives.

### **5.1.9 Promoting new information and communication technologies**

The new information and communication technologies obviously provide effective tools for political, administrative, economic, and local governance by introducing greater openness and by shrinking distances and time. They enhance capacities for discussion and for rationalizing development management.

Promoting these new technologies turns them into supplements to boost poverty reduction strategies. E-mail cannot replace vaccines, and satellites cannot provide safe drinking water for poor village dwellers, but new information and communication technologies open up vast opportunities and facilitate planning that enables us to make better preparations today to meet the emergencies affecting the poor tomorrow.

### **5.1.10 Factoring in subregional integration**

The subregional integration process taking place in WAEMU and ECOWAS is a boon for the country's economic development. However, this process does entail risks and social costs associated with the impact of the ongoing reforms on the poorest population groups. Therefore, the accompanying regional solidarity measures to ensure cohesiveness and synergy between national and regional poverty reduction policies need to be strengthened.

Truly free movement of people and goods is a prerequisite for promoting trade and investment within the Community and for improving the outlook for achieving greater integration into the global economy.

### **5.1.11 Promoting a new partnership with donors**

The success of the poverty reduction strategy relies on a new partnership between the Government and development partners and a new partnership based on regular and open

policy dialogue. The Government defines development strategy and policies and the technical and financial partners provide their support in implementing them. The Government also defines the framework for evaluating the results and impact of public policies in which donors and beneficiaries are partners.

This partnership relies on effective national leadership. Once the general objectives have been agreed, the donors give the Government free rein in the choice of policy instruments and in the pace and order of reforms. The key elements for improving coordination among stakeholders are effective application of the program approach and the gradual shift from project aid to budgetary support.

## **5.2 STRATEGIC PILLARS FOR POVERTY REDUCTION**

### **5.2.1 Pillar 1: Accelerating broad-based growth**

#### **5.2.1.1 Requirements for broad-based growth**

Poverty reduction cannot be achieved without faster broad-based growth that is less vulnerable to repercussions from subregional economic developments and external shocks, such as a sudden drop in cotton or gold prices. Growth needs to be more broadly based if it is to be more robust than in the past. In the medium term (2004-2006), the Government is aiming for average real GDP growth of 7 percent per year, with inflation under 3 percent and per capita GDP growth of at least 4 percent per year. The Government has prepared a reform program that will speed up changes in all sectors of the economy so that new sources of growth can emerge. To achieve this, the Government intends to strengthen the foundations of macroeconomic and financial stability, enhance competitiveness in promising sectors such as farming, livestock breeding, manufacturing, infrastructure, and community amenities. It also plans to step up the privatization program. The mining, manufacturing, and energy sectors will be revitalized and restructured to open them up to the private sector, and will also receive government support to reduce factor costs and enhance their competitiveness.

The Government has adopted a strategy aimed at making the private sector the main engine of growth. It will address the critical problems that prevent the economy from taking off, such as restricted access to affordable infrastructure services, many bottlenecks in the business environment, and the weakness of the domestic private sector. The Government is aware that it should continue to cut back its stake in the productive sector so as to enable the private sector to make the investments needed to consolidate existing activities and to develop new ones. Burkina Faso intends to step up the political reforms related to the privatization program and market liberalization.

Strengthening the dialogue between the Government and the private sector so as to achieve greater involvement of economic operators in the poverty reduction strategy remains a guiding principle and a major objective. An effective and efficient division of tasks and responsibilities will lead to contracts setting out achievable objectives.

In the short term, a strong growth strategy for rural development is a good means of reducing poverty and increasing the incomes of small farmers and rural women. The commodity sector has potential for growth, particularly with cotton, livestock, root crops, and fruits and vegetables. Burkina Faso's cotton sector is one of the most productive and competitive in the subregion. Tapping the country's livestock breeding potential, with its more than 5 million head of cattle and some 17 million sheep and goats, will bring in substantial export earnings and save some of the foreign exchange currently spent on imported dairy products. Burkina Faso also has comparative advantages in the craft and tourism sectors. Rational exploitation of this potential could generate jobs and help reduce poverty. This means that support for the development of agriculture, livestock breeding, and the craft sector is imperative for broad-based growth at this time.

Broad-based growth will rely on (i) maintaining a stable macroeconomic environment, (ii) improving competitiveness and reducing factor costs, (iii) accelerating rural development, and (iv) support for the productive sectors.

### **5.2.1.2 Maintaining a stable macroeconomic environment**

Strengthening the foundations of macroeconomic stability is a critical prerequisite for faster growth and the overall competitiveness of the economy. Consequently, the Government intends to continue its policy for a sound macroeconomic environment, which minimizes financial imbalances and leads to stable, noninflationary growth.

The actions and reforms required to meet these objectives will focus on continuing efforts to consolidate the macroeconomic environment by maintaining prudent fiscal policy and targeting the development of economic infrastructures and basic social services, as well as a tax policy that provides greater incentives to improve the country's competitive strengths by reducing the tax burden on operators in the formal economy. With this in mind, efforts will continue to broaden the tax base and to enhance the efficiency of the tax and customs administration. The Government will also review the laws and regulations relating to the tax identification number (IFU). The use of the IFU will become systematic as part of the fight to reduce fraud, and the system for tracking exemptions will be improved.

It has been acknowledged that, in the case of Burkina Faso, robust growth is inconceivable without massive investment in human resources and in the basic infrastructures needed to increase total factor productivity. The Government's lack of resources and its duty to maintain domestic and external financial equilibria mean that this investment will only be possible with more substantial and more effective external assistance. In order to increase the credibility of government policies in this area, the Government will strengthen the safeguards that ensure more effective use of public funds.

More specifically, public expenditure reviews will become systematic to ensure that public funds produce the maximum impact. Coordination of the development partners' actions will be another important factor in improving assistance.

Microfinance plays a critical role in a strategy to reduce poverty and promote the private sector. The Government intends to develop a comprehensive microfinance strategy based on the following principles: (i) promoting the establishment of microfinance institutions that comply closely with best practices and apply strict auditing procedures, (ii) creating an environment that will provide incentives to the country's commercial banks to invest some of their liquidity in the microfinance sector, and (iii) making microcredit an effective means of empowering the poor.

### **5.2.1.3 Improving competitiveness and reducing factor costs**

#### **5.2.1.3.1 Competitiveness factors**

For a small country like Burkina Faso, the critical variables determining the economy's short-term price competitiveness are the real exchange rate, the terms of trade, primary factor costs, and the costs of intermediate inputs. Since the country belongs to WAEMU, which opted for a fixed exchange rate with the euro, Burkina Faso cannot adjust its nominal exchange rates to attenuate terms of trade shocks. The Burkinabè authorities are aware of this situation and will intensify their efforts to control the variables that determine long-term competitiveness, meaning the variables that are likely to lead to lasting changes in production capacity and, more specifically, total factor productivity. This applies especially to primary factors (such as the cost of labor, capital, energy, and transport), as well as to transaction costs.

Faster growth and economic diversification call for a substantial increase in labor and capital productivity in all sectors. An increase in labor productivity requires human capacity building and, more specifically, an improvement in the average level of educational attainment. That is why Burkina Faso's growth strategy gives education pride of place. This strategic choice is also warranted by the fact that better education improves health and leads to behavior that is more conducive to environmental protection and good governance.

Vocational training is another critical factor for improving productivity, encouraging private investment, attracting foreign capital, and promoting technology transfers and improving

businesses' responsiveness to changes relating to globalization. High growth rates will only be sustainable with ongoing improvements in labor force skills. To this end, the Government has formulated a genuine employment promotion policy by defining a strategic framework for vocational training and a labor-intensive sectoral approach. The National Employment Promotion Board (ONPE) will be restructured and the financing mechanisms will be revamped to focus on creating new jobs. The labor code will be reviewed to suit current circumstances and to create more incentives.

Recent research has shown the marginal efficiency of capital has improved since the devaluation of the CFA franc in 1994, but it is still low. The incremental capital-output ratio (ICOR) fell from 8 in 1994 to 5 in 1995 and 1997, indicating that capital productivity stands at about 20 percent. This ratio is typical of an uncompetitive environment that offers few incentives and is unattractive for private investment. To overcome this, the Government should step up structural reforms that increase capital productivity and encourage foreign investment. Standard & Poor's recent positive assessments of the business climate in Burkina Faso in June 2004 point to better prospects.

#### **BOX 12: Marginal efficiency of capital**

The concept of marginal efficiency of capital is derived from Keynesian theory. It is defined as the expected return on a capital asset, meaning the income that the user of capital can expect to derive from sale of output during the useful life of the asset, net of current production costs. In practical terms, marginal efficiency of capital is the ratio between the present value of all expected returns and the present value of all planned expenditure. The investment decision hinges on the difference between this ratio and the rate of interest, or the cost of borrowed capital. Entrepreneurs will have an incentive to carry out their investment plans if the marginal efficiency of capital is greater than the rate of interest. This is a prerequisite for spurring economic growth and expansion. In other words, if the marginal efficiency of capital is lower than the rate of interest, there is no incentive for entrepreneurs to invest and the economy will tip into recession.

Burkina Faso receives large amounts of assistance to finance its public investment program, covering more than 70 percent of the investment each year on average. Working with the support of its partners, the Government plans to undertake inquiries with a view to introducing measures that enhance the impact of this assistance on economic growth.

The necessary reforms and actions will focus on: (i) increasing gross primary school enrollment ratios and literacy rates, which will help boost overall productivity, (ii) developing technical teaching and vocational training, (iii) improving the effectiveness of public investment by implementing the conclusions of the study on the reform of the Public Investment Program, and (iv) speeding up the development of the capital market.

#### **5.2.1.3.2 Reducing factor costs**

Factor costs are fairly high in Burkina Faso, compared to other countries in the subregion. In particular, transport, water, and energy costs are the highest in the subregion, much higher than the average in the other countries.

The Government has decided to undertake the following reforms in order to lower these costs: (i) market liberalization, (ii) reducing unit labor costs by cutting the social welfare contributions paid by employers in the modern sector, (iii) privatizing existing structures to facilitate the entry of new operators and an injection of new resources and technology into various market segments, and (iv) building the Government's capacity to regulate utility markets.

More specifically, the Government will apply the conclusions of the study on the macroeconomic implications of business taxes on aggregate supply. As part of the implementation of the private sector development policy letter, the Government will endeavor to facilitate completion of the competitiveness support and business development project, which covers privatization, public service reform, and business development. The Government will also set up the Burkina Faso Entrepreneurs Center to foster the emergence of local support and advisory services, and will reduce the number of administrative formalities for establishing new businesses from 8 to 4. Work will also continue on the regulation of recently liberalized sectors, namely energy and telecommunications.

The Government is sure that proper use of the potential offered by new information and communications technologies can reduce the time and money spent on trade transactions, as well as lower the cost of communications and Internet access. Therefore, it has started

the process of drawing up a comprehensive integrated strategy for implementing the national infrastructure and communication development plan adopted in 2000. This process involves all of the stakeholders.

#### **5.2.1.3.3 Other transaction costs**

Transaction costs also include non-quantifiable variables that relate to the business climate. For example, delays in the handling of applications, bribes paid to circumvent these delays, and the inefficiency of the justice system which delays the settlement of disputes, are all implicit costs that, along with the direct production and marketing costs, may discourage entrepreneurs and hamper investment and growth. As a general rule, transaction costs are deemed to be very high throughout sub-Saharan Africa.

The Government's reforms and actions will focus on: (i) the entry into force of the law on the comprehensive reform of public administration, and imparting greater motivation to the staff of the National Inspectorate General, General Finance Inspectorate, and the technical inspectorates of ministries, (ii) strengthening the courts to accelerate the enforcement of judgments and enhance their credibility, (iii) implementing the laws and regulations governing decentralization, (iv) training local elected officials, (v) strengthening civil society's role as a counterweight to political power, and (vi) supporting civil society initiatives to combat corruption.

#### **5.2.1.4 Support for productive sectors and accelerating rural development**

The Government is aiming for average growth of 7 percent per year starting in 2004. This figure is based on the outlook for increased public sector and private sector investment stemming from increased official assistance from other countries and foreign and domestic private direct investment.

Agriculture still dominates economic activity in Burkina Faso, accounting for 35 percent of GDP on average. It employs and provides income for some 80 percent of the population. It also accounts for more than 60 percent of export earnings and an average of 30 to 35 percent of spending under the public investment program. In the short term, economic growth will rely on more dynamic export crops, such as cotton, fruit and vegetables, and more dynamic manufacturing exports from the food processing, leather, and cotton spinning industries. Mining, especially gold mining, trade, tourism, and remittances from Burkinabè citizens working abroad are also major sources of foreign exchange earnings for the country. Gradually, as the reforms aimed at stimulating the telecommunications, transport, hotel, and tourism industries are implemented, Burkina Faso is also developing as a service economy. The objective is to take advantage of its geographical location under the regional integration process in order to carve out a place as a crossroads for the economies of the countries of West Africa.

##### **5.2.1.4.1 Agriculture and livestock breeding**

Agricultural and livestock product exports will be the main sources of Burkina Faso's economic growth in the medium term. However, poverty reduction calls for a rapid increase in jobs. Exports are important for GDP growth, but emphasis should also be placed on nontradables, such as staple grain crops, because of their strong association with the local economy. Studies conducted in Burkina Faso show that rural households devote 45 percent of increases in their incomes to nontradable agricultural products and 22 percent to local nonagricultural products. The multiplier effects of an increase in agricultural incomes have a rapid and direct impact on poverty reduction. The strategy for rural development up to 2015 makes finding sustainable solutions for food insecurity a priority for the sake of food security and balanced nutrition in rural and urban areas. The strategy calls for an increase in domestic production through action to intensify and diversify crops, livestock, fishing and forestry, action to strengthen the food security information system, action to promote nutritional and environmental education, and action to promote income-generating activities. Following consultations with all of the stakeholders, the Government revised the framework agreement on the food crisis alert and prevention system to make it more operational.

Furthermore, the strategy will call for the Government to continue withdrawing from production and marketing activities while strengthening its support and advisory role vis-à-vis

private sector operators, providing extension, research and development, and market information. The strategy also calls for government action to develop rural infrastructures, such as markets, roads, transport and water supplies, as well as improving the quality of human resources through basic education and technical and trade extension services.

In addition, in order to ease the main constraint on total factor productivity, the Government will take the necessary measures to facilitate small farmers' access to animal-drawn farm equipment and fertilizers through an agricultural credit policy that will increase rural producers' access to credit, in keeping with their capacities and farming conditions in Burkina Faso. The shift to more mechanized and more intensive agriculture, which will rely on water management and using irrigation techniques as a vector for crop development and diversification, is a critical prerequisite for sustainable agriculture in Burkina Faso that guarantees stable incomes to farmers.

With this in mind, the Government's strategy supports a more professional agricultural sector through: (i) better organization of participants and markets, (ii) intervention capacity building, and (iii) consolidation of the economic climate in which they do business. For this purpose, the Government is undertaking reforms aimed at:

- Creating the right legal conditions for agricultural producers' organizations (OPAs) to emerge, using an approach that involves producers' representatives
- Supporting OPAs by making the regional chambers of agriculture operational
- Training OPA members in literacy, management, and rural trades in order to increase their productivity
- Creating an attractive climate for private initiative in the areas of infrastructure, local development, supplies, production, and marketing, thus promoting private sector investment in agriculture
- Consolidating the marketing system for agricultural inputs and products so as to improve the competitiveness of potentially strong growth sectors
- Implementing a regulatory framework that promotes contract farming.

#### **5.2.1.4.1.1 Cereal grains**

The grain market is of growing importance to the agricultural economy, in terms of both farmer incomes and the production surplus, which stands at an average of 400,000 metric tons in a year with normal weather. The development issues in this vital sector are: uneven capacity of domestic production to cover the country's needs, the production trend since 1984-86 showing a growth rate of some 5 percent per year, pronounced regional disparities with some areas showing chronic production deficits, and rapid growth of cereal grain consumption in urban areas, but with an increasing preference for rice.

In view of the vital importance of this sector, the Government's objective, as part of the national sustainable development strategy, is to bring about a substantial increase in the return on assets and the return on equity in grain production so as to make a lasting contribution to food security and poverty reduction. The overall strategy for achieving this objective consists of enhancing the performance of grain producers by creating a more favorable business environment and by improving their organization. The strategy will be based on more intense cropping systems and fighting land degradation through "village land management" and water management to safeguard production, as well as a more effective storage and processing system, logistical improvements, and better marketing of grains and grain products.

#### **5.2.1.4.1.2 Cotton**

Many of the efforts made to stimulate cotton production since 1995 have produced considerable results. Action to settle outstanding loans and incentives in the form of fixed producer prices financed through drawbacks has made cotton production very attractive. This explains the rapid expansion of cotton production from 406,000 metric tons in

2002/2003 to 480,604 tons in 2003/2004, with an improvement in fiber quality (80 percent of the fiber is now classified in the top category).

Cotton plays a strategic role in the economy. It is Burkina Faso's leading agricultural export. In the immediate future, it will continue to be the main source of growth in agriculture and the most widely grown cash crop. The number of cotton growers was estimated at 200,000 in 2002, and they derive 60 percent of their farming income from cotton. Cotton is not only the leading cash crop, it is also the country's largest source of foreign exchange, accounting for 60 to 70 percent of export proceeds in value terms. The cotton sector as a whole also plays a major role in generating government revenue, contributing some CFAF 4 billion per year on average over the past three years. These figures give an idea of the strategic, socioeconomic, and political importance of cotton in Burkina Faso.

In addition to its strategic role in agricultural areas, cotton is also one of the foundations for promoting a modern manufacturing industry. Ten ginning plants, with a capacity in excess of 250,000 metric tons, have been established, and cotton production has given rise to SAPHYTO, FILSHA, oil mills, etc.

Cotton production holds out great promise in Burkina Faso. Its main strengths include:

- Large areas of land suitable for cotton growing, especially in the new growing areas in the southwest, south, and east
- Farmers' increasing skills in cotton growing techniques
- Well organized producers with cotton growers' associations and unions
- The improved performance of SOFITEX and the increase in its operating capacity with regard to collection (transport) and rapid payments to growers
- Improvements to various services, including technical extension through the work of cotton correspondents
- Consolidation of the cotton sector's financial position (settlement of debt)
- Substantial support from research units working on high-yield varieties
- A determination to support the cotton sector at the highest level of government
- Clear comparative advantage and strong earnings for growers
- Positive externalities, such as increased grain production owing to the after-effects of the fertilizers used and of tilling work.

Despite the generally favorable circumstances for cotton production, a number of constraints and drawbacks are associated with cotton growing, such as:

- Inadequate consideration given to the sustainable use of cotton growing land
- Vulnerability of cotton plants to parasites, which requires strict adherence to the plant health treatment calendar
- Rising input and equipment costs
- Inadequate rural road network, especially in the new cotton growing areas in the south, east, and southwest.

The greatest challenge facing the cotton sector in the coming years will be maintaining or even amplifying its current strong production growth trend, while protecting against soil depletion and land degradation, and without losing comparative advantages at the microeconomic and macroeconomic levels.

The second challenge will be to achieve successful liberalization of the industry, with the arrival of new private sector operators in the east and center of the country.

A third challenge, which is a significant one, is to successfully build up a cotton processing industry in Burkina Faso, with the emergence of cotton mills and textile plants. Meeting this challenge will enable the country to make a genuine break with the colonial economic model

that has applied to cotton production in West Africa in general, and in Burkina Faso in particular.

The main objectives are to maintain, or even amplify, the current trend of rising total production and to build up a local processing industry, while safeguarding productive capital and keeping cultivated areas within reasonable proportions.

The strategy for production will focus on increasing cropping intensity and the following actions:

- Improving growers' technical skills
- Making inputs more readily available and accessible and improving their quality
- Sharing the advantages and risks of cotton production more equitably between growers and the other players in the sector
- Improving pest control
- Rebuilding confidence between the various partners in the cotton sector.

The Government's option to make it possible for growers to hold a larger stake of up to 30 percent in SOFITEX is particularly noteworthy. Furthermore, the interprofessional cotton agreement adopted by the Government and signed by SOFITEX and growers has laid the foundations for giving growers a greater say in the management of the sector, not only through their equity stake in SOFITEX, but also through their presence in the decision-making bodies, such as the sector management committee, which deals with such issues as setting seed cotton prices. Measures to rationalize transport logistics at SOFITEX and two new companies to be established in the east and the center will be introduced to enhance the competitiveness of the sector.

As regards international trade, the Government will continue its efforts under the cotton initiative launched with other cotton-producing African countries to ensure fair trade in cotton.

The actions to be engaged in the coming years will consist of reinforcing most of the actions already under way. These are:

- Intensifying production in the traditional cotton-growing areas in the west and in the new areas in the east, southeast, and southwest.
- Mechanizing cultivation: continuing the policy of equipping farmers so that animal-drawn cultivation becomes more widespread. The current proportion of farmers using mechanized cultivation equipment is 37 percent, versus 68 percent in Mali. This proportion should reach at 75 percent, or even 100 percent by 2015. Special measures will have to be taken to promote motorized mechanical cultivation on the larger farms.
- Training growers in the use of new technologies and, more importantly, in how to manage their farms economically and protect them against soil depletion and land degradation. Cotton monoculture should be avoided.
- Establishing a quality control system for inputs (seed, fertilizer, and pesticides).
- Increasing ginning capacities in cotton growing areas.
- Optimizing seed cotton collection rounds through improved management and better coordination of the transport logistics of the three cotton companies.
- Creating incentives for new spinning plants.
- Supporting research into new technologies.
- Phasing in the interprofessional agreement that gives growers a greater say in the management of the sector.

#### **5.2.1.4.1.3 Fruits and vegetables**

Burkina Faso enjoys competitive advantages for growing fruits and vegetables for export to markets in coastal countries and Europe. These advantages should be enhanced to speed

up the growth of this sector. Fruit and vegetable production is dominated by five products: mangoes, citrus fruit, bananas, tomatoes, and onions. In the 2001/2002 crop year, production stood at 80,000 metric tons of mangoes, 75,000 metric tons of citrus fruit, and 10,000 metric tons of bananas. In vegetable production, six crops account for 92 percent of total production. The six are: tomatoes, onions, cabbage, eggplant, green beans, and potatoes.

In the 2001/2002 crop year, production stood at 17,715 metric tons of tomatoes, 33,500 metric tons of onions, 23,150 metric tons of cabbage, 7,000 metric tons of eggplant (local and imported varieties), 2,300 metric tons of green beans, and 1,400 metric tons of potatoes.

Fruit production, like vegetable production, is usually concentrated on specific times of the year. This means that the entire annual output is on the market for 3 or 4 months, creating temporary gluts and driving down prices. The lack of significant support and advisory services has hindered the introduction of new varieties that would solve the problem of genetic degeneration for the varieties grown in Burkina Faso. It has also prevented more even spreading of production over the year.

Following the privatization of Flex Faso, the task of adapting fruit-tree farming techniques is no longer performed. Yet, this is a critical task for the development of special production techniques, plant health treatments, post-harvest treatments, etc., and for ensuring technology transfer to producers.

The technical and logistical capacities those active in the sector are inadequate for proper collection, processing, and marketing of products. Consequently, fruit and vegetables from Burkina Faso arrive on markets in poor condition. As part of capacity building, the Government launched the construction of a fruit terminal at Bobo-Dioulasso and the renovation of the refrigerated facilities at Ouagadougou International Airport in 2003.

Furthermore, the sector players do not always have the professional skills required. As a general rule, owners prefer to set up their own structures and even manage them, rather than supporting existing structures. Since they do not always have strong skills in every aspect of the industry, these new operators often end up making the sector more vulnerable, rather than stronger.

The sector players have formed economic interest groups. However, these organizations will have to be strengthened in order to make a real difference in the development of the sector.

Despite these disadvantages, the sector enjoys some major advantages for growth, including:

- Many storage dams that provide estimated potential for more than 500,000 hectares of irrigated land
- Favorable growing and weather conditions
- Strong domestic expertise in fruit and vegetable production.

The operational objectives for the fruit and vegetable sector can be summed up as follows:

- Increasing the quantity and quality of production
- Building the capacities of industry players
- Improving the level of product processing to increase value added
- Better marketing, especially improvements in freight and airport services
- Ramping up other marketing channels, such as rail and road transport.

The operational strategy to support the fruit and vegetable sector focuses on three areas:

- More intensive cropping and technology transfer
- Trade promotion
- Strengthening of companies and improving the professional skills of the players.

The strategy for technology adaptation and transfer will re-establish the competitiveness of Burkina Faso's products by adapting production to market needs, improving quality, and increasing yields. A marketing campaign will be launched to increase demand for fruit and vegetables from Burkina Faso on domestic and international markets. Compliance with

quality standards will increase the value of production. Action to firm up the financial position of companies in the sector and upgrade the players' professional skills will ensure maximum profitability and sustainability of the new dynamics.

Implementation of the strategy described above will rely on a set of actions chosen in consideration of the objectives and ongoing actions. These primarily include:

- Adapting production techniques at testing centers built for this purpose. Agronomists can use the centers to test production techniques, including irrigation, maintenance, and harvesting, on research findings,
- Establishing specialized support and advisory services for the extension of techniques adapted by agronomists and acknowledged to be effective.

#### **5.2.1.4.1.4 Oilseeds**

Burkina Faso produces oilseeds such as groundnuts, sesame, shea nuts, cashews and soybeans. Groundnuts, sesame, and soybeans are grown in fields, whereas shea nuts are picked from trees in the wild and cashews are grown in orchards. As a general rule, the oilseed sector suffers from a lack of organization and, more importantly, the players' lack of professional skills. These players merely regroup the products collected and ship them, with no real concern for optimal harvesting and storage conditions to ensure better product quality.

As part of the diversification of the country's potential exports, the Government intends to lay particular emphasis on promoting the oilseed sector with the aim of improving the trade balance, increasing producers' incomes, and extending the money-based economy in rural areas. For this purpose, it has drawn up a plan of action for the development of the oilseed sector that should raise production in the medium term to 60,000 metric tons of sesame, 100,000 metric tons of shea nuts, 450,000 metric tons of groundnuts, 10,000 metric tons of HPS groundnuts and 10,000 metric tons of cashews. The priorities for the key actions in the sector are:

- Increasing productivity and improving quality in oilseed production. Action to increase productivity is aimed at groundnut and sesame production. This action promotes higher yield varieties and intense cropping techniques developed through research. Action will also be taken to improve the quality of shea nuts through broad-based extension of the results of the National Shea Nut Project.
- Improving the processing of cultivated oilseeds, especially sesame, and technical support for processing plants producing groundnut oil and confectionary containing HPS groundnuts.
- Improving the processing of shea butter through more effective use of advances in this area. This primarily concerns work to obtain standard finished product quality, appropriate packaging, and support for appropriate equipment.
- Reinvigorating oilseed marketing through technical support at several levels, including: (i) improving the commercial quality of products, especially shea butter and shea nuts. The European Union directive that allows up to 5 percent of vegetable fats other than cocoa in chocolate opens up promising prospects for a recovery in shea nut exports, (ii) setting up a shea butter plant, (iii) control of trade channels, and (iv) improving the organization of the players in the sector.
- Support for capacity building for players in the sector through special training programs.
- Establishing an effective quality control and standardization system.

#### **5.2.1.4.1.5 Livestock**

Livestock breeding is very important to the economy of Burkina Faso. It accounts for slightly more than 10 percent of the country's export earnings and is a major source of income for people living in rural areas. As part of the plan to reinvigorate the sector, the Government adopted a policy paper in 1997 that sets out the livestock development action plan. After the paper was adopted, the Government adopted the livestock action plan and investment

program in October 2000 and the National Assembly passed a grazing planning law in November 2002.

Despite its economic importance, the livestock sector still has low productivity because of the extensive grazing technique used for production. The average carcass weights stand at 110 kg for cattle, 9 kg for sheep, and 8 kg for goats. Average milk yield stands at 110 liters per 180-day lactation and per cow. These performances are lower than the potential performances and lower than the possibilities for improvements. Furthermore, live cattle exports have declined steadily since 1995, despite the rise in market prices observed in Côte d'Ivoire and Ghana following the devaluation of the CFA franc. This would seem to indicate that production in Burkina Faso has a limited capacity to respond to strong demand from neighboring coastal countries. However, growing urbanization and rising per capita incomes, with a target of 4 percent annual growth, will lead to stronger domestic demand, coming on top of export demand.

The Government has set the following objectives to stimulate development of the livestock sector and produce maximum socioeconomic benefits:

- Increasing productivity by emphasizing improvements in genetics, feeding, healthcare, and rational herd management for each species
- Achieving substantial growth of livestock production by adapting to the agricultural and ecological areas and promoting choices with regard to these areas and production systems that are appropriate to resources
- Improving and controlling the quality and wholesomeness of animal products and products of animal origin sold on markets
- Developing mixed farming through optimum management of natural resources and an increase in animal and plant yields
- Promoting professional skills of players through greater support for training and the establishment of breeders' associations, particularly for women.

The implementation strategy for this plan focuses on:

- Building up a genuine dairy industry to reduce imports and create jobs while enhancing the value added that the sector contributes to the economy
- Promoting grazing areas through the village land management approach with strong involvement and empowerment of all stakeholders
- Increasing livestock productivity by intensifying feeding through natural fodder and agro-industrial by-products, and by improving genetic selection and animal health
- Supporting skills development for operators in the sector
- Improving market access by renovating, organizing, and managing livestock markets and by building up infrastructures, such as refrigerated slaughterhouses, in order to promote meat exports
- Creating jobs and raising incomes, especially for women, through the promotion of dairy product processing and fattening of small ruminants
- Adapting support functions by building capacities for designing and monitoring strategies and action programs and through the gradual withdrawal of the Government from productive sectors
- Continuing liberalization of the export leather and hide sector to improve its competitiveness and give it new impetus.

These strategic areas are covered by nine major programs: (i) support for traditional livestock breeding development and the development of grazing lands, (ii) support for village poultry production development, (iii) fighting animal trypanosomiasis, (iv) fighting animal diseases, (v) support for privatization of veterinary practice and animal health professionals, (vi) improving livestock productivity, (vii) support for skills development in the livestock sector

and support for the private sector, (viii) support for grazing land nutrition and water management, and (ix) support for the dairy sector.

#### 5.2.1.4.2 Mining

Burkina Faso has great potential for mining. The outlook for the period from 2004 to 2006 is promising, despite some constraints that limit the feasibility of mining projects. A mining code that is more attractive for investors and a regulatory framework have been established to overcome these constraints and, at the same time, protect the environment as mining activity intensifies.

Communication campaigns about investment opportunities in Burkina Faso have also been organized through the mining promotion forums ("PROMIN").

**Table 15: Outlook for the startup or operation of mining projects in 2004-2006**

No.	Company name	Deposit	Province	Quantity of gold
01	HIGH RIVER GOLD	Tarpako (gold)	Namentenga	35 metric tons of gold metal 250 jobs
02	SEMAFO	Mana (gold)	Mouhoun Balé	25 metric tons of gold over more than 7 years of operation
03	ETRUSCAN (Managem)	Youga (gold)	Boulgou	20 metric tons of gold over 5 years of operation 290 jobs
04	OREZONE INC	Essakane (gold)	Oudalan	22 metric tons of gold 235 jobs
05	CLUFF MINING	Kalsaka (gold)	Yatenga	8.178 metric tons of gold 150 jobs
Total gold				120 metric tons of gold
06	METOREX	Perkoa (zinc)	Sanguié	6 million metric tons with 18 percent zinc 300 jobs

Source: MMCE/DGMGC.

As part of its policy to stimulate the economy and reduce poverty, the Government will promote the mining sector by calling on private initiative and undertaking institutional reform. For this purpose, it will create more favorable working conditions for investors. This means:

- Making geological maps and geophysical data covering 135,000 square kilometers available
- Setting up a national earth sciences and environmental information system
- Reviewing the mining code and the application of implementing provisions within the context of subregional integration
- Implementing a new tax system for mining.

Artisanal mining and small mines provide many jobs, particularly for the country's poorest citizens. The Government will work with the support of its partners to improve working conditions and yields in this sector. The actions being planned include:

- Setting up artisanal ore crushing and grinding plants
- Disseminating artisanal mining equipment
- Awareness training for artisanal miners to reduce health, environmental, and safety hazards.

#### 5.2.1.4.3 Industry

The goal of the Government's reforms in recent years has been to liberalize the national economy and open it up. Significant progress has been made in improving the business climate in order to speed up private sector growth and increase industrial production. This means:

- (i) Bringing national laws into line with the requirements of the Organization for the Harmonization of Business Law in Africa
- (ii) Reducing application processing times
- (iii) Simplifying administrative formalities for new businesses
- (iv) Setting up a national competition and consumption commission and a competitiveness committee.

The corporate income tax rate was cut from 45 percent to 35 percent, in line with tax levels in the rest of the subregion. The Government launched a tax rate review to lower tax levels even further and simplify the tax system in order to streamline complex procedures and broaden the tax base.

In addition, the policy of government withdrawal from the productive and competitive sectors is continuing smoothly, with proposals to privatize four more enterprises. The preliminary program resulted in the privatization of 26 enterprises and the liquidation of 12 others. The transport and telecommunications sectors were liberalized as part of this policy.

However, the public enterprise sector, which accounts for some 20,000 jobs, is still inadequately capitalized owing to the fiscal constraints on the Government, which prevent it from meeting these firms' investment needs. Private sector businesses in Burkina Faso also lack international contacts and experience and they have yet to learn or assimilate modern management methods and standards. Consequently, targeted actions are required to build up the business community and upgrade its skills, in addition to enhancing the system of incentives and improving the business climate.

In July 2002, the Government adopted a private sector development policy document to back up its vision for industrial development. This document defines the following areas for action:

- (i) **Improving the climate for private investment:** The Government's efforts will focus on upgrading existing legislation, standards, and regulations, and carrying through reforms to make a decisive improvement in the court system. These actions will help to speed up the enforcement of court rulings, combat fraud, and attract and safeguard domestic and foreign capital to the benefit of productive investment.
- (ii) **Continuing privatization of public enterprises:** The Burkinabè Government has conducted a strategic survey of the enterprises still owned by the State. The results of the survey will be the basis for the completion of the privatization program in the telecommunications, information technology, energy, and water sectors.
- (iii) **Strengthening private sector support institutions and building business capacities:** The Government plans to work with the support of its partners to make programs providing support for the private sector more effective by:
  - Strengthening the "trade point"
  - Making the Burkina Faso Entrepreneurs' Center operational
  - Improving training for different occupational groups and tailoring it to their needs.
- (iv) **Strengthening the private sector's role:** The Government plans to continue discussions with the private sector on competitiveness issues and, more specifically, how these issues tie into the implementation of the poverty reduction strategy. These discussions will take place in periodic consultation meetings between the Government and private sector representatives. The reinvigoration of the Competitiveness Committee will enable the private sector to make recommendations to the Government in these matters. Objectives will be set out in a contract between the Government and the private sector to ensure that the private sector's contribution to the implementation of the strategic framework for poverty reduction is effective and efficient.

The Government also plans to promote small and medium-sized enterprises and industries as the appropriate economic structures for developing the country's potential. For this purpose, the Government will help economic operators identify niche markets for the development and export of products that enjoy strong domestic and export demand.

#### 5.2.1.4.4 Trade

The Government's policy on trade focuses on three areas:

**Domestic policy** stresses market liberalization, expanding the rural road network, rural electricity supply, rural telephone service, and the market information system, as well as promoting SMEs/SMIs. This policy aims to support trade so that it boosts production, especially agricultural production. These actions also contribute to balanced development in the various regions and, more importantly, support the food security policy by providing market outlets and supply sources in different areas depending on whether they have food surpluses or shortages. They also help to create a vast network of intermediaries.

**Regional policy** recognizes the fact that Burkina Faso has an underused potential for exporting transport and related services owing to its geographical location in West Africa, in addition to its potential for exporting agricultural and mining commodities. The country will have to acquire leading-edge logistics to capitalize on this potential and to enable it to regulate trading activity between coastal countries and those in the interior. This will involve developing inland container depots (dry ports) with large storage, handling, and parking capacities. The Bobo-Dioulasso road freight terminal, where the cornerstone was laid on July 16, 2004, is one example of such facilities.

In addition to freight transport, expansion of the tourism sector also offers export potential, and the operators engaging in tourism related activities, such as hotels, restaurants, moneychangers, and travel agencies, should be supported.

**International policy** calls for the Government to continue its advocacy for fairer trade, in keeping with the provisions and rules governing international trade. The nature of the country's exports, which are mainly agricultural products, requires the Government to take this approach. Cotton, which is a growth source in view of its externalities and an income source for hundreds of thousands of Burkina Faso's citizens, contributes to poverty reduction.

#### 5.2.1.4.5 Tourism

There is great economic potential for the tourism sector in Burkina Faso. The tourist industry contributes about CFAF 20 billion to the economy each year. The Government has developed international-class cultural events, such as the Pan-African Film and Television Festival of Ouagadougou (FESPACO), National Culture Week (SNC), and the International African Arts and Crafts Show (SIAO). These events have a positive impact on the economy, particularly the hotel industry. Burkina Faso could build on its reputation associated with these events, with the development of its many cultural sites, with its diversity of hunting opportunities, and with its legendary sense of hospitality, which is appreciated by the many travelers who come to the country. However, development of this tourism potential is restricted by the cost of transport, the lack of charter flights, and the scarcity of accommodations.

The Government has focused its promotional work on developing domestic and international ecotourism and agrotourism in order to improve the performance of the tourism industry and make it a genuine contributor to economic growth. This strategy is based on:

- Enhancing the synergies between culture and tourism by developing the national cultural heritage (National Museum, traditional villages, monuments and historical sites)
- Developing the ecological heritage by creating hunting grounds, building tourist camps, and setting up specialized tours, such as nature hikes, or hunting safaris on the Pama and Arly reserves in the east and the Nahouri reserve in the south

- Support and advice for business operators in the sector
- Promoting consultations between all public sector and private sector stakeholders
- Setting up an international tourism structure and promoting access to credit for tourism companies
- Improving air service by seeking new charter companies and promoting “sea-to-Sahel” tours by offering tours combining visits to Burkina Faso with travel to Benin, Côte d’Ivoire, Togo, or Ghana.

#### **5.2.1.4.6 Remittances from Burkinabè nationals residing abroad**

In the past, remittances from Burkinabè emigrants played an important role in the country’s overall balance of payments equilibrium.

Burkina Faso should concentrate its efforts on increasing emigrants’ incomes, rather than increasing the number of emigrants, in order to reinvigorate workers’ remittances. Consequently, the Government’s policy should channel most of the flow of emigrants to economies where incomes are high, rather than other West African countries. This policy will be backed up by the following actions:

- Creating a much more favorable climate for emigration by restructuring the High Council for Burkinabè Citizens Abroad. This means (i) reducing the Government’s role in the Council to make it more flexible, (ii) signing a contract that sets objectives with regard to placing workers in high-paid labor markets, (iii) encouraging emigrants to set up their own trade associations and forge economic relationships with local partners to provide investment, advice, and identification of market niches.
- Providing education to at least the secondary level and job skills training in certain growth areas, such as information technology. The objective is to improve the quality of the labor force. Good human resources development policy always produces benefits, be this via the domestic economy or via the international economy.

However, the Government’s long-term development strategy will be based on expanding exports of goods, rather than exporting human resources. This will require a strategy for improving human resources, reducing infrastructure costs, and opening up the economy in order to increase exports and create jobs for Burkina Faso’s citizens at home.

### **5.2.2 Pillar 2: Promoting access to basic social services by the poor**

#### **5.2.2.1 Human resources capacity building**

The efforts of the Government and other stakeholders in the various social sectors have produced real progress, but the results are mixed. At the start of the 2003/2004 school year, the gross enrollment ratio was up sharply to 52.25 percent, according to Ministry of Basic Education and Literacy (MEBA) statistics. However, there is uncertainty about meeting objectives of the ten-year education development plan by 2010. Indicators also show that progress has been slow and results have been mixed with regard to health, nutrition, and HIV/AIDS. The HIV/AIDS seroprevalence rate declined from 6.5 percent at end-2001 to 4.2 percent in 2002 and 1.9 percent in 2003, but the situation with regard to HIV/AIDS, and all the different endemic and epidemic diseases, is still a cause for concern. Substantial progress has been made in the supply of safe drinking water, but the situation still needs to be improved, particularly in urban areas.

Obviously, Burkina Faso is still facing the challenges of overcoming the “social deficit” and building up its human resources. It must meet these challenges if it is to attain faster, broad-based growth and improve the quality of life. This will require vigorous action in the coming years in such sensitive areas as: (i) education, (ii) health, (iii) nutrition, (iv) HIV/AIDS, (v) safe drinking water, sanitation, and pollution, (vi) housing, and (vii) social protection.

### **5.2.2.2 Promoting access to basic education services for the poor**

The development of the education system up until 2010 will be based on four principles:

- Extending basic education to include the first cycle of secondary education
- Increasing the coverage of basic education while improving its quality
- Balanced development of the education system so that it meets the needs of the economy in terms of quantity and quality
- Developing a targeted, cohesive program providing adults, and women in particular, with the opportunity to obtain high quality literacy training.

#### **5.2.2.2.1 Education policy**

The Government's main priority will be basic education, but it will ensure a balanced education system. This policy will result in the following measures:

**Reorganizing and redefining basic education** to encompass the first cycle of secondary education so as to consolidate the attainment of school-leavers and to enable them to continue learning on their own.

#### **Controlling the budget for the basic education development program:**

- By the end of 2004, the Government will submit a draft law on education programming that broadens the concept of basic education and makes it compulsory and free. The programming law will incorporate faster development of literacy training.
- As part of the preparations for the law, the Government will launch a general discussion with local officials and social partners on the incentive system for teachers.
- In the next ten years, the Government will ensure that primary school teachers are hired at the local level on similar terms to those for community teachers in satellite schools. This means their pay will vary between 3.5 and 5 times per capita GDP, depending on seniority. Applying this measure will mean that the average cost per teacher will be about 4.7 times the country's per capita GDP in 2010, instead of 6.8 times in 2002. This reduction makes the program financially feasible. Recruiting primary school teachers is a critical element of the program. It calls for hiring some 29,000 teachers by 2010, representing a doubling of the current number of teachers.
- The education programming law will contribute to the effective implementation of local hiring of teachers.

**Controlling the institutional framework:** The restructuring of the teaching system and the implementation of the education programming law will require new skills for steering, management, supervision, evaluation, and monitoring. The Government will make sure that these skills are learned and reinforced.

#### **Practical action in favor of the poorest and most vulnerable population groups:**

- Continued implementation of an integrated education approach, combining formal and nonformal education in order to stimulate demand for education and make schools more community-oriented
- Building more schools and teachers' housing, especially in rural areas, to meet needs where they are most apparent
- Systematically building latrines at all new schools to ensure a healthy environment and good education that includes hygiene and health
- Systematically providing water points (tubewells or large diameter wells) to ensure that education includes hygiene, health, and environmental protection

- Expanding and intensifying action to promote school canteens, which are a key factor in school attendance, especially in rural areas, through investment, equipment, and better organization of parents' associations to make the canteens self-managing
- Implementing economic projects aimed at women to back up their training
- Authorizing flexible school schedules, especially in rural areas
- Exemption from annual tuition fees for parents of girls attending schools in the twenty provinces with the lowest enrollment ratios
- Continuation of the policy of distributing free textbooks
- Drafting regulations to make school compulsory and free by 2006.

**Improving the effectiveness and efficiency of public expenditure on education:** Public expenditure on education must be made more efficient by taking firm action to increase the number of pupils in both primary and secondary education. Previously introduced measures and measures currently under consideration are aimed at increasing the proportion of pupils at the CP1 level who reach CM2 from 60 percent to 75 percent by 2010, reducing the proportion of pupils repeating primary grades from 18 percent to 10 percent, and considering the same measures for secondary schools.

**Improving returns on investment in education:** This will require appropriate measures, since progress in making schools available will primarily concern rural areas, to enable rural populations, and particularly the poorest among them, to obtain real benefits from investment in education and to ensure that this investment produces social returns.

**Setting up a structure for research and action, monitoring and evaluation:** A research and action, monitoring and evaluation structure has to be set up or stimulated to work on experimental teaching programs and their impact on pupils in general, and on pupils with the greatest economic and learning difficulties in particular. The technical and human resources of this structure need to be built up.

#### **5.2.2.2.2 Literacy training**

Poverty in all its forms is more severe in rural areas, especially poverty in terms of the lack of capacities and skills. This means that developing basic education and, more specifically, literacy is a critical component of the poverty reduction strategy. The ten-year education development plan calls for greater efforts in favor of the poorest areas through:

- Implementation of economic projects aimed at women, to enable them to improve their living conditions and apply the knowledge learned in literacy training centers
- Establishing permanent literacy and training centers, along with nonformal basic education centers
- Incorporating literacy and training actions into a whole set of activities and services for health, education, credit, agricultural extension, etc.
- Promoting and developing post-literacy activities by producing and disseminating appropriate documents
- Continuing and encouraging private literacy training initiatives by local or national groups and literacy training through the Fund for Nonformal Education
- Effective implementation of the "faire-faire" approach
- Strengthening the National Fund for Nonformal Literacy Training.

#### **5.2.2.2.3 Higher education**

The priority on basic education reflects the concern for equity and effectiveness, in the immediate future through the enhancement of the skills and productivity of various economic players, as well as in the more distant future, through the increase in the numbers of

potential applicants for higher education. This priority is not an end in itself and it does not rule out parallel development at higher levels of education.

Globalization requires ongoing improvements in human resources to stimulate greater creativity and competitiveness, including familiarity with the tools of symbolic creation. The task at hand is to create synergy between the different levels in the education system in order to optimize performance and quality, as well as return on investment.

### **5.2.2.3 Promoting access for the poor to healthcare services and nutrition programs**

In 2000, the Government launched a review to assess the effectiveness, transparency, and equity of public expenditure in the health sector. It is planning to apply sustainable solutions to the problems identified in the National Health Development Plan for 2001–2010. It will adopt measures to improve access to healthcare services and essential drugs for the poor, and will implement a plan to combat the major diseases.

Specific poverty reduction measures in the health sector concern three areas:

- (i) Improving health indicators by targeting services for the poor
- (ii) Limiting healthcare costs for households
- (iii) Involving users and the poorest communities in health decision-making.

#### **5.2.2.3.1 Priority actions for the poorest**

The government strategy includes:

- Implementing a program to fight disease by providing a healthcare package corresponding to the following priority programs: (i) Expanded Immunization Program (PEV), (ii) dracontiasis (Guinea worm) eradication, (iii) leprosy eradication, (iv) reproductive health promotion, (v) fighting cancer, (vi) child health promotion (through comprehensive action to fight childhood disease and malnutrition), (vii) fighting tuberculosis, (viii) fighting sexually transmitted infections, HIV/AIDS, and malaria, (ix) covering the cost of antiretroviral drugs
- Continuing epidemiological monitoring
- Standardizing authorized, planned, and existing infrastructures and providing suitable equipment to make healthcare facilities accessible to the most isolated population groups
- Optimizing human resources in rural areas by: (i) establishing a human resources development policy that provides better service for rural populations, (ii) developing regional systems for hiring, contracting, and providing financial and nonfinancial compensation for health officers working in rural areas, (iii) ensuring the presence of physicians trained in basic surgery in districts without access to regional hospitals and ensuring the presence of surgeons and gynecologists in districts with access to regional hospitals
- Continuing microplanning and monitoring in health and social promotion centers using key objectives, such as immunization, comprehensive childhood disease care, fighting malaria, STIs and HIV/AIDS, reproductive health, and micronutrients, consolidating monitoring at local, regional and national level
- Continuing the fight against STIs and HIV/AIDS by: (i) building diagnosis and treatment capacities for dealing with AIDS patients' opportunistic infections in local healthcare facilities, (ii) developing testing and advisory services at every level of the health system, (iii) developing alternatives to hospitalization
- Promoting a contractual approach for promotional, preventive, and curative activities.

#### **5.2.2.3.2 Access to basic care for the poorest population groups**

The following measures are planned to ensure that the poorest segments of the population have access to basic care:

- Making basic drugs, vaccines, and supplies available from health and social promotion centers
- Increasing the availability of resources for rapid HIV testing at district hospitals
- Increasing the number of outpatient care centers
- Continuing to allocate budget resources for health districts and establishing a system for distributing these resources to district healthcare facilities
- Stepping up measures to reduce the prices users pay for preventive care, especially for immunization, prenatal consultations, childbirth, and treatment of mosquito netting, as well as the prices of services for children up to the age of five, through the introduction of flexible pricing and subsidies.
- Continuing to provide free care for tuberculosis, dracontiasis, and leprosy
- Developing local solidarity systems by creating a legal framework for healthcare funds and all other forms of healthcare cost sharing
- Promoting traditional medicine and remedies as a subsector of private medical care.

#### **5.2.2.3.3 User and community involvement in healthcare management and development**

Plans in this area call for:

- Increasing the skills of the management committees (COGES) with regard to microplanning and monitoring priority healthcare activities
- Promoting greater representation for women and young people on the management committees.
- Developing community-based strategies in the following areas: protein-calorie malnutrition, testing, monitoring and eradication of certain endemic diseases, such as dracontiasis, tuberculosis, and leprosy
- Clearly defining the procedures for using resources generated by cost recovery at the health district level (such as health and social promotion centers, medical centers and district leadership teams).

#### **5.2.2.3.4 Strengthening nutrition programs**

The Government plans to introduce programs for (i) nutritional monitoring, (ii) mapping food insecurity and vulnerability, (iii) nutrition education, and (iv) reinforcing and restructuring specialized centers.

#### **5.2.2.4 Fighting HIV/AIDS**

The priorities in for 2004-2006 are:

- Strengthening the multisector, decentralized, and participatory approach to combating HIV/AIDS
- Promoting voluntary and anonymous testing
- Strengthening the medical care of people living with HIV/AIDS (PLWHA)
- Improving the overall social and economic care of people infected or affected by HIV/AIDS
- Incorporating the fight against HIV/AIDS into all development projects and programs.

The Government will continue its efforts aimed specifically at improving the affordability and geographic availability of treatments as part of its implementation of these priorities. It will do so by implementing special projects and programs:

- Burkina Faso's request to the Global Fund to Fight AIDS, Tuberculosis, and Malaria for antiretroviral drug subsidies and the extension of the Prevention of Mother-to-Child Transmission program
- The ESTHER project for partnerships between hospitals
- The World Bank initiative for access to antiretroviral drugs
- The WHO/OPEC initiative
- Actions by other partners, including NGOs, associations, and private sector entities.

Clearly, continued preventive actions are critical in order to reduce the risk of HIV/AIDS infection.

However, successfully meeting objectives also depends on the level of the players' specific capacities to perform their tasks. This makes it important to build up the various players' technical capacities and skills.

Particular emphasis is being given to building patient care capacity, particularly through healthcare facilities and the involvement of associations with their own medical personnel on staff.

In addition, efforts backed by the Government's partners will help increase the affordability and geographic availability of treatments for the majority of the country's citizens.

At the community level, the strategy for involving traditional and religious leaders will help to reduce the social and cultural prejudices that hinder the fight against HIV/AIDS. This involvement will help to foster changes in community standards and values, which will then lead to changes in social behavior.

Speeding up the decentralization process by setting up Village AIDS Committees will bring the added benefit of covering the maximum number of villages and stimulating the creation of village microprojects to fight AIDS.

### **BOX 13: AIDS and poverty**

A national survey conducted in 1994 on a sample of 2,159 women and people with tuberculosis showed that seroprevalence stood at 7.8 percent and 33.6 percent respectively, with a relative preponderance of HIV1. According to UNAIDS, Burkina Faso had 370,000 people living with HIV/AIDS in 1997. This works out to a seroprevalence ratio of 7.17 percent, making Burkina Faso the second most affected country in West Africa. The ratio was estimated at 6.5 percent at the end of 2001. Other factors, such as poverty, illiteracy, and internal and external migration exacerbate the situation. All communities in urban and rural areas and all social groups are affected. The age groups most affected are adults aged 29 to 49 and girls and young women aged 13 to 24, whose infection rates are 5 to 8 times higher than those for boys and young men in the same age range.

The phenomenon has an impact on the country's socioeconomic situation. A study conducted by L. Brenzel for the World Bank in 1994 concluded that the total cost of HIV/AIDS would stand at \$8.5 million per year, for a seroprevalence ratio of 3 percent. However, the biggest impact that the AIDS epidemic has had on the country's welfare has been a 5-year decline in life expectancy at birth, which wipes out one-fifth of the progress made since 1950. The AIDS epidemic also has major repercussions on several importance economic sectors. It could result in a 33-to-43-percent increase in Government spending on health. The twofold and threefold increases in death rates for workers, managers, and public-service and private sector employees will drive up labor costs and diminish the quality and quantity of services provided.

In the rural sectors, farms will be increasingly vulnerable to labor shortages and decreases in households' financial resources. FAO studies conducted in 1997 showed that 20 percent of rural families in Burkina Faso had reduced the size of their farms or abandoned them because of AIDS. The result is greater food insecurity and greater poverty for the households in question. AIDS worsens the poverty of the poorest and distorts the level and distribution of income in the country.

As soon as the first AIDS cases were recognized by the Government in 1987, a technical committee was set up to fight AIDS. This committee worked with the support of WHO/GPA and UNAIDS to organize the fight in three phases. The first phase from 1987 to 1995 was used to develop a national program to fight AIDS and implement three short-term and medium-term action plans. The second phase from 1996 to 1998 saw the Government increase its political, material, and financial commitment with the launch of a population and AIDS project (PPLS) with IDA funding.

However, the efforts made with the support of the international community turned out to be inadequate for dealing with the scale and complexity of the problem. Therefore, in 1998, a strategic planning process conducted with the support of UNAIDS was used to develop a strategic framework for fighting AIDS from 2001 to 2005, which the Government adopted in May 2001. This framework is the national policy document and it calls for a multisectoral approach to fighting HIV/AIDS and STIs in Burkina Faso. The document sets out four intervention areas (see 4.2.3) and priority action areas.

Coordinating bodies have been set up in various sectors for the implementation of the strategic framework and to strengthen national coordination of action. These bodies include: ministerial AIDS committees, AIDS committees in businesses and large firms, and decentralized AIDS committees at provincial, departmental, and municipal level. In addition to these committees, there are implementation bodies, including the village AIDS committees and the municipal sector AIDS committees.

The involvement of the various stakeholders in the fight against AIDS is based on a strengthening of the contribution and organizational work provided by community bodies through the creation of networks and coordinating groups of associations and NGOs fighting AIDS, and the involvement of traditional and religious organizations.

Implementation of the strategic framework also calls for the development of sector action plans, based on analysis of the situation and operational responses in various sectors.

### **5.2.2.5 Promoting access to water for the poor**

The necessary reforms and actions will focus on:

- Increasing the supply of safe drinking water by creating 3,000 modern water points, primarily tubewells, to be created at a pace of some 1,000 per year, rehabilitating another 500 existing water points, and providing secondary towns with simplified drinking water supply systems
- Involving users in infrastructure building and management
- Correcting regional disparities with regard to safe drinking water.

The Government's plan of action for comprehensive water management defines new approaches in three distinct areas:

(i) Drinking water supplies in urban centers, which require:

- Enforcement of water supply quality standards
- Systematic treatment, before distribution, of surface water intended to be used for drinking
- Building, in the short term, the administrative and financial capacity of the company responsible for distributing safe drinking water
- Improving productivity in the longer term, with the target of instilling the notion of cost-effectiveness for equipment and management in the centers
- Maintaining performance contracts between the Government and the public company
- Considering the needs of livestock when defining needs on the outskirts of urban areas

(ii) Drinking water supplies in semi-urban areas and secondary towns, which require:

- Creating an attractive environment for private sector operators to take over management of facilities
- Establishing a performance contract for each private sector operator managing public drinking water supply
- Promoting rural electricity supplies and the use of solar electricity generating equipment
- Studying technological options to ensure more stable and sustainable supplies, ease of maintenance, and low operating costs. Combining existing technological solutions to meet supply needs (building up networks, etc.)
- Continuing to provide secondary towns with standalone water sources or simplified drinking water supply systems.

(iii) Drinking water supplies in rural areas, which require:

- Meeting the drinking water needs more fully
- Making renovation and improvement of existing water sources a priority
- Harmonizing the users' contribution for the initial investment
- Aiming to have users cover the cost of pump maintenance and replacement
- Promoting solar electricity generating equipment and solar power
- Encouraging local manufacturing of certain pump parts
- Encouraging the building of interconnections between neighboring areas through simple drinking water supply systems whenever it proves viable
- Developing large capacity structures
- Involving users at every stage of facility planning and building.

### **5.2.2.6 Improving living conditions for the poor: housing**

Burkina Faso's population is rapidly becoming urbanized. The percentage of the population living in urban areas rose from 3.8 percent in 1950 to 16.5 percent in 2000. In addition to the problems with education, health, infrastructures, and amenities, this urban growth raises the problem of housing. The main thrusts of housing policy are:

- Development planning and control in Burkina Faso's urban centers
- Harmonious development and management of urban areas
- Establishing a suitable system to meet the needs for low-cost and public housing

- Drafting urban planning and housing regulations and monitoring their enforcement
- Promoting and using local construction materials
- Setting up a specialized housing institution.

Planned institutional and regulatory actions for housing are aimed at:

- Reducing regional and social inequalities to enhance equity
- Improving living conditions for the poor
- Enhancing the security of land tenure.

These actions involve:

- Drafting an urban planning and construction code
- Establishing blueprints for urban development in provincial and departmental capitals having attained a certain degree of development
- Establishing a housing bank
- Drafting and implementing an urban sanitation plan and instilling a sanitation culture in city dwellers.

#### **5.2.2.7 Providing social protection for the poor**

The Government is concerned with improving social protection for the whole population, including the poorest citizens. In view of the scale of social exclusion, which has been exacerbated by the social impact of the HIV/AIDS pandemic and the massive return of Burkinabè citizens from abroad, the Government's strategic areas for action in the coming years are:

- Strengthening action to fight all forms of social exclusion
- Reinvigorating actions to promote solidarity
- Substantially increasing the incomes of the poorest
- Promoting health microinsurance for the poorest and indigent population groups.

Five priority areas have been subdivided into strategic areas. These are:

- (i) Protecting and promoting children and adolescents:
  - Comprehensive early childhood development
  - Promoting children's rights
  - Protecting children at risk
- (ii) Protecting and promoting families:
  - Socioeconomic promotion of families
  - Promoting family rights
- (iii) Promoting solidarity and the protection of specific groups:
  - Strengthening solidarity systems
  - Protection and socioeconomic promotion of specific groups
  - Developing systems for the integration of displaced persons
- (iv) Developing staff skills and institutional capacity building:
  - Initial and continuing staff training
  - Establishing infrastructures and facilities
  - Adopting legislation and regulations to set standards.
- (v) Creating healthcare microinsurance:
  - Promotion campaigns
  - Establishing a database
  - Establishing a support unit.

Cohesive plans and programs, developed through a consultative and participatory process, will guide the implementation of these strategic areas.

### **5.2.3 Pillar 3: Equitably increasing employment and income-generating activities for the poor**

#### **5.2.3.1 Agriculture as a source of jobs and income**

Employment and income-earning opportunities depend on the dynamism and performance of various economic sectors.

Agriculture is the leading source of jobs in Burkina Faso, which means that increasing opportunities for the poor will first require creating the right conditions for more rapid growth of the agricultural sector. Faster growth will have three beneficial effects on poverty reduction:

- A structural effect, stemming from the major role that agriculture plays in the performance of the national economy. This effect results from a combination of several factors, with the net gain in government revenues from cash crop export earnings being the most important. There are also savings that accrue from reducing the food imports that would otherwise have been necessary to cover production shortfalls. The added government revenues can be used to finance access to social services and other transfers to the poor. They can also be used for major investments in the agricultural sector.
- A more direct effect would result from an immediate increase in rural producers' average incomes stemming from the multiplier effect of agricultural income.
- An indirect effect, related to positive externalities, is reflected in the fact that growth of the agricultural sector leads to the development of nonagricultural activities and consequently new nonfarm jobs.

The triple effects of economic efficiency (economic surplus), equity (improved living conditions for the poorest), and positive externalities (new nonfarm activities and jobs) mean that accelerating agricultural development is one of the most effective means of reducing poverty.

Creating the right conditions for faster growth of agriculture and livestock breeding will be part of the ongoing reforms of the agricultural sector. These conditions will strengthen the division of tasks between stakeholders and uphold the Government's role in policy-making and creating the public goods and services to facilitate and stimulate the production and marketing of agricultural products, which are the tasks of private sector players.

Given the current profile of poverty in Burkina Faso, which is primarily rural, this action will make a substantial contribution to poverty reduction. Even though urban poverty increased in Burkina Faso between 1998 and 2003, poverty is still a predominantly rural phenomenon, with 92.1 percent of total poverty occurring in rural areas.

The disparities from one rural area to the next are stem primarily from differences in natural resources, such as the quality of farmland, rainfall, and water supplies. Within each area, farmers growing food crops are still the poorest (3 out of 4 poor are food crop farmers), despite a slight decrease in their contribution to total poverty, whereas the poverty of cash crop farmers diminished slightly.

Consequently, programs to enhance the economic security of the poorest segments of the population will focus mainly on the most vulnerable groups, which are primarily made up of food crop farmers. These programs should ensure sustainable rural development based on more intense cropping and protecting natural resources through improvements in operating conditions and factors and the correction of social inequalities, such as gender inequalities. In very practical terms, the strategy is aimed at achieving a substantial increase in agricultural productivity by removing the constraints on producers.

For this purpose, the programs will focus on seven strategic goals: (i) reducing the vulnerability of agricultural activity, (ii) more intensive and more modern farming, (iii) raising and diversifying rural incomes, (iv) reducing the isolation of rural areas, (v) supporting producer associations and collective infrastructures, (vi) improving living and working conditions for rural women, and (vii) promoting jobs and vocational training.

### **5.2.3.2 Reducing the vulnerability of agricultural activity**

#### **5.2.3.2.1 Soil fertility management**

Land has always been perceived as a “natural asset” that is self-renewing, often as a result of leaving it fallow for certain periods. But population pressures mean that fallow periods have been shortened and are no longer adequate to ensure renewal of soil fertility. Land degradation and loss of fertility through overcropping are increasing in some areas. Signs of soil depletion are very visible in the north and central regions. There are also pockets of fairly severe land degradation in the west and southwest regions (including the cotton-growing area), where most of the country’s agricultural land reserves are located.

In severely degraded areas, soil depletion, poverty, and food insecurity have created a vicious cycle. Food insecurity and poverty lead to depletion not only of the soil, but of other natural resources as well, such as forests, wildlife, and fish stocks.

This calls for the implementation of long-term strategies focusing on restoring, conserving, and managing land and water resources sustainably, by restoring soil fertility and protecting and renovating ground cover.

**Restoring soil fertility:** the perception of soil fertility must be shifted to seeing it as a “production asset” that needs to be cared for, in the same way as a plow needs to be maintained and the oxen that draw the plow need to be cared for. Logically, periods when the land is not being farmed, during the dry season or off season, can be used to restore soil fertility.

Action to help end the vicious cycle of soil depletion, poverty and food insecurity should focus on:

- Mixed farming
- Spreading organic manure, which is more accessible to the poor than chemical fertilizers, by stepping up and expanding the “manure pit” operation
- Using agricultural inputs and improving water and soil conservation technologies.

A joint study by the Ministry for the Environment and the Center for Economic and Social Research and Documentation (CEDRES) at the University of Ouagadougou shows that soil restoration and fertilization with the Zai technique, stone cordons, organic manure, etc. has a positive impact on agricultural productivity and therefore on poverty reduction.

**Protecting and renovating ground cover:** the Government has always been concerned with protecting and renovating ground cover. The fight against brush fires must be stepped up and action to plant trees and conserve forests must be continued in order to increase the area of farmland through regeneration of soil fertility. Efforts will focus on:

- Reinvigorating brush fire management committees and undertaking a participatory process to find the best ways of fighting such fires.
- Encouraging individual and collective planting and reforestation. In this respect, the “One Village, One Forest” and “One Department, One Forest” operations should be supported and consolidated.
- Stepping up the extension of farming techniques that mix forestry and agriculture.

The Village Land Management Commissions (CVGTs) could play an important role in this area. Work to step up the elimination of sociological obstacles will be an important challenge in creating or identifying the reflex to invest in land.

Reducing the vulnerability of agricultural activity helps to increase productivity and yields, while at the same time increasing the incomes of large numbers of producers, who are

mainly poor. The solutions put forward should make it possible to increase yields per hectare under cultivation, as well as ensuring the sustainability of the higher yields by protecting natural resources.

#### **5.2.3.2.2 Promoting rural water systems**

As a general rule, the main problem with water resources in Burkina Faso is that rainfall is both low and unreliable. Rainfall has diminished steadily over the last forty years, with some periods of more severe drought. Furthermore, rainfall is often unevenly spread over successive years or in the course of a single rainy season.

The report on water resources compiled by the comprehensive water management program in 2000 stressed the lowering of the water table in many areas of the country and showed the danger of intensive use of groundwater. As far as surface water is concerned, an analysis of rainfall over the last thirty years shows that the trend has been downward at many weather stations. Furthermore, there is massive evaporation of surface water and the need for water is increasing substantially. In the coming years, Burkina Faso will increasingly have to cope with a water supply problem.

Under these circumstances, ensuring regular and lasting access to water resources for the rural population is a priority for the Government, which considers that water management is a major factor in the poverty reduction strategy.

**Irrigation:** promoting irrigation is seen as an appropriate option for developing water resources to ensure food security, insofar as better water use produces much higher crop yields. To achieve this, the following actions are recommended:

- Stepping up renovation and maintenance of existing irrigation systems: promoting renovation of dams, weirs, bunds, etc. and the development of the plains
- Developing small areas that can be irrigated from a tubewell or large-diameter well for the use of women, village women's groups, and village youth groups
- Empowering stakeholders to manage these facilities: applying an appropriate pricing policy and collecting fees on irrigated land
- Developing bottomlands for farmers growing food crops and small irrigation systems: building small-scale surface water systems in villages with appropriate land for irrigation and growing off-season crops
- Using a labor-intensive approach in building water systems.

Operation "Saaga" is a good initiative. Therefore, the Government should set aside the resources to master cloud-seeding technology, expand the geographical area covered, and ensure the longevity of the program, while taking care to ensure sustainable management of the environment.

**Stock watering systems:** Action on these systems will concern:

- Implementing a program to build wells and reservoirs for watering livestock
- Empowering local authorities and all stakeholders in the management of stock watering infrastructures.

Stock watering and village irrigation systems will rely on collection of surface water, pending an improvement in the water table trend. The irrigation and stock watering systems will be built in such a way as to minimize the negative impact on the environment, with the accompanying protection measures called for under the National Action Program to Fight Desertification (PAN/LCD).

#### **5.2.3.2.3 Improving access to land and security of land tenure**

As the population grows, migratory flows become more intense, and livestock herds increase, the pressure on land is increasing, exacerbating competition for this natural resource and creating conflicts and growing insecurity of land tenure. The Government has undertaken a complete overhaul of land legislation since 1984 in order to promote

development and investment, as well as to facilitate access to land and other natural resources for all.

In addition to the Agrarian and Land Tenure Reorganization, which applies to the development and management of national land holdings, other laws were introduced to govern specific sectors: (i) the Environment Code, (ii) the Forestry Code, (iii) the Mining Code, (iv) the Water Code, (v) the Livestock Planning Law.

Despite these legal structures, access to land for some poor population groups is still a distant hope. More specifically, women in these population groups are handicapped by a lack of access to resources and agricultural extension services that would help them to increase yields. Agricultural extension officers usually work with men, whereas it is often women who do the bulk of agricultural work.

More opportunities to farm developed bottomlands and irrigated areas should be provided to the poorest population groups, with special attention for women and youth, whose access has been limited up until now.

Land tenure security means protecting people from the real risk of being dispossessed while ensuring them the right to use their natural resources. Land tenure insecurity is an obstacle to improving the economic security of the poorest and it insidiously undermines the potential for increasing agricultural productivity and improving operating conditions and factors. The insecurity stems from problems with the application of the Agrarian and Land Tenure Reorganization (RAF) with regard to the status of rural land and the changes that are disrupting traditional land management systems. Therefore, the Government must intervene to:

- Draft and adopt implementing legislation to facilitate the enforcement of the Agrarian and Land Tenure Reorganization
- Develop a communications strategy to publicize the RAF and other regulatory instruments
- Implement specific measures to promote access to land for women
- Develop an operational strategy to enhance security of land tenure in rural communities by building on the experience of the pilot projects under way as part of the National Village Land Management Program, the Ganzourgou Rural Land Plan, the Rural Land Registry Project, etc.

### **5.2.3.3 More intensive and more modern farming**

Food security and adequate nutrition are major policy concerns for the Government.

More intense food cropping, which means higher productivity, is unavoidable to ensure food security as the amount of available farmland inevitably decreases. The Government will endeavor to increase national output through action to intensify and diversify production of crops, livestock, fish, and forestry products.

#### **5.2.3.3.1 Improving agricultural research and extension**

More intensive farming will require the development of technology packages to suit the target crops, and food crops in particular. This technology will have to be adapted for the specific conditions on each type of farm, and more specifically, will have to suit the socioeconomic environment. After they are introduced, the technology packages will undergo extension and ongoing improvements.

**Crop production:** special emphasis will be laid on finding improved, high-yield plant varieties that are suited to natural conditions and soil quality. The stress will be on:

- Extension of the technology package results
- Disseminating improved seed: seeds with short growing periods will be recommended in consideration of the unreliability of rainfall

- Increasing the value of output by the dissemination of processing techniques that preserve product quality.

**Livestock production:** the main problem with more intensive livestock farming is feeding the animals. At present, nearly 87 percent of animal feed is provided by natural fodder. Agro-industry by-products are in short supply or even exported, which means that the transition to modern intensive livestock farming is proceeding slowly.

Natural fodder is becoming increasingly rare in the north as the quillwort plants tend to spread southward. Consequently, livestock farming is moving toward Boucle du Mouhoun, the east, and the south, and causing severe environmental damage. Therefore, cattle feed production needs to be encouraged to back up genetic improvement projects and the increase in fattening and breeding activities on the outskirts of urban areas.

Actions to achieve genetic improvements through artificial insemination have been stepped up with the involvement of the breeders whose animals show the best capacity to adapt to transhumant conditions and extensive grazing. The Government will work to extend access to these new technologies to the poorest livestock breeders.

**Forestry and fish production:** in terms of developing the country's forestry potential, special emphasis will be laid on finding improved, fast-growing, high-yield plant varieties of shea trees that are suited to natural conditions and soil quality.

With regard to fisheries production, the Government will continue fish stocking operations by developing local fish production in specialized facilities and by fighting fish diseases.

#### **5.2.3.3.2 Improving access to agricultural equipment and inputs**

The emphasis will be on using agricultural inputs on food crops in accordance with the protocols arrived at through research into chemical fertilizers and improved seeds, and on mechanization, more specifically on providing farmers with animal-drawn equipment. There is still considerable room for improvement in this area, despite major efforts. The proportion of farms with plows and draft animals is under 27 percent, while the absolute farming technology adoption rate stands at 52 percent, with disparities in the adoption rates for anti-erosion and agroforestry technology.

A core concern in farming modernization will be improving farmers' access to equipment, since studies have shown that the use of equipment increases agricultural productivity and reduces poverty by about 10 percent. Measures will be taken to:

- Improve the use of mineral amendments, such as Burkina phosphate combined with sulfuric acid (Perkoa zinc), dolomite, and organic manure derived from urban and agro-industrial waste treatment
- Make access to production and transport equipment, such as plows, carts, and processing machines, more affordable for farmers
- Distribute post-harvest machines, like threshers and huskers
- Increase the value of production by making low-cost preservation and processing technologies available.

Furthermore, the Government will make every effort to facilitate women's access to agricultural machinery and inputs in view of their strong involvement in farming.

#### **5.2.3.4 Increasing and diversifying rural incomes**

##### **5.2.3.4.1 Improving access to credit**

Recent studies have shown that effective access to credit can lead to a substantial reduction in poverty. Yet the current access conditions are so restrictive that the poor, and more particularly, poor women, have no access to credit.

Recent years have seen many initiatives to provide access to credit, including a strengthening of the Support Fund for Remunerative Activities for Women, implementation of the rural microenterprise support project, the grassroots poverty reduction project and

various local development funds. Despite all these efforts, microcredit is still inadequate for financing genuine agricultural development. Therefore, the Government needs to increase its financing for the promotion of rural communities and define a development strategy for rural microcredit using terms and procedures that suit the specific needs of farming, forestry, livestock breeding and rural craft activities.

For this purpose, the Government will continue its efforts to promote community credit that suits the socioeconomic circumstances of poor producers. The aim is to extend decentralized financial systems from the current penetration rates of 10 to 15 percent and build up their operational capacities through refinancing systems and guarantee funds provided by other financing institutions. The technology needs and financing instruments, including subsidies, required by farmers growing food crops will require special attention, because these farmers are the poorest and most vulnerable rural producers.

#### **5.2.3.4.2 Speeding up the extension of the money-based economy in rural areas**

Increasing investment in means of production assumes that sales of agricultural output will increase to obtain the full value of farmers' labor. Production for local markets, particularly urban markets, should therefore be encouraged. This includes small-scale livestock production and off-season crops. Certain crops for export to the subregion should also be encouraged, such as grain, vegetables, and fruit.

The Small-Scale Village Irrigation Program will be strengthened to improve food security, as well as to create rural jobs in the dry season. At the same time, the Government will continue to encourage producers to adopt new more remunerative activities such as (i) livestock fattening, (ii) minidairies, most of which are run by women, (iii) leather and hide crafts, (iv) small-scale livestock breeding, (v) fish farming, and (vi) small-scale forestry operations.

#### **5.2.3.4.3 Improving the competitiveness of cash crops**

With the regionalization and globalization of trade, closing Burkina Faso's agriculture off from the rest of the world would cause productivity to fall still lower and compromise the sector's capacity to produce the financial resources it needs to meet the cost of modernization. Under these circumstances, and with the diversification of production and export potential, the Government will encourage competitiveness improvements in the cotton, oilseed, fruit and vegetable, and leather and hide sectors.

Despite the constraints of quality standards and competition between exporting countries, export crops often offer farmers attractive profit margins. Export crops also help to improve the structure of the agricultural sector as a whole, because of the need for well-organized preproduction and postproduction services and the multiplier effect of exports on incomes, especially in rural areas.

#### **5.2.3.4.4 Promoting income-generating activities and self-employment**

The reforms to be considered with a view to promoting income-generating activities and self-employment should focus on:

- Identifying and implementing community public-interest projects: labor-intensive public works, especially infrastructure building (rural roads, agricultural facilities, etc), housing, and sanitation
- Identifying and implementing a program to support private sector initiatives in agro-industry, small-scale livestock breeding and off-season crops, as well as small-scale service undertakings in urban areas, with additional emphasis on promoting nonfarm activities such as arts and crafts
- Promoting savings and loan systems that meet the financing needs of vulnerable groups
- Implementing a support system for the creation of new jobs for unskilled workers and unemployed school-leavers, especially in urban areas.

As a general rule, identifying and supporting individual and collective local initiatives by the poor will lead to a significant improvement in their access to paid work.

### **5.2.3.5 Reducing the isolation of rural areas**

The lack of basic infrastructures is one of the main obstacles for development in rural areas. It makes it very difficult to store and move production. It complicates transport and trade and means that the rural population has to put up with very precarious living conditions. Infrastructure development is a critical prerequisite for improving the living standards of the rural population and meeting its basic needs. Ending the isolation of rural areas should create promising opportunities for communication and trade. Improving rural roads and developing rural electricity supplies and telephone service are very important steps in this process.

#### **5.2.3.5.1 The rural road program**

Good rural roads improve both motorized and nonmotorized transport services for goods and passengers in rural areas and are of particular benefit to the poorest segments of the population. Transport services are generally provided by private sector companies or individual operators using roads, tracks, and paths.

The lack or inadequacy of these infrastructures hampers the integration of the poor, and more specifically farmers and livestock breeders, into the market economy and prevents them from improving their living standards. The Burkinabè Government has defined a policy for action on developing the rural road network that emphasizes labor-intensive construction methods. The ultimate purpose of this approach is to create temporary jobs for the poorest segments of the population and to stem rural flight.

However, building roads is not enough on its own to create a movement toward prosperity in rural areas; the services using the roads need to be improved as well. Therefore, the Government, with the support of its partners, has launched a rural transport program with the aim of promoting transport through the development of intermediate means of transport, such as handcarts, animal drawn carts, bicycles, and donkeys. These means should enable farmers to move their products toward consumer markets.

The Government's strategy is based on an open-ended approach and decentralization. The main strategic areas are:

- Synergy between central and local governments, having the regions act as genuine project supervisors
- Involvement of local population, shifting from a "repair" culture to a "maintenance" culture, in which the population takes on maintenance and repair tasks, with the participation of the Village Land Management Committees
- Division of the costs between central government, local governments, and users.

#### **5.2.3.5.2 The rural electrification program**

Rural electrification is a critical factor in improving living standards and promoting production activities. Electricity promotes processing and preservation activity, along with water pumping and irrigation systems. It adds value to health and education infrastructures and helps to enhance local governance by making administrative staff and the promotion of cultural and youth activities more operational. Areas on the outskirts of cities are also deprived of electricity supplies. In these areas, special electrification or solar-powered lighting programs will be developed and will include subsidies for the poorest. Rural electrification also helps to reduce the disparities between town and country.

The strategy in this area aims to help transform rural communities by improving living conditions, increasing the productivity of rural businesses and activities, and building up the capacities of grassroots communities and local governments. Rural electrification should be seen from the perspective of sustainable economic and social development, with an emphasis on reproducibility, adaptability, technical, economic and financial viability, and seeking synergies with commercial and social services.

Rural electrification will contribute to poverty reduction, as long as the obstacles to development in this sector are eliminated by:

- Adopting low-cost solutions, while maintaining the potential for future expansion of service and possible connection to the regional or national grid. Experience has shown that using low-cost generating and distribution technologies promotes rapid expansion of rural electricity service, making access more affordable for the poorest population segments. This means promoting renewable energy sources in areas that are sparsely populated or far from conventional power grids, while at the same time ensuring quality of service and consumer protection.
- Maintaining balance between regions: maintaining this balance will require seeking to provide convergent levels of supply in all regions. For this purpose, rural electrification programs will be selected on the basis of regional development criteria and the priority accorded to administrative centers.
- Private sector involvement: in order for rural electrification to achieve high penetration rates, new private sector, NGO, and local government players will have to be involved in the sector. With this in mind, players will need to be assured of fair competition, especially in tax terms, between new players and the legacy operator.
- Establishing specialized institutions to finance and supervise the electricity sector: rural electrification needs to be recognized as a distinct sector that involves both the commercial sector and rural development. In this respect, the Government will continue to invest in this area by setting up a regulatory body. Additional measures will be taken to make the Electrification Fund operational and to encourage financing structures, such as banks and the Decentralized Financing System, to adapt their financial products to the sector's needs.

#### **5.2.3.5.3 Rural telephone service**

Telephone service is critical for speeding up the development process, enhancing exchanges, and providing access to information. The Government has already made great efforts in this area and intends to continue with the extension of telephone service to rural areas and the modernization of the national network, including the introduction of digital telephony. Service will be provided in all of the departmental administrative seats and major towns with the support of the Universal Service Access Fund. Furthermore, community telecommunications centers will be developed as the means of access for most citizens to universal service and to the new information and communications technologies.

Expansion of rural telephone service is urgently needed to reduce distances and enhance security in rural areas by enabling citizens to contact the security forces rapidly.

#### **5.2.3.6 Support for producers' associations**

The withdrawal of the Government from productive sectors has brought with it the emergence of independent umbrella organizations. To date, producers have established several federations and bodies in the cotton, agriculture, fruit and vegetable, and livestock sectors. These are made up of 30,515 grassroots farmers' organizations and seven nationwide federations.

However, these structures need supervisory support and capacity building to become effective partners in the implementation of actions relating to their respective sectors. These new institutional players need to take a more active role in promoting agricultural activities initiated by the Government and those initiated by private investors, and more particularly in promoting specific sectors.

#### **5.2.3.7 Improving living and working conditions for rural women**

Women's contribution to the creation of national wealth, particularly in rural communities, is just as large, if not larger, than men's contribution. Yet, women's access to financial assets, such as credit, and productive assets, such as land and equipment, is still restricted. Improving women's working conditions is obviously bound to increase production. That is why the Government, with the support of all of the stakeholders, will put the emphasis on:

- Capacity building, which will not only require improvements in education, but, more importantly, literacy programs and training to facilitate the introduction of modern farming techniques and the creation and management of rural microenterprises
- Reducing women's workload by creating the right conditions for them to spend time on their own productive activities
- Support in seeking markets for their activities, such as gathering shea nuts and African locust beans (*nééré*), or market gardening
- Promoting women entrepreneurs, and more specifically, promoting small processing plants by making suitable low-cost technologies available
- Increasing awareness of the need to give women greater access to land and encouraging women to apply for irrigation development and irrigated land
- Capacity building for women's financing structures to increase the volume of credit for women who put forward promising projects
- Facilitating women's acquisition of intermediate means of transport, such as bicycles and carts
- Increasing women's involvement in the decision-making bodies of the trade associations of producers, processors and distributors of farm, forestry, livestock and fish products and in local development decision-making through the Village Land Management Committees.

#### **5.2.3.8 Promoting jobs and vocational training**

Access to work provides a source of income, personal fulfillment, and assurance of individual survival. It is a basic human right.

Restricted access to employment for youth and women is still a cause of great concern, despite the Government's many initiatives, such as the Employment Promotion Support Fund and the Informal Sector Support Fund.

Promotion of vocational training is still the main means of providing skilled labor for the job market. But the existing vocational training system, based on training centers and schools, cannot cope with the scale and diversity of the needs for skilled labor. To correct the lack of relevance and effectiveness in the vocational training system, the Government has invested in the renovation of vocational assessment and training centers, which will be able to train more young people in different skills, such as automobile repair, electricity, metal work, masonry, and leatherwork.

In 2001, the Government adopted a strategy paper on jobs and vocational training. The strategy is backed up by a plan of action that calls for: (i) establishing a favorable climate for job creation, (ii) developing vocational training and apprenticeships, and (iii) increasing and strengthening the operational capacities of the bodies responsible for promoting employment and vocational training.

Putting these actions into operation will require closer collaboration with employer and labor organizations and the support of the National Vocational Training Support Fund that the Government set up for this purpose.

#### **5.2.4 Pillar 4: Promoting good governance**

The Government of Burkina Faso adopted the first national good governance plan in October 1998, reflecting the Government's determination to strengthen the rule of law.

Good governance practices ensure the effectiveness of government action and the expansion of democracy. Good governance also makes it possible to create the right conditions for broad-based participation by all stakeholders in the development process, as well as providing an attractive climate for investment and wealth creation, and improving the competitiveness of the national economy with a view to reducing poverty.

The findings of the national long-term outlook report “Burkina 2025” show how important good governance is for boosting development. The latest report from the National Ethics Committee in 2003 and the results of the Burkinabè survey of household living conditions conducted in July 2003 are proof enough that this requirement is real. All of these factors explain why the authorities in Burkina Faso decided to introduce a new National Good Governance Plan for the period 2004-2008.

Under this new plan, the Government plans to consolidate the systems, principles, and practices of good governance in order to enhance the spirit of public service within government and to achieve a substantial improvement in its performance in all areas. This will enable the Government to use national resources effectively and rationally, and create the right conditions for a broad-based social movement for development.

The Government’s action will focus on four areas of governance: (i) democratic governance, including public security and the promotion of human rights, (ii) administrative governance, (iii) economic governance, and (iv) local governance.

#### **BOX 14: Political visions and strategies**

Political visions and strategies concern democratic governance, general government, justice, defense, and security.

##### **Democratic governance**

The citizens’ vision of the central government’s role is that of providing education, healthcare, defense, upholding citizens’ rights and interests, acting as a supervisor and arbitrator, and ensuring transparency in the management of public affairs. The citizens’ vision of their country in 2025 is one of a democracy enjoying political stability, peace, and social harmony.

**General government and decentralization:** The majority of citizens see general government in 2025 as being closer to citizens’ concerns, promoting local development, and giving decision-making powers to local communities. Citizens propose four strategic areas for action for a successful decentralization process:

- Proper use of local and national resources is proposed primarily by citizens in the west, center-west and center.
- Consultations between local and central partners for greater awareness and empowerment are proposed primarily by citizens in the north, center-west and center.
- A strategy to build basic infrastructures in villages and to step up the decentralization process is proposed primarily by the citizens in the center-north, Boucle du Mouhoun, and center-east.
- Establishing a modern republican government is the solution proposed primarily by the citizens in the north and center-west, as well as by the majority of the experts surveyed.

**Justice:** The citizens of Burkina Faso aspire to a justice system that is credible, equitable, independent, transparent, competent, and accessible to all.

To achieve this, the vast majority of citizens propose fighting corruption and enforcing compliance with professional codes of conduct. To a lesser extent they propose improving physical and financial access to the justice system, improving judges’ working conditions, and providing civic education for the general population. The experts surveyed proposed eliminating politics from the justice system.

**Defense and security:** The citizens aspire to a guarantee of internal and external security, with a politically neutral army serving the cause of peace and justice for all.

Source: Long-term national study “Burkina 2025,” Surveys of national aspirations (from the general summary).

#### **5.2.4.1 Democratic governance, including public security and the promotion of human rights**

The Government’s priority is to ensure the continuity and stability of the democratic process started in 1991. This process involves two major elements:

- Respect for human dignity and basic human rights. For this purpose, the Government adopted a plan of action covering the period 2002-2006, which is based on six priorities: (i) human rights education, (ii) strengthening the legal framework for human rights, (iii) adapting national laws to the provisions of international treaties and agreements, (iv) promoting, protecting, and consolidating civil and political rights, (v) promoting, protecting, and consolidating economic, social, and cultural rights, (vi) promoting and protecting the rights of special groups, such as women, children, the disabled, and other vulnerable or poor groups. A strategy to make these priorities operational was defined in conjunction with all partners in July 2003.

- Strengthening the justice system: the Government launched various reforms to ensure the independence and effectiveness of the justice system. Despite these reforms, there are still problems.

The lack of institutional effectiveness has been exacerbated by a shortage of human resources, with only 300 judges for a population of 12 million. Other problems include a lack of funds, equipment, technology, and information. Insufficient use of the new information and communications technologies only makes the latter aspect of the problem worse.

More specifically, access to the justice system raises many problems, because of the small number of courts. Only eleven high courts of the planned 45 are currently operational, while only 100 of the 350 planned departmental courts are. Other problems arise from the various fees charged, which seem to be beyond the means of some segments of the population, and the fact that many defendants are unaware of their rights.

The goal of the National Justice System Reform Plan of Action is to make the justice system a key player in building democracy and settling private and public disputes by ensuring its independence and effectiveness. The plan has three specific objectives: (i) strengthening the institutions that participate in the operation of the justice system, (ii) providing greater access to the justice system, and (iii) making the justice system more effective.

As part of the implementation of this plan of action, a Program to Support Consolidation of the Democratic Process, the Rule of Law, and Good Governance (PADEG) was put into operation. This program covers support for education and documentation, for establishing a legal database, for building infrastructures for courts and the prison administration, and for communications and logistics.

Further action is also planned to:

- Strengthen the capacities of the Constitutional Council and the legal safeguards provided to its members
- Create a court of arbitration
- Continue efforts to open more courts throughout the country
- Set up a family law court
- Attenuate the complexity of the law, through a combination of several measures: drafting a code of established law, compiling case law reports, distributing brochures and guides explaining the law in lay terms, translating important legislation into national languages, and dissemination of the law through all appropriate channels, including a legal website with periodic updates.

With regard to the protection of persons and property, the Government adopted a plan to fight insecurity in October 2001. Implementation of the plan is scheduled in the short, medium, and long term. It calls for an increase in the mobility and intervention capacities of security forces and an expanded security presence to provide better protection in rural and urban areas. In this connection, a high authority for the control of arms imports and usage was established in January 2001 to enhance control over firearms circulation, and a national commission to fight the proliferation of light weapons was established in April 2001.

#### **5.2.4.2 Administrative governance**

The success of any economic and social development policy hinges on the efficiency of general government. The scope of reforms undertaken in this area is restricted by:

- The lack of implementing instruments for general government reform legislation
- Inadequate current human resources management and the lack of human resources management planning
- Lack of integrity on the part of many civil servants
- Inadequate motivation and lack of compliance with the principles of merit-based promotion

- Lack of rigor in the development and use of new general government management tools, such as activity programs, assignment letters, performance-based contracts, management indicators, procedural manuals, and activity reports.

The priorities in providing decisive support for the effective and complete implementation of comprehensive general government reform will be:

- Standard-setting and rule-making activities aimed at enhancing the relevance and cohesiveness of central government reform and general government reorganization
- Information, awareness-raising, education, and training activities to support the choices made and win the support of all of the stakeholders so that they assume their respective responsibilities judiciously
- Action to improve service quality and instill a genuine public service culture
- Action to enhance the integrity of public servants, through the drafting of codes of conduct and ethics, capacity building for inspection bodies, and fighting corruption, fraud, and abuse.

### **5.2.4.3 Economic governance**

#### **5.2.4.3.1 Improving policy-making and management capacities**

The soundness of a country's governance system is to be measured by its ability to manage material and human resources sustainably and efficiently to meet the critical needs of society, as well as its capacity to anticipate the future. This is of particular significance in Burkina Faso, where the socioeconomic reality for most citizens is one of poverty and shortages of basic necessities.

That is why the Government's emphasis with regard to economic governance will be on:

- Building general government capacities to formulate action programs on the basis of government policies.
- Building the capacities of other powers, such as the legislative branch and the judiciary, or civil society and interest groups, to monitor, supervise, and assess government policies.
- Strengthening fiscal management through the following actions: (i) strengthening the capacities of the structures responsible for fiscal management, (ii) improving the legal framework for fiscal management and enforcement, (iii) improving the quality and transparency of the Budget Law, (iv) strengthening the monitoring of budget execution and greater compliance with end-of-year requirements, (v) extending fiscal decentralization, (vi) improving management of specific spending items, (vii) improving the quality and sustainability of the computerization process under way in the ministries responsible for the economy and finance, (viii) strengthening budget management control.
- Instilling the culture of results measurement and assessment, based on the National Statistics and Demography Institute's work to survey and analyze indicators through the National Observatory of Poverty and Sustainable Human Development. This is an important step in achieving better monitoring of PRSP implementation.

In the more specific case of the private sector, the following actions will be priorities:

- Developing more aggressive export undertakings producing textiles, meat, leather and hides, and, more generally, agricultural and livestock products.
- Enhancing the private sector's contribution in service industries, such as hotels, tourism, international conferences, and arts and crafts.
- Capacity building for businesses. The Chamber of Commerce, Industry, and Crafts has a key role in providing training and information for economic operators through

the Entrepreneurs Center and in involving private sector operators at all levels in discussions and trade talks.

#### **5.2.4.3.2 Improving donor coordination**

Coordination of official development assistance is necessary to strengthen the technical and financial partnership with donors. The consultative arrangement provided for under the PRSP should facilitate dialogue on a regular basis. Production of the report on development cooperation should continue on a regular basis, along with the report on implementation of the Millennium Development Goals, which is a forum for calls to donors and advocacy of projects.

Successful donor coordination requires adherence to best practices that put the emphasis on:

- (i) Aligning assistance from donors with the priorities set out in the PRSP
- (ii) Synchronizing the budget timetable with disbursements of development assistance funds in order to reduce budget uncertainties and enhance financial planning
- (iii) Simplifying monitoring and progress reports using joint analyses as the basis for harmonizing the various parties' approaches to reforms and development priorities, assistance procedures, and progress indicators.

#### **5.2.4.3.3 Combating corruption**

The Government has taken important measures to combat corruption. In this connection, it reviewed the laws and regulations on government procurement in 2002 and 2003. It also strengthened the objectives and working resources of various inspection bodies, such as the National Inspectorate General, the General Finance Inspectorate, and the technical inspectorates of ministries. The High Authority coordinating the fight against corruption is to set out an action program to develop partnership initiatives with certain civil society and private sector organizations.

The Government acknowledges that civil society has a role to play in monitoring the fight against corruption, financial crime, and tax evasion. Therefore, it appreciates the full value of the various initiatives that civil society organizations have put forward in this and other areas. The public authorities will continue to encourage and back these various initiatives.

#### **5.2.4.4 Local governance**

The decentralization process that started in Burkina Faso in 1993 reached a major turning point in 2001, with the creation of 13 administrative regions that are also decentralized territorial government units.

The experience of urban municipalities revealed some problems that may jeopardize the viability and effectiveness of the decentralized territorial government units. This is particularly true with regard to:

- Local governments' capacities for strategic planning, consensus building, strategic and operational management, and regional planning, which are often inadequate for local development needs
- Uncertainty about the availability of resources and the decentralized authorities' effective control over them, which makes it difficult to draw up public plans that meet local needs. The decentralized government units' inability to raise sufficient resources has been exacerbated by widespread poverty and the weak purchasing power of the population
- The laws and regulations, along with some centralized practices still being applied, which prevent local governments from being full partners in the national development process
- Decentralized capacities and structures, which are still too weak to provide effective support for the decentralization process

- Local government bodies and structures which are not yet completely open to participation by civil society and the private sector.

The policy of transferring powers and resources, as well as the local capacity building policy, are bound to help eliminate most of these constraints. The division of powers, ways, and means is being set out in policy laws and regulations on decentralization. This is based on a system that is capable of providing adequate solutions to some of these problems.

For this purpose, the following provisions are under consideration:

- (i) The subsidiarity principle, which states that the central government will only intervene if the task cannot be performed satisfactorily at a lower level of government
- (ii) The clustering in authority blocs of the responsibilities to be transferred
- (iii) Simultaneous transfers of responsibilities and resources
- (iv) The possibility of temporary or permanent transfers of staff dealing with the transferred powers, and even the transfer of buildings and equipment
- (v) An arbitration commission to assess the responsibilities and resources to be transferred
- (vi) Compliance by local governments with national defense obligations.

The Government will ensure that the decentralized government units are viable, by implementing judicious capacity building policies and by maintaining the optimum sizes for each category of government unit in terms of population, resources, and other factors.

In 2003, the Government drafted a strategy paper for implementing decentralization in order to ensure the successful completion of the process. The goals set out in the strategy paper are: (i) speeding up the decentralization process, (ii) mobilizing adequate resources, (iii) capacity building, and (iv) coordination of the stakeholders in decentralization.

Eight strategic areas have been identified for attaining these goals:

- (i) Completing the institutional framework
- (ii) Completing deconcentration in keeping with the central government's new role
- (iii) Transferring responsibilities and resources
- (iv) Financing decentralization
- (v) Capacity building for stakeholders
- (vi) Long-term decentralization planning
- (vii) Consultations and coordination
- (viii) Information, communication, and social mobilization.

## VI. QUANTIFICATION AND FINANCING OF THE STRATEGY

### 6.1 MACROECONOMIC GUIDELINES FOR THE PERIOD 2004-2006

Despite the difficult subregional context, the Burkinabè economy has maintained a good growth trend since the mid-1990s. Indeed, after the gross domestic product (GDP) expanded in real terms by 6.8 percent in 2001 and 4.6 percent in 2002, economic growth in 2003 came to 8.0 percent. The relative contribution of the various sectors to GDP at market price works out to 41.3 percent for the tertiary sector, 40.7 percent for the primary sector, and 18.0 percent for the secondary sector.

The status of poverty in 2003 confirms the necessity for the Government and all its partners to continue efforts to consolidate the foundations for stronger economic growth centering on job creation and poverty reduction. Success in meeting the expected objectives of economic growth hinges on the adoption of a competitive strategy for the national economy and a refocusing of economic policies toward better targeted actions in order to guarantee a better impact on beneficiary populations.

The outlook for growth of the Burkinabè economy falls under more favorable auspices in view of the slight improvements taking place at the international and subregional levels. The growth in GDP volume applied to the estimated macroeconomic aggregates calculated for previous years and new assumptions as regards price trends indicate that GDP growth should follow the same trend as before, i.e. an average growth rate of 6.4 percent per year. This growth will be driven mainly by the tertiary and secondary sectors. However, the primary sector will continue to buttress economic growth during the period 2004-2006.

**With respect to the primary sector**, the assumption of an upward trend in cereal production was based on the prospect of favorable rainfall conditions, continuation of Operation Saaga, and the anticipated effects of implementation of small-scale village irrigation projects. Thus, the average rate of growth in cereal output would be at least 5 percent during this period.

Cotton output would continue to grow at a rate of 6.6 percent from 2005 onward. The projected output for 2004 is 600,000 metric tons. During this period, producer prices would stabilize at around CFAF 174 per kilogram, with payment of a drawback of CFAF 25 per kilogram in 2005 versus a drawback of CFAF 10 per kilogram in 2004. It is further assumed that the area planted in cotton will increase (by 6.6 percent over the entire period) as a result of two new cotton companies coming on line (Société Cotonnière du Gourma and Faso Coton).

As for other food products, the following growth assumptions were retained: 4.5 percent for cowpeas and voandzou, 2.2 percent for yams, 4.9 percent for sweet potatoes, and 5.0 percent for cassava.

Output in the livestock sector is projected to grow at a rate of 4.8 percent for cattle and 3.1 percent for small ruminants based on the results of the second national survey of herd sizes.

**With respect to the secondary sector**, the projections indicate growth in added value of 4.1 percent in 2004. This performance would be attributable to manufacturing industries (8 percent) and construction and public works (6.3 percent). The projected expansion of modern construction and public works would be attributable in part to the activities of the ZACA project and the road asphaltting projects that will begin in early 2004 and continue through 2005 and 2006. The projected growth rate in the added value of construction and public works is 7.3 percent in 2005 and 11.3 percent in 2006.

Government policy is to develop the country's mining potential through private capital. As such, in 2003 the Government instituted incentives for the purpose of stimulating the mining sector. The period 2004-2006 should thus witness the opening of industrial mines as the Youga, Taparko, and Kalsaka projects are implemented.

**Finally, with respect to the tertiary sector**, the average growth rate would be 6.9 percent over the period. This trend would be supported by an expansion of services in the areas of telecommunications and road transport as a result of implementation of the second phase of the sectoral transport program (PST2) and revitalization of interurban transport. The

promotional activities carried out by the Government in the areas of culture, the arts, and tourism would also help to boost services. This primarily involves charter flight service to the country, the development of tourist sites, the opening of access roads to tourist sites, the construction of lodging units, etc. For 2005 and 2006, the projected growth rates in the tertiary sector are 6.6 percent and 7.8 percent, respectively.

Table 16 indicates the trends in GDP and sectoral growth for the period 2001-2006.

**Table 15: Trends in sectoral growth during the period 2001-2006 (%)**

Year	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Est.	Proj.	Proj.
<b>Primary sector</b>	15.0	2.4	10.8	5.2	4.2	4.5
Agriculture	32.2	1.0	15.5	5.7	4.5	6.4
Livestock	4.9	4.9	2.5	2.5	2.5	2.5
Fisheries – Hunting – Forests	3.0	3.0	3.0	4.5	4.5	4.5
<b>Secondary sector</b>	0.4	14.1	10.4	4.1	7.0	10.1
Mining	-87.7	64.2	4.2	27.2	6.8	13.7
Manufacturing	3.7	14.5	11.4	3.9	7.5	9.7
Energy	-1.0	35.2	10.9	3.2	8.8	6.7
Construction and public works	-0.5	8.3	7.4	4.6	4.6	12.2
<b>Tertiary sector</b>	2.4	3.7	5.5	3.8	7.7	7.5
<b>Market services</b>	2.3	5.6	7.8	2.0	7.4	7.2
Transport and telecommunications	2.7	5.2	6.7	3.6	7.8	7.3
Trade	2.7	5.2	6.7	3.6	7.8	7.3
Banks and insurance	7.1	10.4	6.5	-17.6	2.1	5.0
Other services	0.8	5.2	9.8	3.6	7.8	7.3
<b>Nonmarket services</b>	2.7	0.7	1.9	6.9	8.2	7.9
<b>Imputed output of the banking sector</b>	7.1	10.4	6.5	-17.6	2.1	5.0
International drawing rights and domestic VAT	5.6	1.7	0.3	26.4	11.3	6.6
<b>GDP at market price</b>	6.8	4.6	8.0	6.0	6.5	6.8

Source: DGEP/MEDEV, Automated forecasting instrument, January 2004.

Overall, economic growth will strengthen during the period. The GDP growth rate would come to 6.0 percent in 2004, 6.5 percent in 2005, and 6.8 percent in 2006, i.e. an average annual rate of 6.43 percent over this period.

On average, sectoral contributions to economic growth during the period 2004-2006 will be 1.5 percent for the primary sector, 1.9 percent for the secondary sector, 1.7 percent for the tertiary sector, and 1.2 percent for general government (see Table 17).

Growth would be accompanied by effective control of the general level of prices (increasing at an annual average rate of 1.7 percent). This controlled inflation would be the consequence of the major increase in cereal output achieved in 2003 and expected over the period 2004-2006; it will also hinge on sound management of monetary policy and possible stabilization of the price of a barrel of oil at US\$25 and of the dollar exchange rate at CFAF 610.

In terms of the external accounts, the effects of an improved rate of economic growth will result in an improved trade balance, with the trade deficit dropping from CFAF 232.8 billion in 2003 to CFAF 201.8 billion in 2004. This improvement in the deficit in 2004 would be attributable to an increase in exports, particularly of cotton and livestock products, the added value of which would increase by 37.7 percent and 36.5 percent, respectively.

**Table 16: Sectoral contributions (%) to growth in GDP during the period 2000-2006**

Year	2000	2001	2002	2003	2004	2005	2006
	Actual	Actual	Actual	Est.	Proj.	Proj.	Proj.
<b>Primary sector</b>	-1.2	5.4	0.9	4.1	2.0	1.6	1.7
Agriculture	-2.0	5.0	0.2	3.4	1.3	1.0	1.0
Livestock	0.6	0.3	0.5	0.5	0.5	0.4	0.5
Fisheries – Hunting – Forests	0.2	0.1	0.1	0.1	0.2	0.2	0.2
<b>Secondary sector</b>	1.2	0.1	2.2	1.7	0.7	1.2	1.7
Mining	-0.2	-0.3	0.0	0.0	0.0	0.0	0.0
Manufacturing	0.9	0.4	1.6	1.4	0.5	0.9	1.2
Energy	0.2	0.0	0.3	0.1	0.0	0.1	0.1
Construction and public works	0.3	0.0	0.3	0.3	0.2	0.2	0.5
<b>Tertiary sector</b>	2.5	1.0	1.5	2.2	1.5	3.0	2.9
Transport and telecommunications	0.8	0.2	0.3	0.4	0.2	0.5	0.5
Trade	0.4	0.2	0.4	0.5	0.3	0.6	0.5
Banking and insurance	0.1	0.1	0.2	0.1	-0.3	0.0	0.1
Other services	1.3	0.1	0.4	0.8	0.3	0.7	0.6
<b>Nonmarket services</b>	-0.1	0.4	0.1	0.3	1.0	1.2	1.2
<b>Imputed output of the banking sector</b>	-0.6	0.4	0.1	0.0	0.2	0.0	0.0
Internat'l drawing rights and domestic VAT	-0.3	-0.1	-0.1	-0.1	1.6	0.8	0.5
GDP (current CFAF billion)	1,848.4	2,090.4	2,279.9	2,478	2,805	3,123	3,450
GDP (1985 CFAF billion)	1,383.8	1,477.3	1,545.1	1,669	1,768	1,884	2,011
<b>Real growth rate</b>							
<i>WAEMU comparable GDP value (%)</i>	1.6	6.8	4.6	8.0	6.0	6.5	6.8
<b>Inflation rate (%)</b>	-0.3	4.9	2.3	2.0	-0.5	2.6	3

Source: DGEP/MEDEV, Automated forecasting instrument, January 2004.

These results would be obtained through a steadily growing supply of output notwithstanding the increased public spending needed to finance basic socioeconomic infrastructure. These efforts to stimulate strong growth will be supported by a financial program of the Government that is adequate to ensure macroeconomic stability and release additional resources to address the objectives of poverty reduction through, among other mechanisms, an expanded supply of basic social services.

## 6.2 BUDGET GUIDELINES

The poverty reduction strategy, along with the objectives of economic growth, falls within the perspective of greater predictability of financing.

The Government's financial operations projected over the period 2004-2006 are consistent overall with the WAEMU convergence criteria and reflect the objectives set by agreement with the Bretton Woods institutions for this period. The projections are based on GDP trends and take into account factors such as domestic demand and total imports of goods and services and particularly petroleum products (see Table 18).

**Table 17: Trends in Government financial operations**

Year	2001	2002	2003	2004	2005	2006
	Real	Real	Est.	Proj.	Proj.	Proj.
<b>Revenue and grants</b>	<b>373.6</b>	<b>394.4</b>	<b>434.3</b>	<b>471.7</b>	<b>538.2</b>	<b>592.2</b>
Revenue	228.0	259.4	301.0	347.3	398.2	447.2
Excluding exceptional revenue	228.0	259.4	301.0	347.3	398.2	447.2
Current revenue	228.0	259.4	300.9	347.3	396.7	445.7
Tax receipts	213.2	240.9	270.1	321.0	366.8	415.0
<i>Nontax revenue</i>	14.7	18.5	30.8	26.3	29.9	30.7
<b>Grants</b>	<b>145.6</b>	<b>134.9</b>	<b>133.3</b>	<b>124.4</b>	<b>140.0</b>	<b>145.0</b>
<i>Treasury (budgetary aid)</i>	33.1	29.9	71.6	39.6	40.0	40.0
<i>Project grants (PIP)</i>	112.5	105.0	61.8	84.8	100.0	105.0
<b>Expenditures and net lending</b>	<b>462.7</b>	<b>502.9</b>	<b>507.2</b>	<b>605.3</b>	<b>680.9</b>	<b>738.2</b>
Current expenditure	225.6	253.7	259.0	307.3	332.1	352.5
Wages and salaries	98.8	103.0	112.0	118.1	126.4	135.2
<i>Goods and services</i>	46.7	62.5	58.8	70.0	87.5	91.9
Interest due	17.6	16.7	16.8	21.6	14.2	13.6
Transfers	62.5	71.6	71.4	97.6	104.1	111.8
Capital expenditure	239.1	252.0	224.6	300.9	350.8	387.7
Net lending	-1.9	-2.7	23.5	-3.0	-2.0	-2.0
<b>Overall surplus/deficit (commitments basis)</b>	<b>-89.2</b>	<b>-108.6</b>	<b>-72.9</b>	<b>-133.5</b>	<b>-142.8</b>	<b>-146.1</b>
Excluding grants	-234.8	-243.5	-206.2	-258.0	-282.8	-291.1
Change in payments arrears	0.0	39.7	0.0	0.0	0.0	0.0
<i>Domestic</i>	0.0	39.7	0.0	0.0	0.0	0.0
<i>External</i>	0.0	0.0	0.0	0.0	0.0	0.0
Cash-basis adjustment	0.0	0.0	-16.1	-31.3	0.0	0.0
<i>Change in payments float</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Unpaid committed expenditures</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Change in Treasury bonds (excl. banks and fin. institutions)</i>	0.0	0.0	0.0	0.0	0.0	0.0
<b>Overall surplus/deficit (-) (cash)</b>	<b>-89.2</b>	<b>-68.9</b>	<b>-88.9</b>	<b>-164.8</b>	<b>-142.8</b>	<b>-146.1</b>
Excluding grants	-234.8	-203.8	-222.3	-289.3	-282.8	-291.1
<b>Financing</b>	<b>89.2</b>	<b>68.9</b>	<b>88.9</b>	<b>164.8</b>	<b>142.8</b>	<b>146.1</b>
External	79.3	95.3	83.0	123.3	135.8	129.6
Domestic, including IMF	-22.4	-27.0	5.8	40.2	-26.6	-33.2
Financing requirements (surplus -)	0.0	0.0	0.0	1.4	33.5	49.6

Source: DGEP/MEDEV, Automated forecasting instrument, July 2004.

Over the period 2004-2006, revenue and grants will grow by 10.9 percent on average as a result of domestic efforts to raise tax revenues and support from external partners in the form of grants.

Tax receipts will increase from CFAF 270.1 billion in 2003 to CFAF 321.0 billion in 2004, i.e. an increase of 18.8 percent. As a result, the tax/GDP ratio will improve from 10.9 percent in 2003 to 11.4 percent in 2004. The projected tax receipts for 2005 (11.7 percent of GDP) and 2006 (12.0 percent of GDP) are CFAF 366.8 billion and CFAF 415.0 billion, respectively. On average, external resources will total CFAF 269.7 billion per year on average. In addition, investment from the country's own resources will also benefit from the reallocation of HIPC resources. These resources are estimated at approximately CFAF 22.7 billion in 2004, CFAF 34.1 billion in 2005, and CFAF 27.5 billion in 2006.

The development actions to be pursued will be reflected in an increase in the overall level of expenditure, especially capital expenditure. Additional resources will be allocated to the sectors identified in the priority pillars. These resources will come from an intensified domestic effort to boost tax receipts, adjustments to the structure of expenditure, resources anticipated under the HIPC Initiative, and external support within the framework of bilateral and multilateral cooperation.

The expenditure control objectives will be pursued and the ratio of expenditure and net lending to GDP would average 21.6 percent despite the additional spending anticipated in connection with poverty reduction. The effort to control spending will focus in particular on current expenditure. Current expenditure as a percentage of GDP would average 11 percent

during this period. The budget deficit excluding grants would average 8.9 percent of current GDP over the period.

The capital expenditure projections are based on an average annual increase of 16.4 percent in spending financed from the country's own resources during the period, as a result of increased budgetary assistance and the stagnation of project lending (CFAF 90 billion per year) between 2004 and 2006, on the one hand, and on a policy of redirecting public capital expenditure toward productive sectors and sectors that support production, on the other. On average, capital expenditure will increase by 9.7 percent during the period 2004-2006. For the most part, this increase will be attributable to the Government's steadily increasing contribution (through tax receipts) to the financing of public investment which, expressed as a percentage of GDP, will come to 38.0 percent, 44.5 percent, and 47.0 percent in 2004, 2005, and 2006, respectively.

In view of this upward trend in spending, the budget deficit (on a commitments basis, excluding grants) would be 8.9 percent of current GDP over the period, as compared to 8.3 percent in 2003. Given the major efforts to be carried out in line with a true policy of pro-poor economic growth, the projected financing requirements (including a bond issue of CFAF 40.6 billion) would come to CFAF 1.4 billion in 2004, CFAF 33.5 billion in 2005, and CFAF 49.6 billion in 2006.

### **6.3 PRIORITY ACTION PROGRAM FOR 2004-2006**

To improve the identification and targeting of the major public actions that contribute to combating poverty, the Government has decided to prepare a Priority Action Program (PAP) for the period 2004-2006, annexed to the PRSP. The various projects and programs for each sector or area are from the program budgets of the ministries and from the Medium-Term Expenditure Framework (MTEF). Their eligibility for inclusion in the Priority Action Program requires that they meet the following key criteria: (i) conformity with the priorities of the PRSP; (ii) their relevance and degree of contribution to achieving the objectives of reducing poverty; and (iii) the absorptive capacities over the past three years of the ministerial departments initiating the actions. The financing sources that have already been identified are highlighted (including the anticipated resources from the HIPC Initiative), as are the external financing anticipated and the gaps remaining to be covered.

#### **6.3.1 Principal characteristics of the Priority Action Program**

While it is an integral part of the PRSP, which is revised every three years, the PAP, which makes it possible to reflect the priorities of the PRSP in the central government budget, will be readjusted annually. The PAP consists of over thirty subprograms organized around the four strategic pillars. Because of the aforementioned eligibility criteria, 40 percent of capital expenditure should make it possible to improving the people's access to basic social services, for which the low level of indicators is partly responsible for the country's low level of human development. As the desire to sustain economic growth of about 7 percent a year on average entails continuing reforms and significant support for the productive sectors, it will be reflected in investments costing 37 percent of total capital expenditure. The actions that are much more specifically targeted in favor of the poor, by enhancing the opportunities for jobs and income-generating activities, account for 18 percent of capital expenditure. Finally, the reform of the judicial system, actions to promote human rights and establish public security, the consolidation of the decentralization process, and the strengthened capacities of public administration and the national strategy to combat corruption, are essential to creating the conditions for improved governance. The costs relating to these actions represent 5 percent of capital expenditure. All in all, the Priority Action Program will mobilize about CFAF 1,395 billion, of which 67 percent has been lined up (see Table 19).

**Table 18: Sectoral Programs, 2004-2006**

Pillars—Programs	Period				Status of financing	
	2004	2005	2006	Total	Lined up	Being sought
<b>Pillar I: Growth and equity</b>	<b>138.90</b>	<b>181.63</b>	<b>194.52</b>	<b>515.05</b>	<b>258.95</b>	<b>256.10</b>
1.1 - Consolidation of macroeconomic stability	6.35	4.36	7.20	17.91	3.30	14.61
1.2 - Competitiveness and factor costs	3.24	17.38	31.43	52.05	3.62	48.43
1.3 - Recovery of agricultural production	40.20	73.03	67.30	180.53	90.35	90.18
1.4 - Improved agricultural incomes	14.72	18.05	16.38	49.15	39.20	9.95
1.5 - Food security	2.05	0.41	0.20	2.66	2.26	0.40
1.6 - Sustainable development of natural resources	13.10	12.72	12.11	37.93	15.00	22.93
1.7 - Agricultural water supply improvements	46.40	27.79	26.66	100.85	81.38	19.47
1.8 - "Operation SAAGA" cloud-seeding program	0.46	0.60	0.65	1.71	1.11	0.60
1.9 - Production and dissemination of fishery resources	0.75	1.11	1.12	2.98	1.39	1.59
1.10 - Promotion of cultural and tourism-related activities	0.00	1.48	1.53	3.01	0.00	3.01
1.11 - Plan for the development of the national information and communications infrastructure	8.20	16.32	7.05	31.57	13.58	17.99
1.12 - Promotion of fruit and vegetable sectors	0.18	0.08	0.00	0.26	0.00	0.26
1.13 - Support for the promotion of trade, industry, and crafts	0.22	0.10	0.10	0.42	0.00	0.42
1.14 - Promotion of mining sector	0.23	0.27	2.61	3.11	0.25	2.86
1.15 - Support for the program to expand livestock farming	2.80	7.93	20.18	30.91	7.51	23.40
<b>Pillar II: Access to basic social services and social protection</b>	<b>184.45</b>	<b>180.91</b>	<b>191.37</b>	<b>556.73</b>	<b>432.42</b>	<b>124.31</b>
2.1 - Access to education	106.91	117.49	130.45	354.85	333.21	21.64
2.2 - Access to secondary education	9.03	6.44	6.52	21.99	1.68	20.31
2.3 - Improvement in living conditions	0.04	0.03	0.02	0.09	0.09	0.00
2.4 - Access to health and nutrition services and to the program to combat AIDS	47.15	39.27	40.85	127.27	76.36	50.91
2.5 - Access to safe drinking water	11.22	3.82	0.93	15.97	14.72	1.25
2.6 - Strengthened social promotion	8.80	12.70	11.44	32.94	4.76	28.18
2.7 - Improvement of the incomes and working conditions of women	1.30	1.16	1.16	3.62	1.60	2.02
<b>Pillar III: Expanded opportunities for jobs and income generating activities, with equity</b>	<b>72.31</b>	<b>92.34</b>	<b>89.84</b>	<b>254.49</b>	<b>216.95</b>	<b>37.54</b>
3.1 - Support for processing activities involving agricultural and livestock products	0.00	0.30	0.30	0.60	0.00	0.60
3.2 - Actions to combat agricultural vulnerability and desertification	1.68	2.17	2.15	6.00	4.66	1.34
3.3 - Management of wildlife areas and organization of village-level hunting activities	0.12	0.07	0.07	0.26	0.26	0.00
3.4 - Reducing the isolation of rural areas	63.02	78.76	78.99	220.77	206.50	14.27
3.5 - Strengthened capacities for vocational training and job promotion	3.24	4.63	1.98	9.85	2.28	7.57
3.6 - Improved access to credit	1.66	3.89	3.69	9.24	1.05	8.19
3.7 - Promotion of youth	2.00	1.71	1.82	5.53	0.00	5.53
3.8 - Support for producer organizations and collective infrastructures	0.59	0.81	0.84	2.24	2.20	0.04
<b>Pillar IV: Governance</b>	<b>15.48</b>	<b>28.51</b>	<b>24.37</b>	<b>68.36</b>	<b>23.43</b>	<b>44.93</b>
4.1 - Reorganization and strengthening of judicial system	4.80	8.04	4.29	17.13	8.73	8.40
4.2 - Promotion of human rights	0.00	2.04	1.74	3.78	0.00	3.78
4.3 - Communications for development	2.56	3.36	2.11	8.03	0.00	8.03
4.4 - Consolidation of decentralization	5.90	5.72	6.98	18.60	12.06	6.54
4.5 - Strengthening of public security	1.87	9.00	9.00	19.87	1.84	18.03
4.6 - Economic governance and combating corruption	0.35	0.35	0.25	0.95	0.80	0.15
<b>Total I + II + III + IV</b>	<b>411.14</b>	<b>483.39</b>	<b>500.10</b>	<b>1,394.63</b>	<b>931.75</b>	<b>462.88</b>

### 6.3.2 Financing scheme for the strategy

The results of a macroeconomic and budgetary framing exercise show the following as regards the provisional financing arrangements for the poverty reduction strategy. These results are predicated on the assumption of real GDP growth averaging 6.43 percent a year.

The resources required for implementing the poverty reduction strategy for the next three years (2004-2006) on the basis of the macroeconomic framing exercise come to

CFAF 2,059.4 billion (excluding debt service), representing 21.9 percent of GDP. Annually, the program costs come to CFAF 686.5 billion.

The overall cost of financing the public investment strategy for the period 2004-2006 is evaluated at CFAF 1,039.4 billion, or CFAF 346.5 billion per year (see Table 2). External financing represents CFAF 561.8 billion, or 54.1 percent of the overall financing, while financing with own resources (central government, budgetary support, and HIPC Initiative) comes to CFAF 477.6 billion (45.9 percent). Capital transfers amount to CFAF 3.3 billion (0.3 percent). The additional priority actions necessary for speeding the poverty reduction effort cover the strategic pillars defined by the Government.

**Table 19: Projected financing arrangements for the 2004-2006 action program**

	2004	2005	2006	Total
<b>Cost of program excluding debt and including net lending and additional gap</b>	<b>585.0</b>	<b>700.2</b>	<b>774.2</b>	<b>2,059.4</b>
Current expenditure	285.7	317.9	338.9	942.5
Capital expenditure	300.9	350.8	387.7	1,039.4
<i>From own resources</i>	126.1	158.8	192.7	477.6
<i>From external resources</i>	174.8	192.0	195.0	561.8
<b>Financing of the program</b>	<b>585.0</b>	<b>700.2</b>	<b>774.3</b>	<b>2,059.5</b>
Central Government's own resources	347.3	398.2	447.2	1,192.6
External financing requirement	236.3	268.5	277.5	782.4
<i>Budgetary support</i>	39.6	40.0	40.0	119.6
<i>Project grants</i>	84.8	100.0	105.0	289.8
<i>Project lending</i>	111.9	128.5	132.5	372.9
Additional gap	1.4	33.5	49.6	84.5
<b>Aggregate external financing requirement</b>	<b>237.7</b>	<b>302.0</b>	<b>327.1</b>	<b>866.8</b>

**Source:** MEDEV/DGEP, Automated forecasting instrument, July 2004.

However, the Priority Action Program indicates investment requirements of CFAF 1,394.6 billion, corresponding to additional requirements of CFAF 355.2 billion as compared to the volume of investments identified using the MTEF approach (see Tables 19 and 20). Reconciliation of the two approaches reveals a total gap of CFAF 208 billion per year instead of CFAF 84.5 billion. This gap would be covered by improving absorptive capacity, productivity gains from the investments, and the mobilization of additional resources.

Be that as it may, additional financial efforts are necessary in order to take on the additional actions and measures required to speed poverty reduction.

For **Pillar I**, which focuses on accelerating broad-based growth, the additional costs associated with implementation of the necessary reforms concern the decline in tax collections, the cost of restructuring public enterprises (privatizations, liquidations), and the development of SMEs/SMLs and small-scale mining operations.

With respect to **Pillar II**, concerning the supply of public services, the priority needs involve basic education, health and nutrition, HIV/AIDS, social welfare, safe drinking water, the physical environment, and living conditions. For education, the Government has adopted a Ten-Year Plan for Basic Education Development. This tool has been complemented by a five-year program, the total cost of which is estimated at CFAF 150.841 billion. The availability of additional resources from the HIPC Initiative will make it possible to achieve the stated objectives more quickly by expanding the programs already under way. In fact, certain actions had been postponed as a result of financing constraints. As reflected in the poverty reduction strategy, basic education is a priority for the Government. This is why a substantial portion of the HIPC resources will be allocated to this sector (approximately 25 percent per year) and amount to additional financing.

In the health sector, the availability of HIPC resources gives the Government an opportunity to strengthen its intervention strategy in this sector. The actions listed in support of

healthcare constitute otherwise unfunded additional elements which, once funded, will provide better and more rapid coverage of the population's healthcare needs.

With respect to safe drinking water, concrete actions will be carried out to provide urban and rural populations with better access. In the cities, expansion will target on a priority basis the underprivileged neighborhoods in outlying areas where the poorest populations are concentrated. In rural areas, the emphasis will be placed on the reduction of regional disparities.

In terms of social welfare, additional efforts will primarily target groups that are marginalized and at risk. To that end, safety nets will be set in place and supported by the public and private sectors.

With respect to the physical environment and living conditions, the additional financing will lend support to actions already under way, specifically environmental protection, rural electrification, and sanitation, especially in rural areas.

For **Pillar III** concerning the expansion of opportunities for income-generating activities and self-employment, the priority actions will focus on efforts to improve decentralized financial systems, rural roads, and economic infrastructure (agricultural and pastoral water supply systems).

Finally, for **Pillar IV** regarding the advancement of good governance, the additional financing will be used to strengthen public security and build national capacities, with a special emphasis on development of the New Information and Communications Technologies.

With respect to the breakdown of HIPC resources specifically, the experience of PRSP implementation in 2000-2002 showed the urgency and the necessity of allocating the bulk of the resources derived from the Initiative to priority sectors as defined in the PRSP (rural development and food security, basic education, basic healthcare including nutrition, social welfare, safe drinking water, HIV/AIDS, the physical and living environment, SMEs/SMLs and small-scale mining operations, public security, capacity-building including NICT). By adhering to these priorities, the objectives in these sectors can be achieved more quickly. In addition, to strengthen the process of developing, implementing, and monitoring the regional poverty reduction strategy frameworks, specific support will be given to the thirteen administrative and planning regions.

Expansion into other areas could be considered on a targeted basis provided that these areas have a direct impact on poverty reduction.

**Table 20: Sectoral breakdown of HIPC resources (CFAF billion)**

<b>Priority sectors</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Basic education and literacy</b>	<b>5.68</b>	<b>8.53</b>	<b>6.88</b>
<b>Health</b>	<b>5.34</b>	<b>8.02</b>	<b>6.47</b>
<b>HIV/AIDS control</b>	<b>0.34</b>	<b>0.51</b>	<b>0.41</b>
<b>Rural development</b>	<b>5.79</b>	<b>8.7</b>	<b>7.02</b>
<i>Agriculture, water supply systems, and fishery resources</i>	2.27	3.41	2.75
<i>Animal resources</i>	1.14	1.71	1.38
<i>Infrastructure, transport, and town planning – Rural roads</i>	2.04	3.07	2.48
<i>Postal service and telecommunications / rural telephone service</i>	0.34	0.51	0.41
<b>Physical environment and living conditions</b>	<b>0.79</b>	<b>1.19</b>	<b>0.96</b>
<i>Sanitation – Fight against desertification</i>	0.34	0.51	0.41
<i>Mines, quarries, energy – Small mining and rural electrification</i>	0.45	0.68	0.55
<b>Public security – Fight against insecurity</b>	<b>0.34</b>	<b>0.51</b>	<b>0.41</b>
<b>Trade, business and handicrafts development (SMEs-SMIs)</b>	<b>0.23</b>	<b>0.34</b>	<b>0.28</b>
<b>Capacity-building and NICT</b>	<b>0.34</b>	<b>0.51</b>	<b>0.41</b>
<b>Other</b>	<b>3.86</b>	<b>5.79</b>	<b>4.69</b>
<i>Labor, employment, and youth</i>	0.68	1.02	0.83
<i>Social development and national solidarity</i>	1.14	1.71	1.38
<i>Information</i>	0.23	0.34	0.28
<i>Advancement of women</i>	0.68	1.02	0.83
<i>Justice</i>	0.34	0.51	0.41
<i>Economy and development – Monitoring of poverty and regional poverty reduction strategy frameworks</i>	0.79	1.19	0.96
<b>TOTAL</b>	<b>22.71</b>	<b>34.1</b>	<b>27.5</b>

Source: MEDEV/DGEP, Automated forecasting instrument, July 2004.

## **VII. RISK ANALYSIS**

### **7.1 RISKS FROM INADEQUATE CAPACITIES**

Burkina Faso's poverty reduction strategy is largely voluntary. Its success will depend in large measure on the Government's capacity to steer the policies and programs to be implemented. Indeed, the scope of the necessary reforms will require successfully sharing responsibilities in the course of implementing, monitoring, and evaluating policies and programs.

This will necessitate new forms of association between private stakeholders and NGOs in the execution of some programs. The novelty of these approaches entails a risk that will need to be minimized by building the administration's capacity to supervise and monitor activities carried out in the field. Moreover, the implementation scheme assumes that the resources necessary for financing the strategy will be available in a timely manner.

In addition, it is important to clarify that the resources derived from debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative are additional resources and should not substitute for any portion of official development assistance. This will require that the development partners establish mechanisms aimed at ensuring the availability of resources in accordance with the agreements signed and the disbursement schedule established. In exchange, the Government will take special measures to increase the absorptive capacity of the administration.

### **7.2 RISKS IN THE AREA OF EDUCATION**

The major risk in the area of education is the institutional compartmentalization between different levels, to the disadvantage of all. This risk has taken concrete form in the past as regards:

- rural education (training of young farmers), which is not integrated into conventional primary schooling owing to the absence of the necessary support and because, in addition, the students and their parents considered it to be a second class education which gave them no social advantage and failed to enable graduates to incorporate themselves into the community owing to their youth in context characterized by gerontocracy and the lack of modern tools;
- nonformal education (literacy training) for which most of the budget (98 percent) is provided by donors, with the share from the central government budget being too symbolic to permit its expansion;
- post-primary education (in particular higher education), for which the share in the education budget should be reduced in order to permit greater expansion of primary and secondary schooling, this by picking up expenses incurred by beneficiaries; however, the share of post-primary education instead has continued its rising path under pressure from its beneficiaries, who are socially influential; and
- preschool education, an issue tossed back and forth between the Ministry of Education and the Ministry of Social Action, and heretofore limited to the well-off zones in urban areas owing to its cost that largely exceeds that of primary school, for which reason it could jeopardize development if this cost were to be borne by the public budget.

This institutional compartmentalization prevents the development of synergy, in particular between the primary and secondary levels, for purposes of (i) defining and evaluating pedagogical programs and methods, as the staff of the Ministry of Basic Education and Literacy Training has few tools available for the purpose; (ii) training and retraining of teaching staff for primary school, recently initiated at the Ecole Normale Supérieure for supervisory personnel—as for the secondary level—which, moreover, would contribute to

enhancing the professionalism of the academic streams and hence to the development of higher education so as to maintain budget equilibrium in favor of primary education.

Another risk relates to the effective participation of adults, at the desired level, in literacy training programs. This low level of participation is the consequence of the perceived shortfall and lack of immediate utility of training in a national language, in particular in the absence of appropriate follow-up programs and documents for the period after literacy training has been completed.

The predominantly sociopolitical role of school education, and specifically its importance in social mobility, is another risk to be taken into account in the implementation of educational programs, whether formal or nonformal. In Africa in general, and in Burkina Faso particularly, school is not merely an instrument for conveying knowledge, but especially an instrument of social, economic, and political power.

Those who have gained any sort of power, particularly through education, intend to conserve it and pass it on as a legacy to their children, this to the detriment of others from the vast majority of the population, who, in their own unhearing way, are struggling to avoid being confined to the cultural, social, economic, and political ghetto that they feel has been established for them by the well-off through the educational reform efforts like those of 1978 and 1984.

A national coalition to reduce poverty in the area of education implies that all children have similar learning conditions and the same chances of making the most of their accomplishments at the national as well as international level. It also implies that those in a privileged position agree to make a few sacrifices from which they will accrue benefits in the context of a nation that is globally competitive thanks to the quantity and quality of its human resources. This is true for teachers as well, who must have the feeling of carrying out a noble mission of preparing future generations and of being treated equitably, with differences explained only by merit and seniority and not by differences in the level of prosperity of the localities where they are assigned.

One risk that might mortgage the success of the poverty reduction effort is anomy, the absence of an educational "mystique" that enables all social stakeholders to share in the same values of building a nation capable of participating in globalization through its excellence and competence.

The selectivist objective of the educational system now in place is a major risk as well, both for the expansion of primary education and for improving the evaluation system envisaged in the ten-year plan for developing education. Indeed, it is quite surprising, if not to say shocking, to note, on the one hand, relatively high rates of promotion from one class to the next (about 82 percent pass from primary school to secondary school) alongside, on the other hand, the reverse rates of success at end-of-cycle examinations (certificate of primary studies, certificate of first secondary cycle completion, and baccalaureate examinations). The average rate of success for the certificate of primary studies has been 45 percent for about 30 years, while that for the certificate of first secondary cycle completion is 35 percent, and that for the baccalaureate examination over the past decade is 25 percent. A change in the aims of the educational system is mandatory.

### **7.3 RISK IN THE AREA OF DECENTRALIZATION**

Beyond the problem of transferring the human, material, and financial resources needed for the proper functioning of the decentralized units, the major risk is the possible strengthening of "local feudalism." This risk will be all the greater to the extent that the literacy level of the people and of local elected officials is low, impairing genuine participation in decision-making.

#### **7.4 RISK IN THE HEALTHCARE AREA**

Insufficient intersectoral collaboration constitutes a risk that should be minimized in order to ensure the success of the poverty reduction programs. Ideally, there would be greater concertation and collaboration between sectors, benefiting all ministerial departments and sectors (the Ministry of Health would provide a significant service to the Ministry of Education by systematically tracking the handicaps that prevent children from hearing, seeing, or taking courses; the Ministry of Education would provide a service to the Ministry of health by systematically imparting instruction on hygiene and sanitation). Failing this, and pending its achievement, those responsible for sectoral monitoring of the PRSP could enhance their concertation in the interest of achieving greater efficiency in the implementation of the priority poverty reduction programs. The juxtaposition of programs is most assuredly not the right way to go about combating a phenomenon as complex as poverty.

There are two other risks associated with (i) the low level of education of the population, which diminishes the impact of health promotion activities by curtailing the access of the majority to information and their adoption of attitudes conducive to health; and (ii) the sociocultural obstacles that are the root cause of a number of behaviors harmful to the health of particular population groups, such as women and children. This is reflected in, among other things, the persistence of certain harmful traditional practices such as the existence of food taboos, the practice of genital mutilation, and domestic violence.

#### **7.5 RISKS IN THE GENDER AREA**

Inadequate understanding and application of the concept of gender could run counter to combating poverty. While there appears to be unanimous agreement that the gender dimension must be taken into account, this does not hold true as to the manner of so doing, which makes it difficult to grasp the gender concept and, above all, to make it operational by means of specific activities.

In view of the sufficiently diversified visions of the various stakeholders, the problem of taking the gender dimension into account in development policies continues to exist.

The need for a precise, harmonized, and consensual understanding of the gender concept within the PRSP is an urgent need for purposes of defining the priority and target groups.

The concept of gender is cross-cutting in its scope, affecting all sectors and areas of development. In view of its cross-cutting nature, the gender question is thus one to be addressed by all ministerial departments and the various other development organizations by systematically taking it into account in all development activities to be undertaken.

However, given all that is at stake with respect to the gender concept in the context of the poverty reduction strategy, development of a national strategy in this regard is essential in order to serve as a frame of reference, concertation, and harmonization of viewpoints and actions.

#### **7.6 RISK IN THE AREA OF HUMAN RIGHTS**

One risk in the human rights area is represented by the fact that the various stakeholders do not have a common understanding and behavior in respect of such rights. To minimize this risk, it is necessary to develop a democratic culture through enhancing awareness, training, and communication on social issues.

## **VIII: POVERTY MONITORING AND EVALUATION STRATEGY**

### **8.1 MONITORING AND EVALUATION—THE LESSONS LEARNED**

#### **8.1.1 A good track record**

The lessons learned from the three years of PRSP implementation all point to the significant progress made in preparing indicators for monitoring poverty, particularly in the priority sectors. Apart from the National Observatory of Poverty and Sustainable Human Development (ONAPAD), set up with the support of some of the technical and financial partners, a series of surveys that made it possible to further circumscribe the issue of poverty was conducted (Participatory Poverty Surveys, informal sector survey, targeted studies on poverty, surveys on household living conditions, etc.). These operations made it possible to strengthen the existing evaluation systems.

Regarding improvements to the participatory process, actions were undertaken to deepen dialogue, enhance concertation, and strengthen the coordination of interventions. Meetings of sectoral and topic-based groups, organization of the first conference on the PRSP in 2002, and the workshops to validate the PRSP implementation reports are just some of the actions taken. It must be emphasized that the various gatherings were open to the technical and financial partners, as well as to representatives of the private sector and civil society organizations. In order to enhance the participatory nature of the process during the PRSP revision, guidelines were prepared and regional consultations were as wide as possible (organization of 10 regional workshops). Special mention must also be made of the various forms of support extended to help civil society organizations hold their PRSP forum.

#### **8.1.2 Shortcomings**

At this stage, the criticisms leveled specifically at the institutional mechanism set up in 2001 to monitor the PRSP relate to its inoperability as a result of dysfunctions caused mainly by:

- low involvement of the principals in the sectoral ministries;
- the lack of legal and regulatory provisions formalizing the existence of the topic-based sectoral groups, specifying their powers, membership, and operating mode;
- compartmentalization of the sectoral and topic-based groups;
- lack of proven working procedures and methods (terms of reference, framework for implementation reports);
- failure to take the regional dimension into account in the institutional mechanism for monitoring PRSP implementation;
- failure to clarify the role of development partners in the process;
- low ownership of the PRSP by the various parties to the process.

In light of the foregoing, the Government, as part of the PRSP revision, undertook to revisit the legal and regulatory texts establishing the institutional mechanism for monitoring the implementation and drafting of a minimum list of poverty monitoring indicators.

Accordingly, the strategy for monitoring and evaluating the PRSP for the period 2004-2006 has been based on the three following pillars:

- the institutionalization and effective operation of the new mechanism for monitoring PRSP implementation;
- strengthening of the evaluation systems;
- the performance of specific steps in preparation for PRSP revision.

The aim of this approach is to consolidate the gains already made over the three years of implementation in 2000-2002 and to address the shortcomings that have been detected.

Another aim is to reflect the vision set forth guidelines for the revision, i.e., ownership of the implementation, monitoring, and evaluation of the PRSP by all stakeholders.

## **8.2 INSTITUTIONALIZATION AND EFFECTIVE OPERATION OF THE NEW MECHANISM FOR MONITORING PRSP IMPLEMENTATION**

### **8.2.1 Some principles and responsibilities**

As the Poverty Reduction Strategy Paper functions as a framework for the strategic orientation of development through 2015, it is accepted by all involved as the main benchmark for poverty reduction interventions. From this angle, it is also viewed as the tool for aligning sectoral and regional development policies.

The institutional steering mechanism must reflect the effective leadership of the Government and create the conditions for greater synergy of actions and a dynamic partnership with the donor community, the private sector, and civil society, while taking into account the data on decentralization and deconcentration. This is all the more important since, as in the case of the revision itself, one of the main criteria for evaluating the PRSP process will be the degree of participation and ownership on the part of the stakeholders.

The national mechanism for monitoring PRSP implementation is a decision-making body. The establishment of the mechanism fits into the framework of the steering, implementation, monitoring, and evaluation of the national poverty reduction strategy. As such, its primary tasks are to:

- assess the guidelines and timetable for drafting and adjusting the national poverty reduction strategy;
- examine the results of the work to draft and readjust the national poverty reduction strategy;
- consider and approve periodic implementation reports;
- recommend general or targeted studies as necessary for learning more about certain policy issues;
- consider and approve the monitoring and evaluation system for the national poverty reduction strategy;
- propose performance contracts with civil society and the private sector as privileged partners in the effort to enhance the impact of public policies.

### **8.2.2 Composition of the new institutional mechanism**

The institutional mechanism for the monitoring and evaluation of the PRSP is composed of:

- a ministerial steering and monitoring committee;
- sectoral and topic-based commissions;
- decentralized units at the regional level.

**The ministerial steering and monitoring committee**, which is chaired by the Head of Government, is entrusted with the task of contributing in a general way to finding appropriate solutions to implementation-related problems, deciding on any trade-offs required, and taking appropriate measures to remove the constraints encountered during implementation of the strategy.

**The sectoral and topic-based commissions**, which are chaired by the heads of ministerial departments, have the twofold task of assessing the sectoral policies and the monitoring and evaluation system, as well as drafting implementation status reports on the various policies, programs, and projects. They are forums for further developing measures for encouraging and promoting the private sector. They ensure that sectoral policies are consistent with the PRSP.

**The regional poverty reduction bodies** are the local liaison with the national mechanism. Since poverty in Burkina Faso is predominantly rural, systematic monitoring of poverty at the territorial level is key in that it will furnish region-specific information, thus enabling the political decision makers and other stakeholders to take action based on precise and sufficiently disaggregated information.

The regional poverty reduction bodies will be supported by the institutional organization provided for in the decentralization framework (Advisory Council on Regional Development). This vision is born of the Government's keen desire to avoid having duplication of units at the regional level, where there is genuine paucity of human, material, and financial resources.

Apart from the periodic sessions and meetings, the mechanism envisages the possibility of calling national conferences and implementing a framework for coordination between the Government and Development Partners.

**National conferences** could serve as the forum for approval of the various national and regional implementation reports, assess the relevance of readjustment proposals, and make recommendations to improve implementation efficiency.

The **Framework for Coordination between the Government and Development Partners** (technical and financial partners, private sector, and civil society) is a framework for assessing the results obtained and the mobilization of resources. Its functions will be to evaluate and propose measures to improve coordination and dialogue between Government and its partners. In this regard, it is called upon to make suggestions to the Government aimed at improving performance in poverty reduction.

The ministerial committee and the various units in the mechanism are given assistance in preparing for and convening meetings, and in disseminating results, by an Executive Secretariat whose role of coordinating the economic and social development programs will be entrusted to the Technical Secretariat. At the regional level, the regional directorates with responsibility for the economy will provide the necessary liaison.

Once the mechanism enabling the various sectoral and topic-related commissions to function optimally is implemented, it will be possible to guarantee the production of PRSP implementation reports and full and relevant Regional Poverty Reduction Strategies. In the past, most sectoral working groups suffered from a lack of basic tools to tackle the tasks that entrusted to them (report templates, terms of reference, regulations governing group composition, among others) as well as the inadequacy or even lack of operating resources. The focus in the first half of 2004 was therefore on preparing all the basic documentation for the commissions and specifying the sources and the level of resources that can be made available to them.

### **8.2.3 Guiding principles for PRSP implementation**

The general objective of these guiding principles is to improve monitoring and evaluation of the PRSP by: (i) the production of high quality statistical information; (ii) steady operation of the institutional mechanism; (iii) the regular production of annual evaluation reports; (iv) improved targeting of measurement indicators; and (v) inclusion of the regional dimension.

#### **8.2.3.1 Specific objectives of the guiding principles**

The following specific objectives must be achieved over the period 2004-2006:

- ensure steady operation of the institutional mechanism;
- prepare annual PRSP implementation reports;
- boost private sector and civil society involvement;
- complete the determination of PRSP monitoring indicators through improved targeting and by implementing the schedule for producing statistical information;
- implement a PRSP communication strategy. Implementing the PRSP is just as important as the preparation process. Full and complete realization of the objectives of the PRSP will depend very heavily on the degree of dynamism of the entire

monitoring and implementation mechanism. It would appear essential to observe six principles.

### **8.2.3.2 Guiding principles**

#### **Observance of PRSP priorities**

The PRSP is the main frame of reference for all development interventions. On this basis, the various cooperation programs must contribute effectively to realizing the priorities as defined in the PRSP. Accordingly, the leading trait of the Central Government Budget is to reflect these priorities very clearly in the sectoral allocation of resources. Those forthcoming from the HIPC Initiative must, first and foremost, be earmarked for the priority areas as set forth in the PRSP.

#### **Budgetary support**

The low level of resource absorption is not attributable solely to the fact that government agencies are slow and sometimes unable to program, it is also due to the complexity of the procedures of some financial partners. The Burkinabè Government's decision to opt for budgetary support is one way of simplifying these procedures. Indeed, it is more and more widely acknowledged that budgetary support is a form of cooperation that considerably reduces costs as compared to other procedures that pose an excessive burden on administrative capacity. Furthermore, budgetary assistance creates conditions that are conducive to initiating ongoing dialogue on policies, particularly in areas such as macroeconomic reform and the sound management of public affairs.

Budgetary support must be understood as a process that is not systematically opposed to project aid, the advantage of which is to make it possible to select a set of issues arising from a complex situation and prescribe ways and means of addressing them in a targeted way.

#### **Simplification and harmonization of procedures**

The simplification and harmonization of the procedures applied by donors of official development assistance (ODA) appear to be the most obvious and the most important steps to be taken in order to reduce the burden on recipient administrations. In this regard, the Burkinabè Government undertook major reforms that led in 2002 to a review of the rules on government procurement. This was done through a series of training courses organized for project and program coordinators on the procedures followed by the various donors, as well as through the second general meeting of development project and program heads held in November 2001 to better diagnose the main problems undermining the effective implementation of such projects and programs. The Government intends to hold the third general meeting in 2004 with a view to boosting implementation levels for public investments.

Despite these efforts, there can be no substantial resolution of the difficulties involved unless the technical and financial partners simplify their procedures or move toward some degree of harmonization of their procedures prompted by the comprehensive reform of aid, which places greater results on performance-based management. As regards this management, the PRSP, given its exhaustiveness, must be considered as the sole opportunity for all the partners to assess the Government's management efforts. Regarding measurement of progress, the minimum PRSP-related indicators matrix is sufficient. The other indicators will find their rightful place in the sectoral performance evaluations.

#### **Information sharing**

No information should be considered taboo within the framework of implementation of the PRSP. Information sharing is essential for successful coordination. To this end, the Government will continue its efforts to foster information exchanges on budget management, the various reports, and the outcomes of evaluations. This spirit of sharing must also prevail with our technical and financial partners. This is all the more important as there is no question that it helps to increase aid efficiency and reduce the duplication of efforts.

## **Decentralization**

The decentralization has been under way in Burkina Faso for almost a decade now. Significant strides have been made in this regard. The decentralization process was given second wind in 2000 when 16 new urban communes were created in addition to the 33 already existing in 1995. The competent authorities are preparing to complete the institutional framework by setting up rural communes very soon. With the relatively successful transfer of authority to the local level, it is now possible to envisage the transfer of resources without major difficulties. This dimension is very important in that it will enable local governments to be financially viable and autonomous. The regional specificity accorded to poverty reduction through the regional strategic frameworks will require that decentralized territorial governments play a decisive role and therefore have more resources, which can only be made available through the actual transfer of resources.

## **Consensus-driven, coordinated monitoring**

The public authorities will continue to produce evaluation reports to be fed into the annual PRSP workshops. In the framework of a dynamic consultation process, it is important that the other stakeholders, in particular the private sector and civil society organizations, produce independent reports that will supplement the report drafted by the public authorities.

### **8.3 CONSOLIDATION OF MONITORING AND EVALUATION SYSTEMS**

Consolidation of the evaluation systems is based on three basic elements:

- striving to make sectoral policies frames of reference for monitoring performance;
- formulating and incorporating the monitoring indicators;
- building capacity in the areas of PRSP monitoring and evaluation.

#### **8.3.1 Sectoral policies: frames of reference for monitoring performance**

The existence of sectoral action plans and strategies means that the indicators have precise, relevant, and cohesive benchmarks and, to some extent, raises possibilities for their incorporation into the system for producing current statistics. It would thus appear necessary to make sectoral policies the frames of reference for monitoring performance by using the relevant indicators formulated, in particular in the sectors corresponding to the priority areas of the PRSP. To do this, in addition to monitoring the indicators annexed to the PRSP, for each sector, and particularly the priority sectors, it is necessary to strengthen the mechanism for monitoring all the sectoral indicators not appearing on the minimum list. This will make it possible to feed the database of poverty and sustainable human development indicators.

The formulation and updating of sectoral policies and strategies will make it possible to provide them to ministerial departments that do not yet have them and for those that already do to update the documents. The aim of the approach is to ensure that the people's concerns with regard to the various sectors are reflected in government actions. Through these sectoral policies and strategies, the Government will define its vision, its ambitions (objectives) for each sector, and indicate the resources that will have to be deployed in order for these objectives to be achieved. Consultation with all the stakeholders will make it possible to define each stakeholder's contribution to mobilizing resources for implementing the programmed actions.

The aim of the alignment of sectoral policies and strategies is to harmonize these policies so as to avoid duplication of efforts in government action and strengthen their contribution to achieving the objectives of the PRSP in terms of a synergy of actions.

#### **8.3.2 Formulating and updating the poverty monitoring indicators**

The monitoring indicators used in preparing the 2000 and 2001 implementation reports were the outgrowth of the recommendations emerging from the test on the reformulation of the new conditionalities. They cover most of the priority sectors and areas in the PRSP. Given the limited scope of this matrix of indicators, it proved necessary to attach it to an agreed list

of indicators that simultaneously addressed the concerns of the administrative bodies, the private sector, civil society, and the technical and financial partners.

### **8.3.2.1 Major elements in the process of formulating the indicators**

The process of formulating the PRSP monitoring indicators was open and participatory, and was based on the work done by ONAPAD. The approach adopted built upon a sectoral analysis that sought to ensure that all sectors and ministerial departments were taken into account. The selection process was based on 11 quality criteria that could be used as a grid for choosing relevant indicators for the monitoring and evaluation of poverty reduction strategies. This approach led to the identification of 33 indicators covering the following areas:

1. education;
2. health, nutrition, and demography;
3. jobs and vocational training;
4. agriculture, stock farming, and fisheries;
5. environment, safe drinking water, sanitation, and energy;
6. the private sector and economic competitiveness;
7. macroeconomy, budget, household living conditions, and human development;
8. good governance (economic, political, and local).

In this approach, the final choice often came down to the ability of the indicator to measure short-term progress directly (which presumes that it is a results indicator) and the capacity of the national statistical system to furnish the information/data that makes it possible to inform the indicator (the statistical system's ability to handle the indicator).

Further reflection on the process of formulating PRSP monitoring indicators and, in particular, the search for substantial cohesiveness among the indicators led the Government to undertake a study mission on the PRSP monitoring indicators in June/July 2003.

The mission is the direct outgrowth of one of the recommendations made by the regional coordination meeting on building capacity for monitoring and evaluating poverty reduction strategy frameworks, held in Ouagadougou from March 19 to 21, 2003. It is part of the ongoing review that builds on the iterative and participatory process begun in 2001. It is an analytical stage focused on the cohesiveness of the indicators, based on the somewhat external perspective of experts so that it is possible to judge with detachment the relevance and consistency of the indicators identified using the sectoral approach.

The methodology used by the mission was based on the general conceptual framework of performance-based management, with the central tool being the logical framework. As in the case of the participatory and sectoral option taken by the Government, the mission considered for its methodological approach the clustering of indicators according to the different dimensions of human poverty. Given the multidimensional nature of poverty, the methodology consisted in gleaning, from the sectoral policies, those elements that could be considered priorities in terms of sectoral contributions to reducing human poverty. The 10 dimensions cover the following areas:

1. income;
2. education;
3. health;
4. nutrition;
5. water and sanitation;
6. employment and work;
7. housing;
8. access to productive assets;
9. market access;
10. peace and social inclusion (participation).

The mission further recommended the inclusion of some performance indicators for those sectors not covered in the different dimensions of poverty, this because of the value of having various other sectors represented as factors of synergy and effectiveness.

At the end of its research, the study mission suggested a list of 47 indicators, classified as follows:

- a minimum list of 28 indicators, 23 of which cover the 10 dimensions of human poverty and five concern sectoral performance to take into account sectoral performance in response to the recommendation on representing the various economic sectors as a synergy and efficiency factor;
- an additional list of 19 indicators, which contains all the other indicators from the sectoral approach, not including the different dimensions of human poverty.

Annexes I, II and III show the different lists of indicators.

### **8.3.2.2 Updating the monitoring indicators**

To perform this updating, it is necessary to specify the importance of the contribution of the various stakeholders, namely the National Statistics and Demography Institute and the ministerial departments through their statistical departments, in taking responsibility for the key indicators and sectoral performance indicators.

On the matter of the indicators on the minimum list, although a good many of the indicators are already being produced by the research and planning directorates, it is suggested that a brief, annual "CWIQ" survey be conducted by the National Statistics and Demography Institute. There are three basic reasons for this choice:

- simultaneous production of the majority of indicators by the same source, which guarantees (i) the uniformity of concepts and measurement methodology used, and (ii) control of the publication schedule;
- elimination of the difficulties linked to the production of current statistics and the statistics used in the estimation of certain demographic denominators, especially when a high degree of disaggregation is envisaged;
- introduction of the socioeconomic variables that play an important role in the analysis of poverty indicators and determinants. This would be a considerable advantage for retrospective monitoring of the level of adjustment of the poverty reduction strategy.

The response is therefore to focus on centralized production of the monitoring indicators with the sectoral contribution that is essential to the measurement methodology (preparation of the different sections of the questionnaire) and an enhanced role of the sectoral research and planning directorates in the analysis of the sectoral data to be produced on the basis of a regular survey. This presupposes firm commitments from the Government and partners to provide the National Statistics and Demography Institute with sufficient resources to conduct, as of 2004, the survey already envisaged in the 2004-2008 national statistical program prepared in July 2003.

With respect to the monitoring of indicators in the PRSP priority areas, it is obvious that the existing mechanisms for gathering information and monitoring indicators will be maintained and strengthened. Sectors with no such mechanisms must envisage establishing them. Production of current statistics at the sectoral level must continue and be strengthened so as to feed the other sectoral indicators not retained on the minimum list. That will make it possible not only to monitor sectoral performance more exhaustively but also to feed the more comprehensive base of indicators at the observatory level.

### **8.3.3 Capacity building for PRSP monitoring and evaluation**

This involves undertaking actions to build the individual and institutional capacities in the national statistical system (training of statisticians, revitalization of the statistical function in the research and planning directorates of the various ministerial departments, equipment, implementation of networks for exchanging information among units, etc.). In addition to the actions planned along these lines under the national statistical program, the Government will implement a priority action plan to build capacity in the area of PRSP monitoring and evaluation.

### **8.3.3.1 Building capacity in the statistical field**

The national statistical program includes three components, which are:

- production of statistics;
- strengthening of the organizational framework;
- human resources development.

Strengthening the system's organizational framework and enhancing its human resources can create the conditions conducive to guaranteeing the availability of information generally, and the optimal handling of poverty monitoring indicators in particular.

In the area of organizational strengthening, the task is to reorganize successfully the various statistical units the system's components to make them operational and ensure better coordination at the national level. This should then make the technical coordination bodies and tools available and functional while making it possible to produce current statistics at the sectoral and regional levels more reliably and regularly.

In the area of human resources development, the task is to provide the system with statisticians by providing thorough training and finding new forms of staff incentives. The actions to be taken will be aimed at increasing the number of statisticians, enhancing their analytical skills, and developing their abilities in various related areas.

### **8.3.3.2 Capacity building in the area of PRSP monitoring and evaluation**

The priority action plan adopted at the regional meeting in Ouagadougou on building capacity to monitor and evaluate PRSPs focuses largely on the finalization of a building plan to be implemented with partner support. This plan could include both statistical production and poverty analysis capacities. This last activity must be carried out by developing methods and producing monitoring and evaluation tools, as well as by establishing a database and documentation on poverty.

In accordance with the activity planning adopted in March 2003, this priority action plan emerging from the regional coordination meeting on PRSP monitoring and evaluation capacity building has been made the focus of a planning mission, the results of which will make it possible to make the plan operational.

## **8.4 SPECIFIC ACTIONS FOR THE PRSP REVISION**

With a view to preparing for the next revision of the PRSP, it is necessary to supplement those actions falling within the context of consolidating evaluation systems and building capacity through precise measures that will make it possible to have access at the appropriate time to all the information that is useful and essential to this operation.

### **8.4.1 Identification and conduct of specific surveys and studies**

Beyond the list of specifications for feeding the various indicators, the PRSP monitoring and evaluation strategy encompass a series of surveys and studies to be carried out.

These actions include:

- conducting a quick annual CWIQ type of survey;
- conducting studies on the impact of public policies on people's living conditions;
- more targeted surveys on the informal sector.

Generally speaking, the implementation of a National Statistical Program will make it possible to address all of these concerns.

### **8.4.2 Addressing the spatial dimension in monitoring poverty**

In taking the spatial aspect of poverty into account, the consolidation of evaluation systems will also take into account the needs expressed in the regional poverty reduction strategies, especially the list of surveys and studies to be conducted in order to supplement the monitoring and evaluation mechanism at the regional level.

# ANNEXES

## ANNEX I: Poverty monitoring indicators: human poverty

Dimension	Indicator	2002 outcome	2003 level	2004 objective	2005 objective	2006 objective	Degree of disaggregation
Income	Incidence of grain self-sufficiency of farmer households						Region, Province
	Per capita grain production of farmer households						Region, Province
Education	Gross enrollment ratio	47.5%	52.2%	53%	56%		Region, Province, Gender, Education level
	<i>Of which: girls</i>	38%	42%	47%	50%		
	Gross admission rate to CP1	39%	45,7%	46%	49%		"
	<i>Of which: girls</i>	33%	37%	41%	46%		"
	Primary school completion rate						"
	<i>Of which: girls</i>						"
	Adult literacy rate	31.11%	32.25%				"
Health	Vaccination rate by antigen						Region, Health district
	BCG	90.35%					
	DTCP3	69.10%					
	Measles	64.10%					
	Yellow fever	61.34%					
		Rate of attended childbirths					"
		Infant-child mortality rate					"
	Seroprevalence rate of HIV/AIDS	4.2%	1.9%				Sentinel site
Nutrition	Incidence of low birth weight						"
	Prevalence of underweight children under 5						"
Water and sanitation	Rate of access to safe drinking water						Region, Province
	Percentage of households with access to functional latrines						Region, Province
Jobs/work	Unemployment rate						
	Percentage of workforce engaged in day labor or piecework—precarious employment						
Living conditions	Electrification rate	10%					Region, Province
	Percentage of households using improved fireplaces						Region, Province
	Percentage of households with particular roofing or wall materials						Region, Province
Access to productive assets	Percentage of households engaged in draft-animal farming						Region, Province
	Ratio of households with agricultural equipment						Region, Province
	Rate of access to credit						Region, Province, Gender
Access to markets	Access time (in minutes) to nearest market infrastructures (food production, public transport)						Region, Province
Peace and social inclusion	Participation rate by gender						Region, Province

**ANNEX II: Poverty monitoring indicators: sectoral performance**

Sector	Indicator	2002 outcome	2003 projection	2004 objective	2005 objective	2006 objective	Degree of disaggregation
Macroeconomy and budget	Real GDP growth rate	4.6%	7.2%	6.0%	6.7%	6.8%	--
	Annual inflation rate	2.3%	1.5%	-1.9%	1.9%	2.7%	--
	Basic budget balance as a percentage of GDP	-4,2%	-2,5%				--
Private sector and competitiveness	Contribution of exports to gross domestic product						--
Good governance	Ratio of local government expenditure to central government expenditure						--

### ANNEX III: Poverty monitoring indicators: supplementary sectoral indicators

Sector	Indicator	2002 outcome	2003 projection	2004 objective	2005 objective	2006 objective	Degree of disaggregation
Health, nutrition, and demographics	Percentage of health centers in compliance with staffing standards						Region, Health district
	Break in supply of essential and generic drugs						Region, Health district
	Proportion of AIDS victims receiving ARVs						Region, Health district
Jobs and vocational training and education	Number of jobs created by projects financed with support funds						Region, Province
	Number of recipients of vocational training and apprenticeships, including technical education						Region, Province
Agriculture, livestock, and fisheries	Apparent grain coverage rate						Region, Province
	Rate of increase of agricultural production						"
	Vaccination rate for Newcastle disease						"
	Vaccination rate for contagious bovine pleuropneumonia						"
Environment, safe drinking water, sanitation, and energy	Rate of access to a water point in rural areas						"
	Available stock of forestry resources						"
Private sector and competitiveness of the economy	Effective marginal tax rate (EMTR)						--
	Tax ratio						--
	Industrial production index (IPI)						--
Macroeconomy, budget, living conditions, and sustainable human development	Domestic and external payments arrears						--
Good governance (economic, democratic, and local)	Ratio of expenditures subject to ex post administrative audit						--
	Budget execution rate of priority ministries						--
	Ratio of female participation in parliament and deliberative bodies						--
	Increase in number of documented decisions						--