

Working Paper 207

**Results-Oriented Expenditure Management
The Case of Burkina Faso**

Sandrine Mesplé-Somps, economist researcher, DIAL-IRD, Paris
Marie Eugénie Malgoubri, STC-PDES, Ministry of Economy and Development,
Burkina
Jean Muguet, advisor at the *Cour des Comptes*, Paris
Blaise Zongo, DCCF, Ministry of Finance, Burkina

March 2003

Overseas Development Institute
111 Westminster Bridge Road
London
SE1 7JD
UK

List of Working Papers

Catherine Dom, Tim Ensor, Leon Bernard Suy: 'Results-oriented Public Expenditure Management in Cambodia', Working Paper 201, ISBN 0 85003 645 3

Carlos Montes: 'Results- based Public Management in Bolivia', Working Paper 202, ISBN 0 85003 646 1

John Roberts: 'Managing Public Expenditure for Development Results and Poverty Reduction', Working Paper 203, ISBN 0 85003 647 X

Frans Rønsholt, Richard Mushi, Bedason Shallanda, Paschal Assey: 'Results-oriented Expenditure Management: Country Study – Tanzania', Working Paper 204, ISBN 0 85003 648 8

Tim Williamson: 'Targets and Results in Public Sector Management: Uganda Case Study', Working Paper 205, ISBN 0 85003 649 6

Marc Raffinot, Jean Muguet, Alhousseynou Touré: 'Results-oriented Public Expenditure Management: Case Study of Mali', Working Paper 206, ISBN 0 85003 650 X

Sandrine Mesplé-Somps, Marie-Eugénie Malgoubri, Jean Muguet, Blaise Zongo: 'Results-oriented Expenditure Management: the Case of Burkina Faso', Working Paper 207, ISBN 0 85003 651 8

Kojo Oduro: 'Results-oriented Public Expenditure Management: Case Study of Ghana', Working Paper 208, ISBN 0 85003 652 6

Aidan Rose: 'Results-oriented Budget Practice in OECD Countries', Working Paper 209, ISBN 0 85003 653 4

Related CAPE-ODI Working Papers

John Roberts (2003): 'Poverty Reduction Outcomes in Education and Health, Public Expenditure and Aid', Working Paper 210, ISBN 0 85003 654 2

Tim Williamson (2003): 'Performance Management and Fiscal Decentralisation', Working Paper 211, ISBN 0 85003 655 0

ISBN 0 85003 651 8

© Overseas Development Institute 2003

All rights reserved. Readers may quote from or reproduce this paper, but as copyright holder, ODI requests due acknowledgement.

Contents

Preface	v
Acronyms	vi
Executive Summary	viii
Budget preparation	viii
Expenditure management	viii
Budget execution	ix
Use of targets and indicators	ix
Formulating targets and indicators	x
Flexibility in implementation	x
Incentives	x
Monitoring and Evaluation	x
Decentralisation and Outsourcing	xi
Role of Donors	xi
Recommendations	xii
Chapter 1: Introduction	1
Chapter 2: Scene Setting – the Budget System	2
2.1 Summary of budgetary preparation and public expenditure management processes in use – MTEF, Annual plan and budget, ministerial, sectoral and autonomous agency budgets, revised or supplementary budgets	2
2.2 Summary indication of the record of budget execution – the relationship between budget estimates and actual outturns in aggregate and in detail (by ministerial department)	9
Chapter 3: Use of Targets and Performance and Results Indicators	12
3.1 The use made of public service performance indicators and targets alongside budget allocations by function (budgets, plans), type (input, activity, output, outcome), by sector and level of regional disaggregation	12
3.2 Formulation of targets and indicators: consultation, participation, costing, adjustment	17
3.3 Cascading of targets to middle and junior managers and implementing units; flexibility in resource management	18
3.4 The nature of incentives and penalties aimed at encouraging service providers and administrators to achieve their targets	19
Chapter 4: Factors in the Success or Failure of Results-based Expenditure Management	21
4.1 Processes of verification of results achieved: administrative management information systems and sample services	21
4.2 Role of independent verification of results – by internal audit, the national audit office (Court of Auditors, etc.), parliamentary scrutiny committees and civil society monitoring groups	24
4.3 Evidence on the relative success of results-based expenditure management when programme implementation is (i) departmental or (ii) by private sector or non-governmental contractors	25
4.4 Whether effective use is made of information on results achieved in introducing performance league tables, benchmarking, setting new targets for performance in terms of input provision, activity levels and intermediate and final outcomes	26
4.5 The roles of donors and aid instruments in promoting results-oriented expenditure management	26

4.6 Negative institutional factors undermining the use or vitiating the effectiveness of results-based practices: disputed agendas, procurement, staffing, salaries and corruption	29
Chapter 5: Generic Implications of the Country’s Experience for other Developing Countries and for Donors	30
5.1 How can the results-based framework be best adapted to institutional capacity whilst being relevant for agents at all levels and avoiding excessive proliferation of targets	30
5.2 How can the ministries’ concern to standardise the approach to target setting and performance measurement be combined with the sectoral and local authorities’ need for sui generis indicators?	30
5.3 How best to strengthen the credibility and sense of ownership of results-based budgeting among civil servants, service providers and service users	31
5.4 How can independent monitoring, performance audit and evaluation best be developed?	31
5.5 How can public service provision targets and indicators be best integrated with Poverty Reduction Strategy monitoring indicators?	31
5.6 Which aid instruments are most appropriate for the adoption of durable, credible and effective results-based frameworks?	32
5.7 How, and at what level of aggregation, can the developing countries best present their public service performance targets and results to donors in the context of joint performance monitoring?	33
Bibliography	34
Annex 1: Summary of the Institutional Framework of Public Expenditure Management – roles of and consultations between the ministries of finance and economic planning and sectoral ministries, autonomous agencies and local government authorities	35
Annex 2: Statistics	41
Boxes	
Box 1: Preparing the 2003-2005 MTEF	3
Box 2: What is a Results-oriented Public Expenditure Management?	5
Box 3: The first budget circular on Results-oriented Public Expenditure Management in Burkina Faso	6
Box 4: The Three Phases of HIPC Fund Management	11
Box 5: Aid practice, ancient and modern	27
Tables	
Table 1: Estimates and outturns for budget revenues, excluding grants (millions CFA francs)	9
Table 2: poverty monitoring indicators given in the PRSP	15

Preface

This paper is one of seven country studies on the practice of results-oriented – or performance-based – public expenditure management in low income developing countries. The studies were commissioned by the Centre for Aid and Public Expenditure at the ODI with a view to comparing and contrasting the experience of countries of broadly similar size and per capita income, and to identifying factors conducive to performance budgeting, the preconditions for its adoption and the benefits that even poor countries can derive from it.

This body of research has been undertaken at a time when there is mounting concern, in both developing countries and in donor countries, to achieve visible, tangible and sustainable development ‘results’.

The sample of countries whose budgeting and performance management practices have been reviewed consists of Bolivia, Burkina Faso, Cambodia, Ghana, Mali, Tanzania and Uganda. These countries were chosen for their, their geographical spread, the diversity of their budget and public expenditure management practices, and the fact that they have drawn up one or more interim or final Poverty Reduction Strategy Papers which lay out their priority development objectives and the means they intend to deploy.

Other reports in the series are: a survey of relevant practice in OECD countries and a synthesis of this and the country studies. These documents are listed inside the front cover of this paper.

The case study of Burkina Faso was conducted in two phases. The first mission was carried out by Sandrine Mesplé-Somps and Jean Muguet, from Monday 24 June to Thursday 4 July 2002. They made a series of interviews, collected the necessary documents, and made initial contact with two local consultants to agree on their work programme. During the second mission, from 23 to 29 September 2002, Sandrine Mesplé-Somps conducted further interviews and discussed with the local consultants the draft reports that had been sent to her during August. Marie Eugénie Malgoubri, from the Technical secretariat for the coordination of economic and social development programmes (STC-PDES) at the Ministry of Economy and Finances (MEF), was responsible for organising missions (making appointments and collecting data) and writing the report that makes up the first section of this case study, i.e. a description of the budget system. Blaise Zongo, from the *Department of Financial Control* of the MEF, carried out a detailed examination of the Results-oriented Public Expenditure Management processes at the Ministries for Basic Education and for Agriculture.

Acronyms

CFAA	Country Financial and Accountability Assessment
CEBNF	Centre d'éducation de base non formelle <i>Non-formal basic education centre</i>
COMFIB	Commission des Finances et du Budget de l'Assemblée Nationale <i>National Assembly Finance and Budget Commission</i>
CSPS	Centre de Santé et de Promotion Sociale <i>Health and Social Promotion Centres</i>
DAAF	Direction des Affaires Administratives et Financières <i>Central Government Office of Administrative and Financial Affairs</i>
DCCF	Direction Centrale du Contrôle Financier <i>Central Government Financial Control Office</i>
DCEI	Direction du Contrôle et de l'Evaluation de l'Investissement <i>Central Government Office for the Coordination and evaluation of investments</i>
DGD	Direction Générale des Douanes <i>Central Government Customs Office</i>
DGEP	Direction Générale de la Planification et de l'Economie <i>Central Government Office for Planning and Economy</i>
DCMP	Direction Centrale des Marchés Publics <i>Central Government Office for Public Markets</i>
DEP	Direction des Etudes et de la Planification <i>Central Government Office for Studies and Planning</i>
DGB	Direction Générale du Budget <i>Central Government Office for General Budgeting</i>
DGCOOP	Direction Générale de la Coopération <i>Central Government Office for Cooperation</i>
DGTCP	Direction Générale du Trésor et de la Comptabilité <i>Central Government Office for Public Treasury and Government Accounting</i>
DRA	Direction régional de l'agriculture <i>Regional Agency for Agriculture</i>
DREBA	Direction régionale de l'éducation de base <i>Regional Agency for Basic Education</i>
DSO	Direction de la Solde et de l'Ordonnancement <i>Central Government Office for Pay and Scheduling</i>
ENEP	Ecole Nationale de l'Enseignement Primaire <i>National college for primary teacher training</i>
EPA	Etablissement Public à caractère Administratif <i>Executive agency</i>
EPII	Enquête Prioritaire II <i>Priority Survey II</i>
GFCF	Gross Fixed Capital Formation
HIPC	Heavily-Indebted Poor Countries
IGE	Inspection Générale de l'Etat <i>State Inspectorate Office</i>
IGF	Inspection Générale des Finances <i>Inspectorate Office for Public Finance</i>
INSD	Institut National de la Statistique et de la Démographie <i>National Institute of Statistics and Demography</i>
MEBA	Ministère de l'Education de Base et de l'Alphabétisation <i>Ministry of Basic Education and Literacy</i>
MEF	Ministère de l'Economie et des Finances <i>MEF Ministry of Economy and Finance</i>
MTEF	Medium-Term Expenditure Framework
ONAPAD	Observatoire de la Pauvreté et du Développement Humain Durable <i>National Observatory on Poverty and Sustainable Human Development</i>
PDDEB	Plan Décennal de Développement de l'Education de Base <i>Ten-year basic education development plan</i>

PDM	Programme de Développement Municipal <i>Municipal development programme</i>
PER	Public Expenditure Review
PIP	Programme d'Investissement <i>Public PIP Public Investment Programme</i>
PNGT	Plan National de Gestion des Terroirs <i>National community-based rural development plan</i>
PRGB	Plan de Renforcement de la Gestion Budgétaire <i>Budget management improvement plan</i>
PRGE	Projet d'appui au Renforcement de la Gouvernance Economique <i>Project to strengthen economic governance</i>
PRSP	Poverty Reduction Strategy Paper
PSO	Plan stratégique opérationnel <i>Strategic operational plan</i>
REN-LAC	National Anti-Corruption Network
ROPEM	Results-oriented Public Expenditure Management
STC-PDES	Secrétariat Technique pour la Coordination des Programmes de Développement Economique et Social <i>Technical secretariat for the coordination of economic and social development programmes</i>
CGFO	Central Government Financial Operations
UNPD	United Nations Development Programme
WAEMU	West African Economic and Monetary Union

Executive Summary

Budget preparation

Burkina Faso has traditionally prepared annual budgets on line item basis, with expenditures voted by economic category. In 2000 Burkina Faso began to use a three-year rolling medium term expenditure framework (MTEF). This is drawn up following stakeholder consultation on the basis of forecasts of resources and inherited public expenditure commitments. It provides spending ministries and agencies indicative ceilings within which to set priorities and plan operations.

The first two MTEFs were prepared too late to be used as a basis of inviting expenditure bids from spending ministries and agencies. The MTEF for 2003, however, has been used for this purpose. So far it has little effect on established expenditure patterns.

Budget bids are prepared in spending ministries by the Central Government offices for evaluation and planning and for administration and finance. Traditionally these are incremental, pay little attention to beneficiaries' views, without guidelines on standards of provision or cost and without regional break-down. Budget allocations are considered by the budget committee in the Ministry of the Economy and Finance on the basis of bids presented in traditional form, and it is in this form that they are submitted to the Council of Ministers and to Parliament for governmental and legislative approval.

In 1998 the Government decided to introduce results-oriented programme budgeting on a pilot basis in six ministries, alongside the traditional state budget. The chosen ministries¹ were required to state their missions, objectives and strategies, seek efficiency in the deployment of resources to deliver their objectives, develop 3-year rolling plans of expenditure on programmes to deliver these results, and to propose appropriate performance indicators. There were no detailed guidelines on procedure. The result has been poorly estimated draft expenditure plans articulated around ill-defined objectives which are not used in reaching decisions on budget allocations, and which are not adjusted to reflect expenditure levels in the approved annual budget.

Expenditure management

Expenditures requested by line managers in implementation of approved budgets are subject to tight, three-tiered, *ex-ante*, 'concomitant' controls covering authority to commitment, conformity with financial regulation and cash availability and to the obligation to compile end-of-year expenditure accounts by budget line. External audit is by the newly established independent Court of Auditors (2000). The National Assembly has no standing committee on public accounts.

¹ Economy and Finance, Health, Basic Education, Secondary Education, Defense, Local Administration

Budget execution

Forecasts of budgetary receipts are erratic and shock-prone. They overestimate actual receipts more often than not. External financing of the budget was 35% of expenditure in 2002 (55% in 1996). Falling aid inflows (until HIPC) have caused a decline in capital expenditure.

The rate of execution of the recurrent budget (actual expenditure/estimates) has fallen since 1999 because of cash shortfalls, and is now around 90%. The capital budget's implementation rate is lower still and falling. The physical progress of capital projects in the Public Investment Programme is monitored by the Ministry of Economy and Finance and sector ministries' planning and evaluation departments, but their appreciation is superficial, and insufficient to assess their actual and prospective contribution to service delivery.

Use of targets and indicators

The use of performance indicators to assess government programmes goes back to 1995-96 when the EC and the World Bank joined forces in a pilot study to test a reform of conditionality which was to be based on indicators of result rather than activity. The pilot commenced in 1997. This initiative was followed by programme budgeting (1998-99) and the I-PRSP (2000). The PRSP drew on pre-existing sector-level perspective plans for basic education, health, agriculture and livestock.

The I-PRSP of July 2000 used the same indicators for education and health as in the 1997 pilot. These were elaborated in the full PRSP of 2002 which also put forward indicators for access to water and electricity, rural development and private sector development. Activity and output indicators are the most common; outcome indicators are few.

There is no clear connection between the macroeconomic framework in the PRSP and poverty reduction targets and indicators. The same applies to the MTEF which gives expenditure ceilings for ministries and expenditure type, but not for programmes.

Most Programme Budget and PRSP activity indicators relate to capital projects and the services they will produce on completion. The Public Investment Programme is not presented in results-oriented form, and its monitoring is of no help in assessing progress towards the results sought in public expenditure programmes.

The PRSP only has one indicator covering the cost of sending children to school attendance for poor households which is insufficient to measure the success of programmes such as free textbooks and school meals intended to encourage attendance by poor children.

There is good correspondence between objectives and indicators set in sector strategy documents, in the Programme Budget and in the PRSP. In some cases these are disaggregated by province.

The process of identifying targets and indicators is on-going. UNDP has sponsored a poverty monitoring unit based in the national statistical institute which has put forward sets of indicators different from those in the PRSP, for which there are no obvious statistical sources, with the risk of confusion. PRSP monitoring will be made more complicated by changing and proliferating indicators.

Formulating targets and indicators

Formulation is top-down in the sense that broad objectives and parameters are set by the Ministry of Finance and central departments in sector ministries, but there have been real attempts to consult and reflect the suggestions of officials and elected authorities at local and regional levels, e.g. through regional workshops.

PRSP indicators were originally identified by central departments in sector ministries and by the Ministry of Economy and Finance, in collaboration with the donors. There are now joint monitoring groups on a sector basis – with the participation of donors and civil society. Local officials have not been involved in PRSP consultations, nor in monitoring.

In basic education indicators came originally from the 10-year perspective plan. These are now built into a model that shows annual progress disaggregated by region and province. The ministry has a schedule of standard unit costs. Each regional central government office has to develop plans to implement targets (e.g. for reducing regional disparities). For this ideas come up from the lowest level (inspectors) and are adjudicated and aggregated at higher levels. The draft plans of regions are reconciled by an internal committee.

In health the Programme Budget costs departmental activity levels as specified in the perspective plan. In 2003 a higher share of the budget was allocated to public regional health centres than to central ones in order to achieve the targets. In agriculture the Programme Budget attempts to cost the unquantified objectives set in the perspective plan for the sector, but those concerned have little confidence in the result.

In sectors without strategy plans programme budgets are drawn up after consultation based on objectives set centrally by sector ministries.

Flexibility in implementation

The old rule that only the Ministry of Finance can authorise alterations in budget allocations is breaking down for outlays on equipment for basic education, health and infrastructure (but not agriculture) for which regional and provincial agencies now have substantial discretion. This does not however percolate down to operational units which remain in the dark, after budget approval, about which of their requests for funding will in fact be satisfied.

Incentives

There are no pecuniary incentives at present, except in executive agencies. The CFAA proposed incentives for performance, and the Ministry of Finance's budget reform action plan takes up the idea.

Monitoring and Evaluation

Financial reporting breaks down because *ex ante* expenditure controls are not fully applied. It is not possible to track expenditure in-year by line item, let alone by objective. End-year accounts of public accountants are reliable, where they exist. Ministries, agencies and local authorities do not all respect the obligation to produce annual reports when submitting budget bids. Aid expenditures are budgetised but unreliably reported.

The best, albeit partial, information on programme budget execution comes from Public Investment Programme implementation reports, but these are based on report forms unsatisfactorily completed. A start was made on establishing physical monitoring of budget execution in 2002. A priority should now be to set up a system for the annual monitoring of performance indicators for submission to Parliament.

There have been Public Expenditure Reviews in four sectors 1999-2002 and two process issues. They look at the efficiency, effectiveness and distribution of the benefits of expenditures, but they are retrospective, episodic and too little owned by sector ministries to be effective performance management tools.

Performance data are collected by sector ministries in education, health, infrastructure etc. These are of great importance for the national accounts as well as for sector performance monitoring, but their collection by unmotivated staff is haphazard and untimely. For PRSP monitoring the government is proliferating new monitoring groups instead of strengthening data capture.

There have been two Living Standard Measurement Surveys (1994 and 1998) and two Demographic and Health Surveys (1993 and 1998). For PRSP monitoring the central monitoring unit organises annual surveys of the views of beneficiaries on the supply of public services at the regional and local level. Household surveys are under-exploited for policy purposes. The government relies too much on too many under-interpreted indicators for programme budget and PRSP monitoring.

Internal audit by state and ministerial inspectorates is not performance-oriented and is of limited effectiveness; its responsibilities are blurred by the creation of new anti-corruption units. External audit by the Court of Auditors consists only of formal financial audit (on which the backlog is being absorbed). There is no parliamentary scrutiny of Programme Budget implementation. Civil society scrutiny of public services is focused on cases of corruption.

Decentralisation and Outsourcing

Reforms to decentralise the administration of public services have only increased the powers of local officials to a limited and erratic extent. Municipalities commonly contract out wastewater disposal, cleansing. This activity is not evaluated by government, and is not included in the PRSP.

Role of Donors

Programme budgets, the MTEF and PRSP monitoring still have the flavour of systems created to please donors which are superimposed on, but not yet integrated with, pre-existing budget management systems. Their local ownership is illusory, in spite of many workshops to discuss them. It is not helped by differences between donors' approaches to conditionality. Donors continue to focus on classic macroeconomic and financial management issues. When there is progress on these priority should be given to strengthening surveys and the measurement of the impact of policies on poverty. Clarity and consistency about donors' intentions is all the more important because of the growing relative importance of budget support, and because of the government's over-optimism about other budget receipts. Insufficient receipts threaten the PRSP's public service delivery objectives.

Recommendations

- Avoid in-year expenditure cuts in priority sector ministries where results-oriented budget reforms are in progress.
- Give more training to ministry of finance and sector ministry officials in planning and monitoring.
- Strengthen the involvement of local officials in programme planning and the monitoring of service delivery and project implementation. Local programme managers should have their own objectives, targets, plans and budgets, and their own performance information systems.
- Give greater priority in resource allocation to regions of high poverty incidence.
- Simplify *ex-ante* expenditure controls; give officials more management responsibility.
- Consult civil society more, and inform it better, giving it more opportunity to remonstrate against poor services.
- Institute systematic performance reporting within the budget process, performance audit by the Court of Auditors, and review of performance by Parliament.
- Agree with donors to differentiate between performance indicators to be monitored and assessed annually (input, activity) and at 3-year intervals, using *inter-alia* survey results, (outputs, outcomes); disaggregate poverty reduction targets and indicators by region.
- Donors should, subject to assurances on financial accountability, provide more aid in the form of results-based budget support whose volume should be predictable in the medium term.
- In policy dialogue with donors developing countries should summarise their targets and performance using a very limited number of indicators, mostly at the sector level; they should be able to explain progress, and divergences between targets and achievements.

Chapter 1: Introduction

Burkina Faso, a land-locked West-African country, is one of the poorest countries in the world, with per capita GDP of US\$267. Of its 11 million inhabitants, only 16% live in towns. Although economic performance has been good in recent years, the country suffers from high poverty rates. According to the Priority Survey II in 1998, 45% of the population live below the poverty line, more than 90% of whom live in rural areas. The illiteracy rate is estimated at 75%, and the primary schooling enrolment rate stood at 44% in 2001.

The government has undertaken a widespread series of reforms with support from the international donors. After adopting structural adjustment plans during the 1990s, Burkina Faso began a poverty reduction programme in 2000 by adopting a Poverty Reduction Strategy Paper (PRSP). In this framework, it has benefited from the Heavily Indebted Poor Countries (HIPC) initiative since 2000. The results of the second year of the PRSP have just been examined. The Government Budget represents over 26% of GDP, a third of which is financed by international donations. International aid (grants plus loans) represents over 15% of GDP.

Budgetary reforms are part of the government's policy to adapt its budget to the new regulations in force in the world economy and on a regional level, particularly with a view to meeting the demands of the West African Economic and Monetary Union (WAEMU). New instruments have been introduced to consolidate public expenditure monitoring, with a computerised expenditure management system, and to bring budgetary regulations into line with WAEMU norms. The first attempts to introduce Results-oriented Public Expenditure Management were made in 1999. Medium-term expenditure frameworks (MTEF) have been prepared since 2000. Finally, decentralisation reforms are in progress, following the first local elections held in 1995.

The last presidential elections were held in 1998, and further legislative elections took place in May 2002. These resulted in a change of government and a cabinet reshuffle. One of the main changes was that the Ministry of Finance and Economy was divided into two separate ministries, one for finance and the budget, the second for the economy and development.

This paper is divided into four parts. The first (Chapter 2) describes the institutional framework of the current budget system. The second (Chapter 3) makes a detailed presentation of the way in which budget performance indicators are defined, used and monitored. The third part (Chapter 4) analyses the factors explaining the current limits and constraints of the Results-oriented Public Expenditure Management reform. The fourth and final part (Chapter 5) sets out recommendations.

Chapter 2: Scene Setting – the Budget System

2.1 Summary of budgetary preparation and public expenditure management processes in use – MTEF, Annual plan and budget, ministerial, sectoral and autonomous agency budgets, revised or supplementary budgets

The budget is prepared in two phases: an administrative phase, carried out by the executive, followed by a legislative phase. There are three key dates in the budget preparation process:²

- **1st May:** signature and transmission of the budget circular;
- **31st July:** transmission of proposals from technical ministries to the Ministry of Finance;
- **the last Wednesday in September:** submission of draft Budget Law to the National Assembly, to be adopted within 60 days.

Administrative phase

Since 2000, the administrative phase of Government Budget preparation has been broken down as follows:

Stage 1: Drafting the MTEF

Since 2000, Burkina Faso has been drawing up a three-year rolling Medium-Term Expenditure Framework (MTEF), with a view to strengthening the implementation of Results-oriented Public Expenditure Management started in 1999 as a new method for preparing and executing the Government Budget. The MTEF is based on a medium-term macroeconomic framework and on the government's development priorities. It is aimed at providing multi-year allocations of resources to the different ministries and institutions to enable them to draw up draft Results-Oriented Budgets with a clearer picture of the maximum expenditure levels authorised. Work on the first MTEFs (2001-2003, 2002-2004) was carried out too late for them to be attached to the budget circular for 2002. This situation meant that the sectoral ministries were obliged to draw up their draft Results-Oriented Budgets without any information on expenditure ceilings. The budgets therefore had to be readjusted at a later stage. The timetable for drawing up the MTEF has been revised on the strength of this experience. The 2003-2005 MTEF's expenditure ceilings were prepared in time to be attached to the budget circular for 2003 used to draw up the 2003 budget (see Box 1). Sector MTEFs extend over a period of three years on the basis of expected allocations for that period.

Work on the MTEF begins with a technical workshop, grouping the technical departments in the Minister of Economy and Finance involved in budget management and planning for public policies at sector level. The technical workshop's mission is to draw up a draft MTEF for the three-year period based on a macroeconomic framework (see Box 1) which tries to take into account the outturns of previous years and the constraints of the international environment. The MTEF is drawn up in six stages:

- the annual consultation workshop, where all the stakeholders and partners can express their concerns, so making the budgetary process more participatory;
- the technical macroeconomic framework workshop, which defines the overall expenditure ceiling and outlines sectoral allocations;

² Constitution and Financial Regulations of 1969 (notably articles 12 to 16)

- a feedback workshop, for presenting results to social partners and sectoral ministries;
- incorporation of amendments and transmission of draft MTEF to the Cabinet;
- adoption by the Cabinet;
- finalisation and integration of budget amounts in the budget circular.

The second MTEF (2002-2004) made significant progress. Great efforts were made to disaggregate all the information required to prepare an effective budget in the ministries and institutions concerned (by presenting expenditure ceilings by ministry and institution and by type of expenditure, and by making a distinction between the cost of current programmes and finance available for new programmes).

A plan to improve the process was drawn up on the basis of the results of a seminar on the evaluation of budget instruments, held on 5 and 6 March 2002. It is currently being introduced as part of the plan to introduce Results-oriented Public Expenditure Management. This action plan aims to (i) strengthen the capacities of the Forecasting and Economic Analysis Committee in drawing up and exploiting economic budgets, (ii) strengthen the statistical apparatus to improve instruments for drafting the MTEF, (iii) disaggregation by region of sectoral expenditure estimates, particularly in the social sectors, (iv) integrate HIPC resources and their allocation, together with receipts from external financing, and (v) organise seminars for the ministries to provide information and improve awareness whilst fully associating them with the process.

The two years' experience of the MTEF process shows that, despite advance indications of sector budgets, there has been no great quantitative change in programme objectives. In certain ministries, it even underlined the lack of clearly defined, precise targets, which explains why they have had difficulties in fixing the priorities for allocating their budgets.

Box 1: Preparing the 2003-2005 MTEF

Macroeconomic framework workshop

The macroeconomic framework workshop preceded the preparation of the MTEF. The workshop took place from 19 to 21 February 2002 in Tenkodogo. Organised by the Forecasting Committee, its aim was to draw up a growth scenario based on assumed trends in the national, sub-regional and international economic situation.

The basic scenario drawn up at the Tenkodogo workshop led to the elaboration of a **policy-based scenario** showing overall revenues and expenditures and the main measures structural reform and economic policy required during the period to meet the targets set in the poverty reduction programme.

The aggregates thus defined were used to draw up the sectoral allocations in the MTEF.

Technical workshop

The technical workshop for the 2003-2005 MTEF took place from 11 to 16 March in Bobo Dioulasso. A draft expenditure framework was drawn up for the period 2003-2005 based on the scenario described above. This draft contained the results of the macroeconomic framework for the period, plus the allocations for all ministries and institutions included in the Government Budget. It also took into account the government's priorities for the period, as defined in the PRSP and later updates. The workshop was attended by the main departments of the Ministry of Economy and Finance (MEF) involved in the process: the Technical Secretariat for the coordination of economic and social development programmes (STC-PDES), the Economy and Planning DG (DGEP), its Central Government Office for Studies and Planning (DEP), the National Institute of Statistics and Demography (INSD), the Cooperation DG (DGCOOP), the spending departments [(Budget DG (DGB), Central Government Financial Control Office (DCCF), Central Government Office for pay (DSO)], the revenue collecting departments [Customs DG (DGD), Tax DG (DGI), Treasury and Government Accounting DG (DGTCP)], and the Central Bank of West African States (BCEAO).

Box 1 (cont.)**Results workshop**

The results of the technical workshop were analysed at the results workshop, attended by the government's partners (donors and civil society) and the different ministries.

The results of the 2003-2005 framework had to be adjusted following the reorganisation of certain ministerial departments after the legislative elections of 5 May 2002.. The sectoral allocations were therefore revised by the MEF's technical departments in June 2002.

The draft MTEF for 2003-2005 was approved by the government in April 2002. Allocations were notified to different ministries, in an attachment to the budget circular, at the beginning of July 2002.

Stage 2: Drafting the budget circular

The budget circular is signed by the President and is supposed to be forwarded to spending ministries and institutions by 1st May at the latest. The document shows how proposals for recurrent and capital expenditure should be presented. It also outlines changes in the macroeconomic situation. It contains basic instructions and overall estimates for receipts and expenditures. It also gives a timetable for the various stages of the administrative phase. MTEF estimates for 2003-2005 were included in the budget circular for the first time for the 2003 budget (see Box 1). The MTEF estimates are supposed to validate government priorities set out in its poverty reduction programme.

Stage 3: Preparing the draft budget for spending ministries

The process starts as soon as the budget circular is received from the President's office. On receipt, each minister forwards the circular, with instructions, to the Director of Studies and Planning, the Director for Administration and Finance and to the other departments and institutions for which he is responsible, whether in central departments and related institutions or in regional and provincial agencies. These bodies then submit their expenditure needs and forecasts of receipts.

These proposals are then centralised at the Central Government Office for Administrative and Financial Affairs for the ministry in question. This body is in charge of checking that the proposals are relevant and coherent, in compliance with the minister's instructions and those contained in the budget circular. It then proceeds to draw up the draft budget for the ministry, based on the proposals made by the departments and institutions.

This draft budget is ratified by all the departments and institutions before being forwarded to the Ministry of Economy and Finance before the 31st July, deadline fixed in the Financial Regulations. It is presented in the form of a budget by expenditure type and (where appropriate) by programme. Apart from six target ministries which are obliged to present Results-Oriented Budgets (cf. infra), the other ministerial departments carry out this exercise at their own free will as a learning process until the process comes into general use.

Procedure for drawing up the budget by expenditure type

The proposals for expenditures and revenues are presented in compliance with the usual regulation. Proposals for expenditure on equipment and transfers (Heading III and IV including subsidies to executive agencies) are prepared by the heads of department. Expenditure on personnel (Heading II) is estimated with help from the Pay and Scheduling Central Government Office (DSO). Capital expenditure (Heading VI) is prepared by the Central Government Office of

Studies and Planning with help from the Central Government Office for the Coordination and Evaluation of Investments (DCEI).

In preparing the budget preparation resource allocation remains mechanistic and that the budget process seems, in some respects, a mere formality. The government budget is characterised by:

- allocation requests bearing no relationship to meeting targets and without reference to the usefulness of expenditures;
- in practice, non-involvement of operational departments;
- no notice taken of the needs sometimes expressed by the beneficiaries of the State interventions;
- non-articulation of domestic receipts with aid receipts;
- absence of official norms and management standards for costing services;
- non-disaggregation allocations of public funds at the regional level, and the management of these funds at the central level.

These weaknesses in budget preparation encouraged the Government to adopt the Results-oriented Public Expenditure Management (ROPEM) approach in 1998 and the Medium-Term Expenditure Framework (MTEF) in 2000 as a new approach to allocating public revenues.

Procedure for drawing up the Results-oriented Public Expenditure Management

The Results-oriented Public Expenditure Management was adopted as the method for drafting and implementing the Government Budget in 1998. The budget circular on the preparation of the Budget Law for 1999 introduced the notion of Results-oriented Public Expenditure Management (see Box 3). The Results-oriented Public Expenditure Management represents a challenge to the traditional presentation of the budget, which do not do adequately relate expenditures to activities to be pursued in order to attain specific objectives. Without calling into question the Government Budget's presentation in the form of revenues and expenditures, the Results-oriented Public Expenditure Management changes the process used by ministries to prepare their draft budgets.

Box 2: What is a Results-oriented Public Expenditure Management?

In principle, results-based budgetary programming consists of

- Fixing, on the basis of sectoral policies, the precise targets to be met by a given time in response to needs;
- Determining the ways and means of implementing these targets;
- Drafting a programme based on multi-year activities, with details of responsibilities and combining human, material and financial resources;
- Budgeting by assessing the costs of each programme and allocating the revenues to execute annual budget;
- Involving all the grassroots departments in the process of allocating public revenues;
- Ensuring increased transparency in the allocation of revenues;
- Defining indicators for implementing the programmes and results indicators to measure performance.

Two key points sum up the advantages expected from the introduction of Results-oriented Public Expenditure Management:

- A new basis for formulating bids. All funds requested must serve the purpose of achieving an objective as defined in a programme. The fact that bids cover a three-year period helps give a clearer view of the targets sought compared with the corresponding inputs;
- More rationality in (i) the allocation of resources based on a medium term budget policy perspective, (ii) presenting strategic budgetary options, and (iii) identifying consequential required adjustments in expenditure policy

Box 3: The first budget circular on Results-oriented Public Expenditure Management in Burkina Faso

The approach was introduced by a budget circular for the preparation of the 1999 budget, which laid down the essential stages: ‘Each ministry must: i) clarify its goals; ii) fix objectives to be met to satisfy specific needs; iii) identify and evaluate the all alternatives (current strategies and inputs used, possible solutions); iv) choose and organise inputs in a view to attaining objectives; v) draft the budget, i.e. evaluate the costs of each programme and allocate revenues to execute the annual budget; vi) define indicators to measure performance in a view to informing the general public by publishing the government’s targets and the performance indicators that accompany them.’ The circular sets out two vital principles. ‘First, the Results-oriented Public Expenditure Management involves all the managers in a ‘bottom-up’ process and second, the process is iterative, meaning that if the revenues are reduced or increased, the targets must be adapted accordingly.’ In addition, ‘the budget system will gradually introduce certain principles of the zero-base budget (ZBB). Each year, the budgets obtained for the previous year will be called into question. There are no entitlements. All funds demanded will have to be justified in each financial year.’

In 1998, the Government selected six ministries³ to test the Results-oriented Public Expenditure Management system before extending it to all the other ministries as of 2000:

- Ministry of Economy and Finance, revenue collecting section (customs, tax authorities);⁴
- Ministry of Health;
- Ministry of Basic Education and Literacy;
- Ministry of Secondary and Higher Education and Scientific Research;
- Ministry of Defence;
- Ministry of Territorial Administration and Security.

Training was given in the Ministries’ Administration and Finance and Studies and Planning Central Government Offices in a view to internalising the system. This enabled them to draw up budgets in line with the Results-oriented Public Expenditure Management approach, particularly in the Health and Basic Education Ministries.

Apart from the brief instructions in the budget circular for the 1999 budget (see Box 3) and information obtained by the technical ministries during training sessions, there are no official documents on methodology for drafting Results-oriented Public Expenditure Management. The documents produced are therefore somewhat heterogeneous.

On the strength of three years of practical implementation, it is clear that improvements have been made in the budgetary process. However:

- Results-oriented Public Expenditure Management were neither assessed by the Budget DG or made use of by the Budget Commission;
- The notion of a three-year rolling programme was not always fully understood by the players involved in the budget process;
- The techniques for drawing up Results-oriented Public Expenditure Management were not mastered, as shown by the poor definition of targets to be met and the fact that the estimated

³ Now increased to eight, cf. Chapter 3.

⁴ As the initiator of the Results-oriented Public Expenditure Management reform, the Ministry of Finance was keen to use it to introduce an incentive system for revenue collection, with bonuses calculated on the basis of the gap between estimated revenues and collected revenues. However, the system simply encouraged the revenue collecting bodies to underestimate expected revenues. At present, the bonus has become a fixed bonus with no further link to results.

costs of the programmes had no relationship to the resources that were available or might be mobilised by the Government;

- The approach was put into general use without taking into account the real capacities of the spending ministries and of the Ministry of Economy and Finance to ensure correct supervision of lower level staff;
- Trainers had not received adequate training themselves, nor training manuals to familiarise themselves with the approach.

In these conditions, the process was only partially implemented: allocations and expenditure monitoring are still carried out according to expenditure by nature; ministries' Results-oriented Public Expenditure Budgets are not adjusted following the allocation decisions; expenditure records make no reference to set objectives.

In short, the Results-oriented Public Expenditure Management is still incomplete and indicative, and has not yet achieved a basis for sustainability.

This situation is a result of constraints in implementing Results-oriented Public Expenditure Management due to:

- varying capacities of Administration and Finance and of Evaluation and Planning Central Government Offices;
- high level of turnover of personnel in charge of budget preparation;
- lack of planning and monitoring skills;
- officials' inability to formulate targets, due to the absence of reliable data and their difficulties in assimilating the concepts;
- lack of trainers with the relevant qualifications;
- brevity of training sessions;
- lack of time devoted to drafting budgets;
- inability to include personnel expenses in the budgets for activities;
- lack of incentives to adopt the method, both at the level of departments' financial management, and at individual level;
- insufficient involvement of public agencies at the regional level in the process

Stage 4: MEF Budget Committee

Budget Committee discussions are chaired by the Minister for Finance, accompanied by his closest advisers, together with representatives from the President's and the Prime Minister's offices and the State Inspectorate General. The Budget DG prepares a report on bids for the Budget Committee, which serves as a base for the discussions. Hitherto discussions have been on the basis of line item estimates, given the limited capacities of the Budget DG (insufficient staff, without the technical skills required to analyse the Results-oriented Public Expenditure Management).

Allocation decisions are taken on the basis of instructions in the budget circular and the financial constraints. The commission also examines capital expenditure estimates under Title VI, corresponding to the annual budget of the Public Investment Programme (PIP) in which local counterpart funds for aid-financed projects receive priority. The social sectors and State institutions are examined closely. External financing, grants and project loans are then taken into account, with help from the Cooperation DG.

Assessments of the level of receipts are made by revenue departments, and from estimates of income from user charges made by departments in spending ministries. They take account of the situation of the economy and the probable impact of any measures taken during the budget year.

In light of the difficulties experienced in drawing up the budget, both in terms of the methods and the instruments used, actions designed to improve the workings of the Budget Committee are currently being introduced for the preparation of the 2003 budget, including:

- Reorganising the current budget timetable – as part of a revision of financial regulations;
- Deconcentrating sector budgets, particularly for the local social services;
- Improving the analysis of draft budgets;
- Revising the allocation system using Results-oriented Public Expenditure Managements for each ministry;
- Ensuring that the conclusions of the committees responsible for Title VI (capital expenditure) are made available prior to allocation decisions. This happened in preparing for the 2003 budget. The committee met from 1 to 12 July 2002, before expenditure allocations were finalised.

Stage 5: Preparing the draft Government Budget

Once the Budget Committee has finished its work, the Ministry of Economy and Finance finalises the draft budget and sends it to the Government for examination and adoption.

Stage 6: Adoption of the draft Government Budget by the Government

The Cabinet examines the draft budget and makes any amendments before endorsing it. After taking into account the amendments made by the Cabinet, the Ministry of Economy and Finance finalises the draft budget and presents it to the National Assembly for examination and approval.

Given the current difficulties in designing and analysing Results-oriented Public Expenditure Budgets, the draft Government Budget is still presented in the form of a line item budget. In the long term, the aim is to replace the budget by type with Results-oriented Public Expenditure Budgets.

The legislative phase

This phase covers the examination of the draft Budget Law preceding its approval. To facilitate its study by the National Assembly, the draft Budget Law is accompanied by explanatory annexes. At present, these do not include the Results-oriented Public Expenditure Budget. However, the National Assembly has the powers to demand supporting documents, viz.

- the financial statement
- statements funding requirements for the Government and the public sector
- month-by-month cash management plans and criteria for releases
- table of state financial transactions, and
- functional and economic presentation of the Budget.

The draft Budget Law is examined by the National Assembly's Finance and Budget Committee (COMFIB), which carries out analyses and examines responsible officials in ministries and institutions. These discussions provide the members of parliament with valuable insight into the sectoral policies and the justification of expenditures. The Committee's work is submitted to a plenary session of the National Assembly, which, after debate, votes on the Budget, thus passing it into law. This ends the legislative phase of budget preparation, though the Budget can be modified in the course of the year by supplementary budget laws. These are also approved by the National Assembly on proposal from the Government.

Finalisation and publication of the Budget Law

After the legislative phase, the draft Budget Law is finalised and transmitted to all the institutional players for execution. This generally takes place before January of the year in question.

2.2 Summary indication of the record of budget execution – the relationship between budget estimates and actual outturns in aggregate and in detail (by ministerial department)⁵

Budget planning in Burkina Faso suffers from poor estimates of receipts (see Annex 2, Table 1). This is due to: i) over-optimism about growth prospects, which comes as much from the politicians as from the administration and from certain donors; ii) the fact that the economy is relatively dependent on climatic and external factors that are difficult to forecast (rainfall, evolution of international prices for raw materials such as cotton, etc.).

Inaccurate revenue projections⁶ lead to cash management problems. If these become unmanageable the Minister of Finance has powers to halt expenditure commitments.⁷ Priority is given to expenditure for personnel, to servicing the external debt, to capital expenditure and to the priority sectors.

There are noteworthy differences between the CGFO table, the MTEF and the Budget, with expenditure provisions in the latter being systematically higher than in the MTEF. This proves that, for the time being, the MTEF exercise, designed as a framework for public expenditure programming, is not entirely accepted by the parliament.

Table 1: Estimates and outturns for budget revenues, excluding grants (millions CFA francs)

	1996	1997	1998	1999	2000	2001	2002
Estimates Budget Law (1)	147 707	183 584	217 667	278 746	239 177	258 348	335 481
Estimates CGFO (2)	143 649	181 210	214 125	222 972	259 755	289 948	308 200
Estimates MTEF (3)	-	-	-	-	223 600	250 800	263 600
Actuals CGFO (4)⁸	160 892	182 153	199 367	238 100	219 300	267 700	
Actuals/Estimates (4) / (1)	109%	99%	92%	85%	92%	103%	

Burkina Faso receives large amounts of foreign aid, to which has been added, since 2000, the HIPC initiative.⁹ Budget support grants account for around 10% of budget receipts; funds from the HIPC initiative appear to practically double this budget aid. Three-quarters of the capital budget is financed through external sources (two-thirds in grant). Between 55% (1996) and 35% (2002) of public expenditure (recurrent and capital) is financed externally. The unpredictability of international aid contributes to difficulties in programming receipts and expenditures.

⁵ See Annex 1 for a description of institutional roles in public expenditure authorisation, implementation and accounting

⁶ See Table 3 in appendix on the three-monthly estimates and actual outturns for budget revenues in 2001

⁷ article 71, Budget Law

⁸ Financial Operations Statement used as a source for actuals in the absence of Budget Law tables of actual receipts

⁹ See Table 4, in appendix

Recurrent expenditure represents over 50% of the Budget, half of which is wages.¹⁰ The recurrent share in the total budget has increased since 1998 (actual outturns). The fall in capital spending stems from the drop in external financing. HIPC funds allocated for investment helped to maintain the domestically financed share of the capital budget.

The rates of execution for expenditures for goods and services have fallen since 1999 (around 90% compared with 98% previously) due to poor programming of Government receipts, leading to cash management problems, which obliged the Minister of Finances to freeze certain expenditures by non priority ministries.

The rates of project implementation are steadily falling, both those financed domestically and those financed externally for reasons to do with both planning and implementation. This has forced down the overall rate of execution of the Government Budget (excluding debt), ever since 1996.

Monitoring is financial, rather than physical. Despite a few field visits by the Central Government Office for the Coordination and Evaluation of Investments, there is little concern, in monitoring of the Public Investment Programme (PIP), for physical progress or projects' impact on economic growth and the populations' living standards. The information collected and transmitted by the Central Government Office of Studies and Planning to the Central Government Office for the Coordination and Evaluation of Investments is unhelpful because it is incomplete and fragmentary. Some project managements are not results-focused. Others, implemented directly by the donors, are not taken into account in the annual report, either because the information is not available or because it is sent too late.

There are mid-year reviews of PIP implementation, allowing implementing agencies to revise their budgets in the light of progress, new project agreements and revised cost estimates. There may even be a second in-year review. Problems can arise from failure to follow donors' procedures, procurement rules and expenditure procedures for budgeted resources. Implementation rates reported are biased upward because based on estimates after adjustments made in the first half of the year.

Sector shares of recurrent expenditure are relatively stable (see Annex 2, Table 6). Expenditures on personnel and supplies for the Ministry of Basic Education and Literacy amount to 16% of the recurrent budget, the same as for the Ministry of Defence and for the 'sovereignty' ministries.¹¹ The agricultural sector and the infrastructures and transport sector fight for first place for the highest investment allocations, each with between 23 and 27% of total capital expenditures. The share of capital expenditure for basic education has risen sharply, augmented by HIPC funds. HIPC has stabilised capital expenditures on health.

Overall, the share of total public expenditure allocated to the agriculture, fishing and animal breeding sector remains the highest, although the share is falling in favour of primary education and literacy.

¹⁰ See Table 5, in appendix

¹¹ Presidency, Prime Minister's Office, Secretariat General, Parliament, Economic and Social Council

Box 4: The Three Phases of HIPC Fund Management

	Amount of HIPC funds				
	2000	2001	2002	2003	2004
HIPC Resources	6 220	26 590	25 200	25 900	28 100
<i>% of revenues</i>	3%	10%	9%	8%	8%
<i>% of expenditures</i>	1%	5%	5%	5%	6%
Sectoral allocation*		22300			
<i>Education</i>	2 870	8 540			
<i>Health</i>	2 530	8 140			
<i>Rural roads</i>	1 800	2 040			
<i>Agriculture</i>	0	2 940			

- These amounts take into account HIPC resources brought forward from 2000 to 2001

To improve monitoring and use of funds, a special Treasury account was opened for the sums corresponding to debt relief for the year 2000. However, difficulties arising from the application of procedures for payments of expenditures made via this account led the government to take a fresh look at the system. Only 6.2 billion CFA francs of funds were committed in 2000, out of a total of 10.2 billion provided for.

Hence, in order to improve transparency and the availability of funds, an account has been opened at the BCEAO to receive HIPC assistance from 2002 onwards. All expenditures financed by these resources are now paid through this account.

For greater efficiency, it has been decided that as of 2003, all HIPC funds will be counted as budget receipts.

Chapter 3: Use of Targets and Performance and Results Indicators

3.1 The use made of public service performance indicators and targets alongside budget allocations by function (budgets, plans), type (input, activity, output, outcome), by sector and level of regional disaggregation

Although the introduction of Results-oriented Public Expenditure Managements (ROPEM) was not connected to the 1997 donors- Government initiative on new aid conditionality, and came before the PRSP, the three are clearly related. The Government has concentrated its efforts in results-oriented budget policy monitoring on eight priority sectoral ministries, all of which are vital players in the PRSP: Ministry of Economy and Finance, revenue collecting section; Ministry of Health; Ministry of Basic Education and Literacy; Ministry of Secondary and Higher Education and Scientific Research; Ministry of Agriculture; Ministry of the Environment and the Ministry of Regional Administration and Security.

Burkina Faso first used results-based indicators in 1995-1996 in the contest of a Special Programme for Africa initiative by the European Union and the World Bank for a common approach to aid conditionality for structural adjustment. This was based on a series of indicators to monitor the programme contained in a paper entitled 'Monitoring government performance'. The reform was mainly aimed at improving the government's ownership of the processes of defining, monitoring and evaluating policies and at improving the effectiveness of aid by introducing measurable, pre-defined, performance indicators. With the government's agreement, the decision was made to launch a pilot study in Burkina Faso in 1997. The pilot was completed in July 2000 and served as a basis for defining the PRSP monitoring indicators for macro-economic and budget management, health and basic education.

The PRSP, agreed in July 2000, initiated an iterative process. A progress report was drawn up in July 2001, policy guidelines and actions for the period 2001-2003 were updated and presented in April 2002, and a second progress report was published in July 2002, following a national conference bringing together all the stakeholders in the PRSP process.

The PRSP's anti-poverty policies are articulated around four strategic objectives: 1) to accelerate equity based growth; 2) to guarantee that the poor have access to basic social services; 3) to expand opportunities for employment and income-generating activities for the poor; 4) to promote good governance. The document presents the profile of poverty in Burkina Faso and gives forecasts for medium and long-term development. These forecasts are taken from the sectoral development plans (ten-year development plan for basic education, national health development plan, strategic operational plan for agriculture and livestock) and form the basis of an on-going process of defining indicators and targets for the PRSP.

The performance indicators given in the I-PRSP of July 2000 only covered budget management (better governance therein), health and education and were borrowed from the conditionality pilot exercise. The updated PRSP published in April 2002 added indicators with targets for macro-economic monitoring and cost effectiveness. There were some additional indicators and targets for education and health, and new indicators on access to safe water. Finally, an annex proposed additional PRSP monitoring indicators, covering the private sector, competitiveness, energy and rural development (agriculture, livestock, rural roads and the environment). In Table 2 below lists the indicators mentioned in the progress report in April 2002, with the exception of the indicators relating to the private sector and competitiveness.

The indicators mentioned in the PRSP are not given in a particular order or with priority according to the level of monitoring (input level, activity level, final outcome, development outcome targets). In Table 2, we have tried to make this classification. Most are activity and output, not to input or final impact indicators. The few input indicators are on macroeconomic management and cost effectiveness, and there are some outcome indicators.

Input indicators are the traditional ones used in monitoring structural adjustment programmes. This is because the macro-economic framework is a key component of Burkina Faso's PRSP and that the agreements with the IMF and the World Bank, as in the past, cover maintaining macro-economic balance, and improved budget management and governance. The Ministry of Finance's Results-oriented Public Expenditure Budget details necessary actions (computerised expenditure management system, a budget management improvement plan and a project to strengthen economic governance etc.). However, there is no clear link between achieving macro-economic targets and indicators, and expenditure on poverty reduction and impact on poverty. In addition, certain indicators for budgetary transparency, such as public procurement prices, are hard to interpret.

This lack of linkage also occurs in the MTEF which mentions that the budgetary allocations are derived from a macro-economic framework which defines an overall budget ceiling, and from the 'strategic guidelines in the PRSP.' But there is thereafter no further mention of indicators or results targets. The MTEF does not show budgets by programme, but only by ministry and by budget heading. To our knowledge, there is no transformation matrix showing how anti-poverty actions are costed and translated into conventionally defined public expenditure requirements.

Most indicators of activities relate to projects. Apart from the health sector, where health centres' operations are detailed and costed, nearly all the activities listed in the PRSP are the expected results of investment projects. This demonstrates that the process of monitoring budget policies by targets and programmes is not fully assimilated. To make things easier, the process has only been adopted for investment operations. To a great extent, the method consists in simply listing the planned investment projects and filling in the corresponding expected outturns. This is the case for the Results-oriented Public Expenditure Budgets of both ministries integral to the PRSP, and for other ministries.

The ROPEM budgets we consulted list indicators for targets, programmes and activities, the latter being used as the basis for estimates of expenditures over the three-year period. A second part lists corresponding public expenditures, by budget heading, i.e. by inputs. This part only applies to the first year of the three-year ROPEM budget. Generally speaking, draft ROPEM budgets do not show functional allocations of expenditure by activity, in their tables displaying the relationship between programme and ordinary budgets. Preparation has been easiest for ministries with a development plan and/or sectoral investment programmes.

Several remarks can be made about the fact that most activities identified in the ROPEM budgets and/or PRSP are investment activities. This may be adequate and appropriate in infrastructure, or water supply. However, the PRSP and ROPEM budgets should have provided properly for the recurrent costs of public investments (e.g. road maintenance), but did not do so. Planning for the Public Investment Programme (PIP) is not yet results- or outcome-based. PIP monitoring is consequently unreformed: the public expenditure review of the PIPs carried out in 2000 notes that the report cards to be completed by project managers and the Studies and Planning Central Government Offices do not mention expected results.¹²

¹² 'The tables given in the physical evaluations as they stand at the present time (when they actually exist) are not satisfactory. They are not based on results indicators and therefore do not enable a thorough analysis to be made.' (STS-PDES MEF, 2000, vol I, p.18).

The PRSP and the public expenditure review on basic education mention that schooling costs are high for the poor and that there are great differences in the weight of spending on education between the household budgets of the rich and the poor. And yet only one indicator attempts to identify this constraint on the demand for education, i.e. the average user cost of primary schooling, as revealed by surveys. However, measures to reduce the costs to be paid by the parents, which appear to have been taken before the PRSP was adopted, are continuing. This covers programmes such as financial and material allocations to mothers' associations, free distribution of schoolbooks and the opening of school canteens in rural areas. Indicators to monitor the effectiveness of such programmes should be provided for in the PRSP. Conditions for obtaining HIPC funds in the education sector refer only to increasing the supply of schooling (recruiting teachers and building schools) and to improving the quality of teaching, and not to reducing the opportunity cost of sending children to school. If this is not taken into account, there is a risk of lessening the effectiveness of the PRSP's policy on the supply of schooling and of HIPC funds. Another problem is the quality of teaching, as mentioned in the ten-year development plan for basic education and the public expenditure review. Educational quality may suffer from the new policy of engaging new primary teachers without civil servant status, with only one year's training instead of two, to be directly employed in locally-run schools. These reforms were conditions for the HIPC completion point, but are not mentioned in the PRSP. In addition, as mentioned in the public expenditure review, technical and secondary education must also be strengthened, in order to guarantee jobs for the new pupils.

Output and outcome indicators mentioned in the PRSP come, for the most part, either from the pilot conditionality exercise or from the sectoral development plans (ten-year basic education plan, or strategic plan for the agricultural sector, for example). The targets laid down in the PRSP are the same as those given in the sectoral plans. Sector ministries' ROPEM budgets also use these indicators and targets, at the central and local levels. Annex 2, Tables 8, 9, 10, 11 compare the targets from the sectoral development plans and the national and regional ROPEM budgets for basic education and agriculture. Regional targets are adapted to the specifics of each region, though consistent with national targets.

Most indicators and targets are only national. However, there are some indicators for the 20 poorest provinces (taken in aggregate), and some for gender (schooling for girls, for example). Targets are rarely disaggregated. Some targets have no obvious or well-defined link with poverty reduction. This is the case, for example, for GDP growth which may not lead to poverty reduction if offset by an increase in inequality.

Table 2: Poverty Monitoring Indicators given in the PRSP

	PRSP	National sectoral development plan	ROPEM Budget (National)
Input indicators (input level)			
Macro-economic management			
Cumulative change in net domestic Govt. financing	X		
Tax revenues / GDP	X		
Current expenditure / GDP	X		
Budget balance (basic and primary)	X		
Budget execution indicators	X		
Budget execution rate (excl. HIPC and external financing)	X		
Average time from validation to payment	X		
Unit price of public procurement contracts	X		
Education			
Basic Education Ministry share in total govt. budget	X	X	X
Percentage of materials expenditures going to regional departments	X	??	??
Budget execution rate	X		
Health			
Health Ministry share in total govt. budget	X	X	X
Percentage of total expenditures going to decentralised units (regions & districts)	X	X	X
Agriculture Livestock Environment			
Energy			
Activity indicators (activity level or intermediate output)			
Education			
Number of classrooms, number of teachers	X	X	X
Health			
Vaccination rate (BCG, DTC3, measles, yellow fever)	X	X	X
Percentage of health centres meeting personnel standards	X	X	X
Out-of-stock rate for MEG* (overall, by district)	X	X	X
Percentage of health centres with MEG supplies	X	X	X
Cost of medical treatment	X	X	X
Out-of-stock rate for screening reagents for AIDS	X	X	X
Access to drinking water			
Water supply points by province	X	X	X
New access for secondary towns	X	X	X
Breakdown rate for pumps	X	X	X
Agriculture Livestock Environment			X
Rural roads constructed (km) including 20 poorest provinces	X	X	X
Areas sown with crops	X	X	X
Number of farmer groups	X	X	X
Number of grazing areas sectioned off	X	X	X
Number of water supply points for grazing	X	X	X
Vaccination rate for livestock	X	X	X
Area of developed forests	X	X	X
Number of tree programmes	X	X	X
Number of anti-erosion sites created	X	X	X
Results indicators (Final outcome)			
Macro-economic management			
Real GDP growth	X		
Average annual inflation rate	X		
Access to safe water			
New water supply points	X		
Education			
Gross enrolment rate in CP1** (total, girls, 20 poorest	X	X	X

	PRSP	National sectoral development plan	ROPEM Budget (National)
provinces, of which girls)			
Year repetition rate, by cycle	X	X	X
Success rate CEP***	X	X	X
Gross school enrolment rate	X	X	X
Average cost of primary schooling	X		
Health			
Number of visits to health centres	X	X	X
AIDS: Number of persons screened and treated	X		
Agriculture Livestock Environment			
Evolution farming yields	X	X	X
Evolution agricultural productivity	X	X	X
Contribution of livestock sector to GDP	X		
Contribution of environment sector to GDP	X		
Energy			
Evolution rate of electrification	X	X	X
Number of secondary centres electrified	X	X	X
Number of rural areas electrified	X		
Impact indicators (development outcome targets)			
Income poverty indicators (P0, P1, P2)	X		
Education			
Number of newly literate	X	X	X
Agriculture Livestock Environment			
Rate of opening up of rural areas	X		
Evolution farming communities' incomes	X		

* MEG generic drugs; ** CP1 first year of primary school; *** CEP certificate of elementary education

In short, the sectors where most thought has been given to the choice of indicators are those with an investment plan and a ten-year development plan, and which have taken part in the pilot conditionality exercise, such as education and health. These ministries' ROPEM budgets are consistent with the indicators and targets in the PRSP and development plans. The relationship between activities and the means required to implement them is not clearly stated. Objectives for outputs or outcomes are poorly targeted and do not necessarily have an automatic link with poverty reduction. Finally, targets and indicators identification is still on-going.

During our mission, ONAPAD (National Observatory on Poverty and Sustainable Human Development) – a body financed by the UNDP's project to strengthen economic governance (PRGE) and based at the INSD – produced a document with additional and different indicators to monitor poverty reduction from those in the progress report on the PRSP of April 2002. The status of this document is unclear, although it appears that a move to include ONAPAD in work on drafting and monitoring the PRSP policies is currently under discussion. The proposal and the proposed indicators, were mentioned at the PRSP conference held during our mission. It was apparently agreed that ONAPAD would be in charge of defining and monitoring indicators, in cooperation with INSD, and that STS-PDES would implement its recommendations. As an example of their approach, ONAPAD defined 12 indicators for education that do not include all the PRSP indicators but include other ones. It proposes 37 indicators for agriculture and 44 for health. Most of the indicators are indicators of activities or outputs, as in Soviet-style planning which is inconsistent with an outcome or results-oriented approach.

We find this 'proliferation' somewhat worrying, particularly as there is no mention of how the statistics are to be collected, or the periodicity, or the type of analysis to be used to link the indicators, the poverty reduction policies and the impact on poverty. Whatever the case, defining, changing and proliferating indicators whilst the PRSP is in progress does not, in our opinion, allow sound monitoring, particularly by regional public agencies if their marching orders change every year.

At the present time, the Budget Law does not contain performance indicators. The current reforms, undertaken as part of the budget management improvement plan, require the Results-oriented Public Expenditure Management budgets to be attached to the Budget Law. The last Budget Settlement Law dates from 1995 and contains no performance indicators whatever.

3.2 Formulation of targets and indicators: consultation, participation, costing, adjustment

The choice of indicators and targets for PRSP monitoring initially took place at the level of the central departments of the ministries concerned (Ministry for Basic Education and Literacy, Ministry of Health), at the Ministry of Finance (STC-PDES, INSD, ONAPAD), in partnership with the donors. A two-day national conference on the PRSP was then organised to involve all the departments concerned in the introduction, execution and monitoring of the PRSP. Nearly 300 civil servants were invited to take part. The list of participants shows that the regional agencies were not invited to the conference. However, some civil servants from local administrations (High Commissioners and members of local authorities) and local elected representatives were invited.

There is also a plan to set up PRSP sector monitoring groups (by the end of 2002). They will comprise representatives from the central government offices of relevant ministries, the donors and interested civil society associations, and Ministry of Finance units in charge of coordinating and monitoring the PRSP (STC-PDES and INSD). It should be noted that, at the present time, the civil servants coming from regional agencies have not been asked to take part in these sector groups.

The ROPEM budgets of ministries involved in the PRSP – Basic Education and Literacy, Health, Agriculture and Water, and Finance – use targets which are, for the most part, the same in sector development plans or as the macro-economic targets defined by the donors monitoring committee on budgetary aid. Some indicators are still under discussion.

The indicators and targets for the Ministry of Basic Education were first defined in its ten-year development plan. The ministry has a model that projects the trajectory that indicators, e.g. the enrolment rate, need to follow, by region and by province, to reach their ten-year target levels. The model was developed by UNESCO's International Institute of Educational Planning (Paris). Each regional department is required to draw up action plans to fit the targets. Proposals are made at the lowest levels (inspectories), submitted to the province level (provincial public agencies for basic education) then the regional level (regional public agencies for basic education). Initial discussion of these takes place at the regional level in consultation with the provincial public agencies. However, these sessions do not always meet the objectives of the programme approach and are more like formal meetings. Regional proposals are then consolidated by an internal committee at the Ministry, with participants from the Central government offices of Studies and Planning and of Administrative and Financial Affairs and the General Secretariat, before being submitted to the Ministry of Finance. The Ministry has a table of standard construction costs and operating costs for schools, designed to help plan the expenditures required to meet the targets. However, the differences between the unit costs and the real costs are not monitored.

The Ministry of Health has a health development plan defining the targets and activities of different departments over three-year and ten-year periods. Its ROPEM budgets cover the same activities, and evaluate their costs. ROPEM budgets are drawn up for each unit. In 2003, the resources allocated to the central departments were increased by 5 to 10%, and those of regionalised units by 25%. Each unit is responsible for allocating its budget to its different

activities. The ministry does not use unit costs, apart from a few pro-formas for certain expenditures (investments, in particular).

The Ministry of Agriculture also has a development plan (the Operational Strategic Plan for Agriculture). The targets and activities listed in this plan are not costed, but are known and used by the departments responsible for drafting the ROPEM budgets at the central and regional levels (see Annex 2, Tables 8 and 10). However, officials are not very motivated by what they regard as a pure formality.

Ministries without ten-year development plans or priority status in the PRSP, such as the Ministries of Mining and Transport also draw up programme budgets which are based on proposals from each unit, framed in the light of goals and targets defined by the Ministry's central departments. Consolidation takes place at the central ministry level. From our study of the ROPEM budget for the Ministry of Mining, we observed that already funded investment projects have greater importance in target setting than the Ministry's goals.

All ministries' programme budgets are vulnerable to expenditure allocation decisions by the Ministry of Finance. They are not adjusted to take into account final expenditure estimates in the draft Budgets submitted to the National Assembly.

In short, the process for defining indicators and results targets is based on a top-down approach, in the sense that, first, the central departments of the sectoral ministries and the Ministry of Finance define the indicators and targets and, second, the Ministry of Finance adjusts budget expenditure bids by budget line and not by activity when actual tax revenues do not meet the estimates. However, efforts are currently being made to intensify consultation with regionalised units of ministries, particularly by organising workshops and PRSP monitoring groups. These should be continued and their scope widened.

3.3 Cascading of targets to middle and junior managers and implementing units; flexibility in resource management

Consultation with regionalised units and decentralised authorities remains insufficient, although there has been progress, particularly since the start of sector development plans. For example, the ten-year education plan budget was drafted on the basis of work by four workshops organised at the provincial and regional levels. Their main objective was to discuss budget allocations required to carry out planned activities with local units. However, only the regional directors, their administrative and financial departments and the directors of National Primary Schools are, with the Ministry's central departments, involved in this preparatory work.¹³ Departments at the regional level are not always informed of final budget decisions, hence their lack of commitment to the programme budget process, and the failure of the participatory approach to Results-oriented Public Expenditure Management. Thus, some programmes not desired by local departments are implemented, while others requested by them do not receive budget allocations.

There are no provisions for the PRSP monitoring groups to include the regional agencies amongst their participants. Generally speaking, participation in drafting the budget only involves officials. The involvement of public service beneficiaries is still in its very early stages. However, for agriculture, the National Community-based Rural Development Plan (PNGT phase 2) is based on a decentralised approach, giving responsibility to local stakeholders.

¹³ Source Public Expenditure Review, Ministry of Basic Education and Literacy

Apart from the Ministry of Finance, ministries and public sector agencies have very little if any liberty for action in budget execution. In Burkina Faso, only the Minister of Finance is able to authorise expenditures. Other ministers' commitment to implement policies requiring public expenditure is thereby weakened. At the lower levels, particularly in regional agencies, managers have very few powers of decision in resource allocation.

However, in the last two years devolved expenditure management has been introduced into the ministries of Health, Basic Education and Infrastructures, although only for Heading III expenditures (supplies). At the Ministry of Health, nearly half of these expenditures are managed directly by the regional agencies and the health districts. At the Ministry of Basic Education, approximately 75% of non-staff recurrent budgets are managed by regional and provincial agencies. This obviously allows the regionalised units greater room for manoeuvre than previously, even though the spending authority is granted late in the year (June), which limits the time available for its effective use. Unfortunately, the spending cuts that the Minister of Finances is sometimes obliged to apply during the budget year also affect the exercise of these powers. Payment on invoices is still centralised in Ouagadougou.

Poor communication at lower levels also vitiates the efficient use of expenditure. For example, Health and Social Service Centres (CSPS), not knowing how much has been allocated to them in the Budget Law, receive deliveries of equipment ordered at district level, and are unable to check its conformity with their allocations. The same applies to units at the local level of the Ministry of Basic Education and no doubt to the other ministries. They have the equipment, but are not aware of unit purchase prices. Certain local units (CSPS and primary schools) say that they receive nothing from the Government Budget.¹⁴

The Ministry of Agriculture's regionalised departments do not yet have devolved budgets, even when the Ministry's budget shows a regional breakdown of allocations for equipment and office supplies. Orders to cover their needs are made by the Administration and Finance agency and delivered in Ouagadougou. Local units therefore have no leeway whatever in their budget management.

The current decentralisation reform should provide effective autonomy for the municipal and regional authorities. However, with a low local tax base, they must also have resources from the centre and adequately trained personnel. A study carried out by the OECD's Club du Sahel, the PDM (municipal development programme) and the IRD (Research Institute for Development), shows that the revenues collected by the town of Bobo-Dioulasso do not exceed 1% of the local GDP.

3.4 The nature of incentives and penalties aimed at encouraging service providers and administrators to achieve their targets

At the present time, there is no system of bonuses or incentives for meeting results targets, except in executive agencies. The only rewards are letters of congratulations and medals, but these are exceptional and offer little incentive. The Country Financial and Accountability Assessment (CFAA) explains the principles of performance bonuses. The action plan for reform which the Ministry of Finance is currently drawing up on the basis of the CFAA and the project to strengthen economic governance, takes up this idea of introducing performance bonuses.

¹⁴ Source: Public Expenditure Review, Health, p 38, and Public Expenditure Review, Ministry of Basic Education and Literacy, p 30.

These performance bonuses will need to be high if they are to motivate the heads of departments, who have lost much of their prestige with the enlargement of the role of ministerial cabinets, comprising ministers' special advisors.

Chapter 4: Factors in the Success or Failure of Results-based Expenditure Management

4.1 Processes of verification of results achieved: administrative management information systems and sample services

Monitoring budget expenditure

The country has an efficient computerised system for monitoring expenditure of domestically mobilised resources, in detail, by budget line. Beyond this, it is difficult to break down the expenditure or to relate it to targets. However, it is important to note that the normal expenditure execution procedures, i.e. commitment, validation, payment authorisation and payment, are only used in 13% of cases. The simplified procedure, consisting in a single stage combining commitment and validation is used for 60% of expenditures excluding wages. This procedure is used for contracts with a prior legal commitment, for which the amount is known. Finally, emergency procedures are applied in 20-25% of cases, for expenditures paid without authorisation, or expenditures where authorisation is made official after the payment.¹⁵ Similarly, there is relatively little *ex post* verification of receipts. Only the Treasury Department monitors the actual revenues collected. Improvements could be made in monitoring tax exemptions. Thus, parts of the Government Budget are implemented with no assurance of legal compliance.

External project aid is still poorly, late and inaccurately monitored. But now at least it is budgeted, which is better than the situation before 1994, when its monitoring by the Central Government Office for Cooperation was criticised by the Court of Auditors. The current system helps monitor the way aid is used by type of expenditure, but for all the projects together.

Some ministries, like Health, draw up three-monthly reports on the basis of information provided by the regions. However, these barely refer to indicators or the rates of physical implementation. They should be made consistent with sector targets. The information available does not therefore allow budget execution to be monitored during the year, either in financial terms or, *a fortiori*, with respect to targets.

National legislation on the monitoring of budget execution is due to be harmonised in the framework of WAEMU reforms. However, results indicators are not included in the reforms.

Annual reports

The most reliable annual expenditure reports are the management accounts prepared by public accountants. However, their coverage is incomplete, and the Court of Auditors cannot examine them for consistency with authorising officers' accounts. The lack of management accounts is a major shortcoming in monitoring budget execution.

Another source of information lies in public investment progress reports given in the ROPEM budgets, broken down by annual budget. But their correspondence to budgeted amounts is unclear. Although the PIP is now better drafted, numerous problems still persist, particularly in monitoring. The PIP does not cover investments by the provincial and communal authorities. Project monitoring forms are too complicated, whether for financial or physical monitoring. The Public

¹⁵ CFAA document

Expenditure Review of the PIP, carried out in 2000, recommended that these forms should be simplified in order to obtain a higher response rate. A pilot is currently underway on a sample of projects. There is no analytical information system in use showing projects' economic sector, their capital and recurrent costs, and their economic and social impact. At present, the forms used for physical monitoring make no mention of intended results indicators.

There are three different sources of disbursement data: Evaluation and Planning Central Government Offices in beneficiary ministries collect data on disbursements from the project managers; the Cooperation DG monitors aid disbursements; and the Central Government Office for the coordination and evaluation of investments submits requests for disbursements to donors. There are still inconsistencies between these three sources of information. It would be better if a single entity, drawing on the different sources, made a best estimate of actual disbursements.

Budget Settlement Laws, giving discharge to audited expenditure accounts and intended for examination by the National Assembly, are starting to be prepared. Real progress has been made in this area, and the backlog is being reduced. The Budget Settlement Law for 1994 was voted in 1998, and the drafts for 1995 to 2000 have been submitted to the Court of Auditors for examination.

There is no monitoring of Results-oriented Public Expenditure Management targets in Burkina Faso, thus no real *ex post* evaluation of results relative to targets, for the reasons given above. There is also no stock accounting, so there are no records of the physical acquisitions of equipment and buildings, so no audit thereof. However, a committee to monitor physical budget implementation was due to be set up in 2002. There should, in the interests of good governance, be an annual report on performance indicators, which is attached to the Budget Settlement Law and examined by the National Assembly.

Public Expenditure Reviews

The World Bank carried out the first public expenditure review (PER) in 1992. The Burkina Faso Government then took over the exercise and began producing sectoral PERs. There are six PERs for the period 1999-2002: i) basic education; ii) health; iii) study on improving the process of drafting and monitoring the public investment programme (PIP); iv) study on the decentralisation of budget execution in local government departments; v) infrastructure and vi) rural development. The aim of these reviews is to assess the effectiveness of public expenditure. Review documents are of varying quality, drafted by officials (or others) generally with some methodological support from international consultants. PERs are not official public expenditure monitoring documents. As often noted, most of the time their recommendations are not followed up. Nevertheless, their conclusions are generally discussed in workshops with representatives from the MEF, the Central Government Offices of Administrative and Financial Affairs, the Central Government Offices of Studies and Planning, the donors and the National Assembly.

The sector PERs evaluate public expenditure in the sector over a period of around ten years. Great efforts are made during this exercise to gather the most comprehensive expenditure data possible. Reviews analyse authorised expenditures, but not physical achievements.

One of the aims of the PERs is to review the consistency of expenditure patterns with sector policy guidelines defined in the framework documents such as the ten-year development plan for basic education or the PRSP. The consultants are therefore asked to assess the efficiency (cost-effectiveness) and incidence (between geographical zones and between households of different income level) of the public expenditures. When the exercise is carried out correctly, it is currently the best tool for monitoring public expenditure. However, these are complex exercises. Though the Government has agreed to carry out at least one sector PER each year, subject to resources,

these reviews cannot be a permanent tool for monitoring public expenditures because their periodicity is not very well defined and they are not sufficiently institutionalised and owned by the sector ministries. For instance, there have been no PERs for health and basic education since 2000.

PERs are no substitute for administrative accounts which are the official statements of budget execution. These documents alone have a legal status and are intended for parliamentary scrutiny. They should be produced rapidly, and their classification must be modified to reveal the objectives of expenditure.

Administrative systems for the collection of statistics

The Ministries for education, agriculture, health, infrastructures and other sectoral ministries have dedicated departments for the collection of statistics. These statistics are used by the National Institute of Statistics and Demography (INSD) and the STC-PDES to draw up the national accounts and construct the macro-economic framework used in the MTEF, and they are the basis of results indicators used in ROPEM budgets and PRSP monitoring. However:

- These departments do not appear to be sufficiently motivated or aware of the importance of their tasks;
- It is not unusual for the same statistics to be collected by several departments at the same time, using different sources and methods, without any consultations between them up.

In the coming months, ONAPAD is planning to organise a series of meetings aimed at harmonising and coordinating the different sources of information, by reactivating the National Council for the Coordination of Statistics and by drawing up specifications for the statistics to be collected by the regional agencies.

Statistics departments are dilatory in collecting the information required to monitor the PRSP. In mid-2002 there were delays in assembling data on performance indicators which prevented proper comparisons of target and actual performance in 2001 from being tabled and discussed at an important PRSP awareness-raising conference for officials, and which also delayed for a number of months the presentation of PRSP progress report to the donor community. There may have been real difficulties in collecting data, but there was also a clear lack of motivation on the part of those concerned.

Finally, the government's main approach to establishing a PRSP monitoring system is to proliferate monitoring institutions, rather than improving data quality and collection. They have set up monitoring groups or secretariats whose prerogatives are not always very clearly defined, or which tend to overlap with existing units (such as sector ministries' research departments), and end up supplanting them.

Household surveys

To date, the INSD has carried out two Living Standards Measurement Surveys (LSMS), one in 1994 and the second in 1998, and two Demographic and Health Surveys (DHS), in 1993 and 1998. A third household budget survey is due to be carried out in 2002-2003. Although the first PRSP document mentioned that quick household surveys would be conducted, there is still no decision on methodology for them.

INSD is also supposed to carry out four surveys each year as part of the PRSP monitoring process:

- an annual survey of the local departments at the Ministry of Health and the Ministry of Basic Education;

- a six-monthly opinion poll of public services users (health, education);
- a survey of suppliers to government agencies to assess the differences between prices in the private sector and in public procurement;
- a survey contract practice and payment delays in business and among government suppliers.

INSD has now undertaken several of these surveys and the initial results have been forwarded to the STC-PDES, the PRSP monitoring secretariat. INSD's role is limited to carrying out the surveys. It does little analysis for lack of qualified staff and incentive, and insufficient involvement in the PRSP monitoring process. Surveys, particularly the LSMS, are not sufficiently exploited. For example, no use has been made of the 1998 household survey to analyse the incidence on beneficiaries of public expenditure programmes. Urgent action is required to make better use of available data and to raise analytical capabilities in government departments.

At the moment, for lack of ideas on how to analyse the impact of pro-poor policies, the Government's only approach to monitoring programme budgets and the PRSP is by identifying indicators. As a result there are too many indicators, and too little thought given to data availability. Moreover, some indicators, such as school enrolment, yield *per se* little information on the effectiveness of the policies. No-one is asking whether increases in enrolment are due to school construction, or teaching quality, or demand-side factors such as financial support for poor parents, or factors external to education which might, for example, be reducing parents' need for child labour.

This example shows that evaluating expenditure programme performance is not easy, that results need to be assessed at activity, output and outcome levels and that ministries should have analytical capacity for this. German aid (GTZ) is currently financing a workshop for Burkinabé officials and academics on micro-simulations – an analytical tool for assessing the impact of tax and expenditure policies on income distribution.

In short, the Burkinabé authorities should:

- not increase the number of activity indicators, but keep a close eye on how they are implemented;
- adapt them to the sector's management data;
- avoid using indicators of institutional strengthening (which relate to activities whose effect on targets are unknown);
- develop surveys and analytical tools to elucidate the impact of public policies on outputs and outcomes.

4.2 Role of independent verification of results – by internal audit, the national audit office (Court of Auditors, etc.), parliamentary scrutiny committees and civil society monitoring groups

Each ministry is supposed now to present a report on its previous year's performance to accompany its budgetary expenditure bid. The accounts of authorising officers, however are frequently late, and those of public accountants often never completed. There is no real *ex post* check on whether indicators show that targets are reached.¹⁶

¹⁶ See also Annex 1

Parliamentary control

Until now, parliamentary budget committees have had little to do with the reform that introduced Results-oriented Public Expenditure Budgeting. They do not see ROPEM budgets.

Civil society control

Civil society – press and NGOs – is beginning to make its influence felt in Burkina Faso. The country has an effective anti-corruption watchdog, the National Anti-Corruption Network (REN-LAC). This was created in 1997 at the initiative of some thirty civil society organisations, NGOs and youth organisations. It has four permanent employees, supervised by a governing body of seven. It is funded by bilateral donors and several diplomatic missions in Ouagadougou.

REN-LAC works in three areas:

- Investigations and studies, often following demands from citizens;
- Publications, particularly an annual report on the state of corruption in 2000 and 2001 and an inventory of the official anti-corruption texts;
- Law suits. There is a project to set up a legal advisory service.

4.3 Evidence on the relative success of results-based expenditure management when programme implementation is (i) departmental or (ii) by private sector or non-governmental contractors

The Government is in the process of strengthening local administration, and of decentralising functions to local government. However, progress is slow and the process is only just beginning. It is difficult to know whether results-oriented public expenditure management will be more effective in regionalised public departments or in decentralised units.

In the regions there is a lack of incentive and training, and deconcentration is sometimes more apparent than real. For example, in road maintenance, regional infrastructure, housing and town planning directors had authority, until 1998, to commit up to 15 million CFA francs. This authority has now been withdrawn and all contracts are now signed at the centre. The directors' role is now only to monitor and certify the completion of works, arranging hand-over and preparing schedules of payments due to contractors. Payments are made by the Central Government Office of Financial and Administrative Management, after approval by the Ministry's Contract department. This results in late payments due to delays in forwarding supporting documents, and it demotivates the directors. Although the regional directors have authorisations to incur expenditure, they cannot commit to or pay for routine maintenance.

It is common practice for local authorities to outsource to private contractors the management of wastewater disposal and household refuse collection. Municipal capacity to deliver these services is completely inadequate. However, as confirmed by its director-general, the Ministry for sanitation and the protection of the environment does nothing to monitor the effectiveness of outsourced public service contracts. They are not included in the ROPEM budgets or the PRSPs.

In other words, the privatisation of public services removes them from the budgets and makes it impossible to evaluate their performance. This is a serious problem, as it reduces the usefulness of public expenditure on access to drinking water, wastewater disposal, household refuse collection, etc. as an indicator of the intensity of pro-poor policies. Household surveys are therefore essential.

4.4 Whether effective use is made of information on results achieved in introducing performance league tables, benchmarking, setting new targets for performance in terms of input provision, activity levels and intermediate and final outcomes

Government departments do not use performance league tables. However, Public Expenditure Reviews evaluate performance by seeing whether policy objectives achieved have been commensurate with inputs consumed. Thus, the PER on basic education found school building costs were too high. Budgetary aid monitoring procedures also look at the achievement of targets as a basis for decisions on future budgetary aid.

At present, budget preparation involves no review of the adequacy of input provision to achieve intended targets. Estimates are for the most part based incrementally on those approved for the previous year.

4.5 The roles of donors and aid instruments in promoting results-oriented expenditure management

As mentioned earlier, current moves to define and monitor indicators of public expenditure policy performance emanated from the desire of some donors to provide more budget support and less project aid. Although this began in 1997, and although the Government then initiated Results-oriented Public Expenditure Management, there are still doubts about the extent of ownership by the country's civil servants (and civil society) of the ROPEM approach and of PRSP monitoring. Programme budgeting, MTEFs and the PRSP monitoring process give the impression of being donor-driven reforms, superimposed on existing systems rather than the response to concern on the part of the authorities to improve public services and the effectiveness of public expenditures. Although there are numerous workshops and discussion groups on reform which give the illusion of ownership, the reality is weak motivation, and low awareness of the need for reform in public service management and their importance for the welfare of the population. As a result, the reforms are ill-prepared. Large numbers of workshops and monitoring units have been set up, but either the subjects discussed seem too general, or the departments and people invited are not sufficiently interested for constructive proposals to come out of the discussions. This could be highly detrimental to the success and durability of reforms.

There are no easy solutions to these problems, which stem from factors such as the motives of the politicians in power, the maturity of the democratic system and the extent to which the members of parliament are involved in everyday State affairs. But there are also more tractable factors such as staff training and incentives and Burkina Faso's relations with the donor community.

Most donors are convinced that aid to Burkina Faso should be given increasingly in the form of budget support and less in the form of project aid. This is constructive, although discussions are still underway as to the precise methods to be used, particularly due to a disagreement between the World Bank and the European Union on the monitoring and conditionality of budgetary aid (see Box 5). So long as this remains unresolved donors are giving out conflicting signals particularly on the status of the PRSP monitoring process, since the World Bank makes budgetary aid disbursements against documentary proof that its conditions have been met, whereas the European Union bases its decisions on results indicators in the PRSP.

An important implication is that the Government's capacity for carrying out surveys and monitoring the impact of public policies must be increased rapidly. Several donors (including the World Bank, GTZ, the European Union, France) have made funds available for this. The learning

processes for such techniques are long and require motivated personnel and stability in the departments in which they work. These two factors are not always present, particularly as the people who are considered to be the most competent are often hired by the donors' local offices.

A second implication concerns the balance between classic financial management and accountability and accountability for performance. For the donor community, the guarantee that international aid and public expenditures are being used correctly implies that there should be proper traditional financial management and accountability for public expenditure. Until now, the government and the donors have focussed their efforts on improving these basics of public expenditure management. It is quite understandable that the return to good public expenditure management practice initiated with the first structural adjustment programmes should be a priority, and that donors should continue to focus their attention on this. This is why performance criteria such as the rate of execution of public expenditure and the average time between expenditure authorisation and payment are still used to monitor budgetary aid, and are also included in the PRSP as indicators. But, these are criteria of input, not of output or outcome. They should not continue to dominate our concerns in coming years to the exclusion of performance criteria relevant to the achievement of poverty reduction targets. Donors are still confused about this. Some still think that public expenditure performance and target monitoring refer solely to indicators of macro-economic and budgetary management.

The defects in planning and monitoring project aid and the implementation of aid-funded public investment projects have been recognised for a long time. The Government is partly responsible for this. But so too are the donors who fail to ensure that their projects are scheduled in the preparation of the government's PIPs.

Box 5: Aid practice, ancient and modern

The PRSP process should lead on to a reform of aid that meets the criticisms made of traditional aid practice, viz.: i) the multiplicity of economic policy conditions which prevents ownership by the local players; ii) the discontinuity of aid flows, which can hamper reforms; iii) the profusion of donors' activities and possible incoherence between them. The PRSP is a document which should articulate the activities of donors which are committed to supporting recipient governments' policies. This should reduce or even do away with the former practices of conditionality. It encourages the development of budgetary aid as opposed to project aid, and the introduction of systems to monitor the results of the action undertaken. This automatically calls for better coordination of aid. It should promote the ownership of reforms by introducing participatory processes.

In Burkina Faso, the pilot study on conditionality reform, launched in 1997 and completed in 2000, has backed the PRSP process and should therefore accelerate the introduction of new aid and policy monitoring practices. It helped define the first monitoring indicators for PRSP policies. The World Bank, the European Union, Denmark, Switzerland, the Netherlands, Sweden, Belgium, France and Germany have agreed on a joint support protocol for the PRSP (SBS – PRSP) whose aims are (i) coordinated support for and joint monitoring of the PRSP and (ii) harmonised conditionality and disbursement arrangements to smooth transfers to the budget. However, there are several areas of disagreement, and practices persist that may jeopardise these objectives.

First, the donors link their budgetary aid to agreement with the IMF. This makes the status of the PRSP ambiguous and contradicts its principles, as IMF conditionality is mainly based on instruments and not on results.

Box 5 cont.

Second, certain donors, such as France and Germany, the leading bilateral donors, do not grant budgetary aid although they take part in the SBS-PRSP.

Third, the World Bank considers that the current PRSP monitoring system is inadequate for monitoring the use budgetary aid. It has devoted insufficient thought to the choice of output and outcome indicators. For example it does not allow for the fact that some, such as enrolment rates, are medium-term indicators and not always suitable for annual monitoring. Similarly, the World Bank considers that the statistical system (surveys and data collection systems, and analytical capacities) is currently too weak and not sufficiently operational to be used as a basis for monitoring movements in PRSP-defined indicators. Even if, in the long term, its aim is to adopt a target-based monitoring approach, it prefers to continue to set conditionalities of the type used for the structural adjustment programmes. There is also the additional legal argument that the World Bank makes loans, not grants, and its covenants require that borrowers commit themselves to actions, and not merely to achieving results – as exemplified in the Government's letter on development policy to World Bank of 2001. Similarly, the document defining the measures to be taken to reach the HIPC completion point demands reforms that are not necessarily consistent with the PRSP objectives. For instance, it demands the recruitment of teachers on non-civil service contracts with lower salary scales. Actions on governance are called for that are not in the PRSP. Moreover, management practices for HIPC funds are more akin to those of project than of budgetary aid. The European Union, although it is well aware of the shortcomings of the current policy monitoring system has opted for monitoring based on objectives indicators. Its aim is to encourage current reforms and to demonstrate to the Government its confidence in its policies. Therefore, despite appearances, there is disagreement between the World Bank and the European Union on PRSP monitoring.

These differences promote ambiguity – in donors' messages and attitudes, but also in the behaviour of the government whose actions are supposed to be solely guided by the PRSP framework, but which also has to comply with certain donors' additional requirements. One consequence is the low level of ownership of the reforms on the part of the government, and an appearance of weakened donor commitment.

The World Bank is right in its criticism of Burkina Faso's policy monitoring systems which are no better than those in other PRSP countries, despite the attention devoted to them since 1997. The problem arises from the insufficient role given to institutes of statistics, and from over-concentration on indicators at the expense of debate on the content of the reforms. Ownership of indicators is not the same as ownership of reforms.

Finally, given that public expenditure is 30-50% financed by international aid, and that many PRSP monitoring processes are to a great extent the donors' responsibility, it would be perfectly reasonable for the government to hold the international community to account for its share of the blame for current shortcomings.

4.6 Negative institutional factors undermining the use or vitiating the effectiveness of results-based practices: disputed agendas, procurement, staffing, salaries and corruption

Macro-economic framework and MTEF preparation too optimistic

Even if the MTEF is now prepared in time to give departments their expenditure ceilings for budget preparation it still has shortcomings. First, it is far too optimistic about resources, and sets its expenditure ceilings too high. This demotivates officials drawing up Programme Budgets as they realise that their plans are likely to be upset in the course of the year by expenditure cuts made without reference to Programme Budget objectives. Second, the allocation of budgets between and within ministries is insufficiently related to political priorities as they are normally based on the previous year's estimates, leaving only increments in available resources to be distributed as a function of government economic policy guidelines. Third, expenditure ceilings are national, and not disaggregated by province and region.

Voting on and implementing the budget

As budget votes are by type of expenditure, MPs do not get to grips with intended results. Parliament is also a long way behind in examining the Budget Settlement Laws.

Implementation records are also by expenditure type, not by programme objective. Even where there is some monitoring by programme, e.g. in the case of HIPC funds and budgetary aid, indicators tend to be of inputs or activities, or sometimes output, rather than of outcome.

Implementation of Programme Budgeting

The process was launched too quickly and none of the players received sufficient training. In France, there was a period of three years for training and pilot studies before the Results-oriented Public Expenditure Budgeting came into force throughout the public service. It is hard to understand why the reform was not thought through better before being introduced. The commitment of the parties concerned may well be undermined by haste and unpreparedness.

The implementation of programme budgeting so far is only partial – covering planning, but not monitoring. Regionalised entities have not been sufficiently involved in the reform as the budget system is still largely centralised.

Roles of PRSP and donors

The PRSP process in essence reinforces the Programme Budget's approach. However, the PRSP's implementation strategy contains unhelpful elements e.g. a focus on financial management aspects of budget execution, and unrealistic economic growth targets that undermine the credibility of the MTEF's input into Programme Budget preparation.

The donors should clearly signal to the Government whether they wish to monitor the allocation of budgetary aid on the basis of results indicators or on meeting conditionalities. (There is still strong emphasis on inputs in their choice of quantitative targets and indicators).¹⁷

¹⁷ For example, see IMF report on HIPC, 28 March 2002).

Chapter 5: Generic Implications of the Country's Experience for other Developing Countries and for Donors

5.1 How can the results-based framework be best adapted to institutional capacity whilst being relevant for agents at all levels and avoiding excessive proliferation of targets

In view of the weak institutional capacities in developing countries, the decision to introduce programme budgeting in a few ministries only (8 in the case of Burkina) seems to be a wise one. However, the reform must be strengthened within these ministries, avoiding, as far as possible, expenditure cuts during the year, and ensuring budgets are voted on by parliament not only by expenditure type, but also by results-based programme.

Local public administrative bodies should also be more involved in planning and monitoring expenditure programmes. This implies: i) increased awareness and better training at all the regional and provincial agencies, particularly in departments in charge of collecting statistics; ii) greater participation by their staff in workshops on PRSP and sectoral policies and in the monitoring their implementation; and iii) delegation of financial responsibility to local officials over a wider field to enhance their commitment to the success of activities focused on their localities.

The decentralisation process should not proceed too fast because, if public expenditure management is transferred to local authorities financed by locally collected revenues, it may accentuate inequalities between regions. In young nations, with imperfect national cohesion and significant geographical inequalities (urban/rural, cotton-producing areas and others, etc.), regional policy needs to be thought through for the country as a whole. Development and poverty reduction policies should be targeted, and public funds distributed between the local authorities, based on their respective local needs.

Indicators should be chosen not only on the basis of development policy targets and required actions, but also as a function of human, statistical and financial capacities for their monitoring (see Section 5.5).

5.2 How can the ministries' concern to standardise the approach to target setting and performance measurement be combined with the sectoral and local authorities' need for sui generis indicators?

- The monitoring of public investment programmes should be devolved to the technical ministries. This would help avoid conflicts between the technical ministries and the Ministry of Finance.
- There should be more delegation of financial responsibility. Central ministries will remain very powerful as long as decentralisation is not effective. They will remain in a position to orchestrate action by regional authorities, and can ensure uniformity of decision criteria throughout their hierarchies. This will not be impaired by giving lower levels of administration the right to implement their own annual and multi-year plans.
- For autonomous bodies and decentralised authorities, there is no central authority and each body is free to choose its own targets. However, in the case of projects and actions carried out

in partnership with the State, or which are co-financed under development contracts, there has to be prior agreement on monitorable targets.

5.3 How best to strengthen the credibility and sense of ownership of results-based budgeting among civil servants, service providers and service users

- Make MTEF estimates of budgetary expenditures and revenues more credible by basing them on realistic growth forecasts;
- Base budgetary allocation decisions on Results-oriented Public Expenditure Management;
- Make aid flows more predictable and dependable (see Section 5.6);
- Ensure that staff in charge of planning and monitoring programmes in the Ministry of Finance and the sector ministries, are better trained and made aware of the importance of their work, through seminars and financial incentives;
- Lighten *a priori* expenditure controls, to make the civil servants more responsible; replace management by prior authorisation with management by objectives. (Having to conform with both could have a disincentive effect on programme managers and service providers);
- Develop management information systems in local public service centres covering policy objectives, the reforms implemented, and expected and actual results;
- Consult civil society on policies to be implemented and reforms in progress, so that users are involved and informed, and can voice their concerns and denounce failures of public services to the press, or to their members of parliament.

5.4 How can independent monitoring, performance audit and evaluation best be developed?

- The Court of Auditors and the Finance Inspectorate are new institutions. They need adequate financial and human resources.
- The Court must remain independent from the Government. The NGOs and donors must work for its effective independence, transparency, and the publication of its deliberations, by helping to establish private, or joint public sector-user group, monitoring arrangements.
- To make performance audits possible there must be performance accounts, starting with the Government. These accounts should:
 - include the main results indicators,
 - be timely, and included in the draft Budget Settlement Law,
 - then be examined by the Court of Auditors,
 - after examination, be submitted to Parliament.

These different stages are vital to back up objective-based budgetary management.

- With proper performance audits, there will be no more need for public expenditure reviews. Beneficiary incidence assessments of the impact of public spending should be carried out by the INS and/or the departments responsible for monitoring the PRSP.

5.5 How can public service provision targets and indicators be best integrated with Poverty Reduction Strategy monitoring indicators?

- Ensure that PRSP monitoring, sector ministries' Programme Budget monitoring, and donors' monitoring of budget aid all take place at the same time and use the same indicators – as now seems to be the case. Each technical ministry should nevertheless have its own indicators, to ensure ownership.

- Different indicators should be monitored at differing intervals. At present, all the indicators, whether for inputs, activities, results or outcomes, are monitored on an annual basis (except for the income poverty indicators provided by the household surveys, the latest of which were carried out in 1998 and 2002). This may be too often, given the administration's data collection and monitoring capabilities, both financial and analytical. Input and activity indicators should continue to be monitored on an annual basis, as they are entirely the responsibility of the government and the donors, and all the information required is available from the Ministry of Finance or sector ministries. Indicators of output and outcome should only be evaluated every three years, or even longer, as the impact of a particular public intervention may not be felt until much later than the budget year in which it is made.

Outcomes may in any case depend on factors other than the government's actions, and their influence needs to be assessed. This demands analysis over the medium-term, so as to take into account the general economic situation and leave enough time for the public inputs and activities to take effect.

Some information such as school enrolment or health centres frequentation should be obtained from household surveys as well as from the Government departments. This will provide a cross check on the accuracy of information collected by the service providers – in which there is often optimistic bias – as well as yielding information on other factors. Household and beneficiary surveys are costly, and require human resources with analytical skills. These are often lacking and must be developed imperatively.

- At present there is no clear link in the PRSP and its monitoring system between public expenditure policies and poverty reduction objectives. Poverty reduction objectives should be better targeted geographically and socio-economically, and linked more closely with public policy actions. There should be surveys of the impact of public policy interventions – comparing intervention areas with control areas and/or comparing indicators before and after intervention.

5.6 Which aid instruments are most appropriate for the adoption of durable, credible and effective results-based frameworks?

This is a key question in a country where over 40% of the public budget is financed by international grants or loans. If a result-based budget system is to work with the support of international aid, financial management in public expenditure programmes should first be satisfactory. If this is not yet quite the case, as in Burkina Faso, it is reasonable for aid to be conditional on budget and fiscal reforms (as for IMF credits). Donors should support these reforms with coordinated assistance to the Government.

When donors are sure that public expenditure management is satisfactory, with proper accounting and reporting, budgetary support should become their preferred aid instrument. However, budgetary aid cannot replace all project-based aid – which, when given, should provide for project impact studies.

The current disagreement between the World Bank and the European Union on budget aid monitoring (see Box 5) could be resolved if monitoring were based on a hierarchy of indicators (see Section 5.5, paragraph 3.). This would smooth aid inflows, and strengthen confidence in relations with the government.

For constructive and trusting partnerships aid volumes should be stable, and not be subject to short-term variations in the indicators. Minor changes could be made, but preferably within firm medium term indications of overall resource flow.

5.7 How, and at what level of aggregation, can the developing countries best present their public service performance targets and results to donors in the context of joint performance monitoring?

Policy level review is best kept simple. Joint monitoring should therefore use about ten measurable output indicators, corresponding to the same number of development or poverty reduction outcome indicators, e.g. the Millennium Goals. The optimal level of aggregation for this exercise would be the sector – education, health, access to water, energy, urban services, etc. – or the country as a whole.

Although the exercise must remain simple for ease of dialogue, performance data should be supported by commentary – explaining movements observed in output and outcome indicators and on budget policies (see Section 5.5). Joint monitoring therefore requires prior joint technical preparation by Government and donor community experts.

Bibliography

- Bakayoko S., M. Yaro (2002) Evaluation de l'obligation de rendre compte de la gestion des finances publiques et des pratiques de la comptabilité du secteur privé, vol II, MEF Burkina Faso, AFTQK, région Afrique, janvier, 152 p. (programme CFAA Banque mondiale)
- Banque mondiale (1992) Revue de dépenses publiques, Burkina Faso, octobre, 32 p. + annexes.
- Coulibaly S. et al. (2001), Revues des dépenses publiques et budgets-programmes au Burkina Faso, octobre, 28 p.
- DAAF MEF (2000) Budget Programme 2001-03 (avant projet), juillet, 28 p.
- Fauré Y-A., P. Labazée (2002) Socio-économie des villes africaines; Bobo-Dioulasso et Korhogo dans les défis de la décentralisation, IRD Karthala, 530 p.
- MEBA (2000) Plan Décennal de Développement de l'Education de Base, 2000-2009, 80 p.
- MEF (2001) Cadre Stratégique de Lutte contre la pauvreté, rapport de mise en œuvre, juillet 2000 – Juin 2001, septembre, 28 p.
- MEF (2001) CDMT 2002-2004, 60 p.
- MEF (2001) Initiative renforcée d'allègement de la dette en faveur des PPTE, rapport d'évaluation du point d'achèvement pour le Burkina Faso, septembre, 11 p.
- MEF (2001) Plan de Renforcement de la Gestion des Dépenses Budgétaires (PRGB) rapport de synthèse, septembre, 36 p.
- MEF STC-PDES (2002a), Revue des dépenses publiques dans les secteurs du développement rural, mars, 79 p.
- MEF STC-PDES (2002b) Eléments d'actualisation du CSLP, orientations de politiques et d'actions pour la période 2001-2003, 12 p. + annexes.
- MEF STC-PDES (2002c) CSLP, Rapport de mise en oeuvre 2001, septembre 2002, 46p.
- MEF, Cabinet du Ministre délégué chargé du budget (2000) L'approche budget-programme, concepts clefs, processus d'élaboration d'exécution et de contrôle, mai, 44 p.
- MEF, Direction Générale du Budget (2002), Le budget-programme, mise en œuvre et perspectives, Atelier d'évaluation des processus budget-programme, CDMT et RDP, Kaya, mars, 21 p.
- ONAPAD (2002), Indicateurs de suivi du CSLP et des objectifs internationaux, Projet d'appui au Renforcement de la Gouvernance Economique (PRGE), juin, 17 p.
- Ouédraogo, S. I. Koussoubé (2000) Revue de dépenses publiques de l'enseignement de base et de l'alphabétisation, MEF STC-PDES, janvier, 87 p.
- Paoletti M., B. Bayala, A. Ouédraogo (2000) Les procédures d'élaboration et d'exécution du budget national par les services déconcentrés de l'Etat, STC-PDES MEF, Juillet, 28 p. + annexes.
- Revue des Dépenses publiques dans le secteur des infrastructures routières, Avril 2002.
- Sissao C. (2001) Programmation des dépenses publiques et modélisation macro-économique: expérience du CDMT et de l'IAP, Atelier régional sur l'adaptation des instruments d'analyse économique au contexte CSLP, GTZ, Octobre, 12 p.
- STC-PDES MEF (2000), Etude pour l'amélioration du processus d'élaboration et de suivi du programme d'investissement public, avril, 4 vol.

Annex 1: Summary of the Institutional Framework of Public Expenditure Management – roles of and consultations between the ministries of finance and economic planning and sectoral ministries, autonomous agencies and local government authorities

The preparation, implementation and control of Government operations involves three types of institutional players: executive, legislative and jurisdictional.

The Executive

- *The President of Burkina Faso*: who signs the budget circular and chairs Cabinet meetings.
- *The Prime Minister*: as head of Government, he manages and coordinates government actions in compliance with the general guidelines laid down by the President.
- *The Cabinet*: this body settles the initial draft Budget Laws, the revised budget laws and the budget settlement laws (giving discharge to audited expenditure accounts) to be submitted to Parliament.
- *The Minister of Finance*: who is in charge of preparing the draft Budget Laws under the authority of the Prime Minister. He centralises the budget bids from all the ministries. The constitutional legislation does not give the Minister of Finance a key position but, in practice, he is at the heart of the public finance management process. On the other hand, a new draft law on the Budget is more explicit. Article 48 stipulates that ‘the Minister for Finance prepares the draft Budget Laws, which are decided by the Cabinet.’

The Minister of Finance is backed up by specialised administrative departments dealing with all aspects of budgetary management. They are organised in compliance with Decree n° 2000-154/PRES/PM/MEF of 27 April 2000 and the implementation texts adopted by the Cabinet on 11 September 2002. The key bodies involved in managing budgetary expenditures, with a brief description of their main functions are:

- *The Budget DG (DGB)* responsible for drafting and implementing the Budget Laws, and for overseeing the local authorities’ financial matters;
- *The Treasury and Government Accounting DG (DGTCP)* mainly responsible for questions relating to the management of public funds in the wide sense of the term, and for the execution of the Government and local authorities’ budgets in terms of actual revenues and expenditures;
- *The Economy and Planning DG (DGEP)* in charge of drawing up short, medium and long-term development policies and translating them into plans and programmes;
- *The Central Government Financial Control Office (DCCF)* charged with the *a priori* control of the execution of the general budget, the attached budgets, the special Treasury accounts and the budgets for the regional authorities and public executive agencies;
- *The Central Government Office for Public Markets* responsible for ensuring the publication and for monitoring regulations for public procurement contracts, in particular controlling the regularity of contract procedures;
- *The Cooperation DG (DGCOOP)* responsible for organising negotiations in the framework of economic, technical and financial bilateral and multilateral cooperation agreements and for making calls for funds following such negotiations;
- *The Technical Secretariat for the Coordination of Economic and Social Development Programmes (STC-PDES)* charged with coordinating the implementation and monitoring of economic reforms;

- *The Inspectorate-General for Finance (IGF)* responsible for *a posteriori* control of all State departments, including the local authorities, public establishments and generally speaking, all organisations which receive, hold or manage public funds.
- *The Spending Ministries* administer the disbursement of funds allocated to them in the Budget and prepare draft expenditure estimates their departments. They comprise a Central Government Office of Administrative and Financial Affairs or a Central Government Office of Administrative Affairs, depending on the case, a Central Government Office for Studies and Planning and the regionalised departments. It should also be noted that Technical Inspectorates also exist in the different departments, where they play a secondary role in controlling the public finances.

During the financial year, expenditure management is strictly supervised by real time, so-called concomitant controls. A report on outturns must be drawn up at the end of each year to measure the extent to which the budget has been implemented.

Concomitant control of expenditure

These controls are carried out by the authorising officers and accountants. They ensure strict respect for funding ceilings allocated by the National Assembly, for the use of funds as prescribed in the Budget, and for cash availability.

Accounting and authorising officers

According to the financial regulations (article 17 n°69-197/PRES/MFC of 19/09/69), execution of the Government Budget is entrusted to senior administrators (accounting officers), the authorising officers and the public accountants.

There is no specific corps of authorising officers. The authorising officer is an agent entrusted with decision-making powers in respect to public finances, i.e. the power to collect receipts, to verify and validate expenditures and to authorise payments (article 17, para. 3 of the financial regulations).

In Burkina Faso, the Minister of Finance is the principle authorising officer for the Government Budget, the attached budgets and the special Treasury accounts, but he is authorised to delegate his powers. He is responsible for the release of funds; he supervises senior administrators who manage expenditures and authorises public accountants to effect disbursements.

Each minister or agency head is accounting officer for funds allocated to his department or institution. In this respect, he is responsible for funds received, and authorises expenditure commitments and payments. The Director-Generals of the executive agencies are principle accounting and authorising officers for their establishments' budgets. Similarly, the local authorities' heads of executive are administrators and principle authorising officers for their respective receipts and expenditures.

All such accounting officers are authorised to approve written orders up to 15 million CFA francs, in compliance with Decree n°96-059/PRES/PM/MEF of 7 March 1996 on the general regulations for public procurement contracts. This threshold was increased to 20 million CFA francs by a new Decree n°2002-110/PRES/PM/MEF dated 20 March 2002 on the general regulations for public procurement contracts.

The principle authorising officers, i.e. the Minister of Finance, the Directors-General of the executive agencies, the High Commissioners and the Mayors, may delegate their powers. A deputy may also be appointed in the event of absence or impediment.

It should also be noted that the functions of authorising officer and accounting officer can be cumulated. Thus, all the administrators' proposed commitments, validations and payment authorisations are subject to prior approval by the financial controller.

Financial controllers

The financial controllers are civil servants in charge of ensuring permanent and *a priori* control of the execution of the Government's financial operations and of their breakdown. The control exercised by the financial controllers is an administrative and *a priori* control on the management practices of accounting and authorising officers.

Before approval financial controllers ensure the legality, financial regularity and morality of expenditures. In addition, they act as financial advisers to the accounting and authorising officer (Ministers, Presidents of institutions, High Commissioners, Mayors and Director-Generals of executive bodies) with whom they work. Finally, the financial controllers keep the administrative accounts for the expenditures committed and validated. There are five financial controllers working in the Ministries of Health, of Basic Education, of Environment and Water, of Infrastructures and of Cooperation.

Financial controllers are also appointed to work with the provinces, communes and public executive bodies. Each year, the Central Government Financial Control Office sends them price references to help them ensure that expenditures are ethical. However, calls for competitive bids are hampered by the fact that the majority of suppliers are in the capital.

Public accountants

Public accountants disburse public funds, either in cash, by cheque or by credit transfer, keep accounts and supporting documents.

They thus ensure that the budget resources allocated to an operation or a project are not over-spent. In terms of results-oriented management, this control will be all the more effective if the budget nomenclatures and those used for the results are as close as possible.

There is wide network of public accounting officers in Burkina Faso. It operates a control on expenditure at the disbursement stage, and ensures the quality of the public accounts by controlling that allocations are made correctly. However, there are still two weaknesses in the system, particularly for the assistant accountants when they act on behalf of the principle accountants:

- they do not take the oath and do not offer the guarantees stipulated in law
- they do not fulfil their legal obligation to scrutinise expenditure and do not generally dare to go against the authorising officer – for which they are not sanctioned by the courts.

End of year accounts drawn up late

The annual government accounts, or administrative accounts, are drawn up by the Ministry of Finance. In particular, they indicate the expenditures made, by ministry, by heading and by type.

Each ministry is now required to produce a report of its activities at the end of the financial year to prepare its budget (n+1).

Administrative, industrial and commercial public establishments and the local authorities, regions and communes, must also prepare administrative accounts. The situation is far from perfect in this area, and a large number of accounts are not prepared by the required date. This applies to both the authorising officers' departments and the public accounting officers', who seldom draw up management accounts.

There is no real *a posteriori* assessment of the realisation of the control indicators. The annual accounts use the same nomenclature as the voted budget, that is ten or so expenditure headings for each budget centre.

The end of year accounts should also include a Balance Sheet, or at least an inventory. The accounts must provide information on the state of assets (by stock accounting), cost price calculations, and the cost of and return on services (by cost accounting). This implies that nomenclatures must be harmonised or that there should at least be a conversion table from one to the other.

The legislative level

The National Assembly: The National Assembly has no standing committee of inquiry, although ad hoc parliamentary inquiries have taken place. The Assembly has seven select committees, including the Finance and the Budget Commission (COMFIB), which intervenes in the adoption of the budget and the Budget Settlement Law.

Internal audit

Based on Latin-origin law, the internal audit function is the responsibility of inspector-generals, with a State Inspectorate-General, under the authority of the Prime Minister, and a staff inspectorate for each ministry, attached directly to the Minister's office and not to the directors. The State Inspectorate-General has precedence over all the ministerial audit and control bodies. It was created by the law of 18 May 1993 and given widespread powers. In particular, the law stipulates that the inspectors are independent from the senior civil servants and are free to make their own assessments and conclusions. The President or Prime Minister of Faso can entrust it with enquiries or studies on any subject whatsoever. To this end, it is responsible for controlling, studying the quality of government departments' management, checking the use of public credits, the regularity of operations carried out by the administrators, the authorising officers, the accounting officers and managers responsible for public funds or materials, proposing any measures liable to improve the quality of public administration and receiving complaints from citizens concerning their relations with the government's administrative departments.

The following ministries have a staff inspectorate: Environment and water, Economy and finance, Foreign affairs, Defence, Justice, Territorial administration and decentralisation, Commerce, promotion of enterprises and crafts, Mines and quarries, Secondary and higher education and scientific research, Basic education and literacy, Civil service and institutional development, Employment, labour and social security, Postal services and telecommunications, Health, Transport and tourism, Social action and national solidarity and Animal resources.

Until now, work by the State Inspectorate-General has been limited, and its action seems to be inhibited by the fact that it is not able to publish its reports or refer directly to the legal authorities if it discovers a breach of the law. The inspector-generals intervene on a one-off basis, when specific problems need to be clarified or sanctioned. They are not independent.

The government is obviously concerned to increase the number of institutions for controlling and fighting corruption. But, apart from their effectiveness, which remains to be proved, there are two other important issues: first, the harmonisation of their work and second, coordination with the existing bodies, which work relatively well and should not be discouraged.

External audit

Three recently created external bodies take part in the management of the public finances:

The Court of Auditors is the supreme audit jurisdiction for the Public Finances, in compliance with article 27 of the Constitution. The organic law creating an independent Court of Auditors was voted on 16 May 2000. Set up as an independent jurisdiction, it passes judgement on the accounts prepared by the public accountants and can order them to pay back any sums unduly handled. It also has the power to punish any errors in management. Its members are magistrates during their term of office, fixed at five years. They are irremovable.

The Court has extensive powers: it audits the Government accounts, plus those of executive agencies, the industrial and commercial public establishments and companies in which the State holds all or part of the capital, together with their subsidiaries. It also audits the social security institutions and all subsidised bodies. Finally, it audits development projects using external financing.

The Court issues a general statement of conformity between individual public accountants' accounts and the Government's general accounts, including annexes on the budget, capital expenditure and liquid balances. These documents, accompanied by the Court's report on the execution of the Budget Law, are forwarded to the National Assembly which legislates on them in full knowledge of the facts.

The Court has been given more resources which should allow it to gradually reduce its backlog of work and examine the Budget Settlement Laws for 1995 to 2000 sent to it in 2002. The nomination of a Prosecutor-General and a Government Commissioner on 21 June 2002 should be a strong incentive for producing the accounts.

Two other institutions – the *National Ethics Committee* and the *High Authority for the Fight Against Corruption* – have just been created to satisfy the Government's commitment to set up institutions to enhance ethics in public affairs, as requested by the external donors.

The Ethics Committee, created by interdepartmental decree on 8 June 2001, comprises 9 people chosen for their integrity and their sense of duty, and upholds the country's secular and republican values. It publishes an annual report on the state of ethics in Burkina Faso, the first of which is due at the end of February 2003. It can also transmit advice and recommendations to the President of Faso, who publishes them.

The High Authority for the Fight Against Corruption, created by decree of 31 December 2001 and under the authority of the Prime Minister, has the task of coordinating action against corruption and of advising the Government on prevention, detection and the means of combating financial

crime and corruption within the administration. Amongst its nine members, not yet appointed, there will be representatives from the health sector and from public works, both particularly exposed to fraud. However, the High Authority will not be fully independent, as it will be closely linked to the Prime Minister. In particular, its programmes and action plans will have to fall within a series of guidelines defined by an ad hoc interdepartmental committee, chaired by the Minister of Economy and Finance. Its composition is yet to be defined.

Annex 2: Statistics

Table 1: Estimated and actual quarterly receipts, 2001, Central Government Financial Operations.

	1 st quarter	2nd quarter	3rd quarter	4th quarter	2001
Estimate	64 587	64 587	64 587	64 587	258 348
Actual	46 043	63 532	57 409	60 983	227 966
Rate of realization	71%	98%	89%	94%	88%

Table 2: Share of external financing (grants, loans, HIPC initiative) in Government Budget (1996 – 2004)

	1996	1997	1998	1999	2000	2001	2002	2003	2004
Receipts total	160 892	182 153	199 367	238 100	219 300	267 700	291 000	317 000	348 000
Grants	109 100	97 800	103 700	141 100	146 500	143 500	127 000	120 000	110 000
<i>Budget aid</i>	27 300	11 100	19 600	23 700	22 900	200 27			
project grants	81 800	86 700	84 100	117 400	123 600	116 300			
HIPC resources*	-	-	-	-	6 220	26 590	25 200	25 900	28 100
<i>% of receipts</i>					3%	10%	9%	8%	8%
<i>% of expenditures</i>					1%	5%	5%	5%	6%
<i>% of grants</i>					4%	19%	20%	22%	26%
Total expenditures	276 800	323 000	347 900	433 700	432 900	496 500	490 200	491 100	500 000
<i>Inc. investments financed by ext. funds</i>	125 200	135 000	140 400	185 300	176 200	183 300	169 600	157 800	150 000
<i>% public expenditures financed by ext. funds</i>	55%	45%	46%	48%	46%	42%	35%	32%	30%

* The high level of HIPC resources for 2001 can be explained by the fact that they include part of the resources for 2000 which could not be committed that year.

Table 3: Burkina Faso Government Budget, 1996-2002, breakdown of allocations and actuals by function (millions CFA francs).

Allocations	1996	1997	1998	1999	2000	2001	2002
Personnel	63 210	65 251	71 721	76 875	84 795	92 017	103 041
Goods & services	29 309	30 550	34 453	38 164	45 333	49 453	49 303
Transfers	32 028	36 430	43 368	47 989	46 142	53 541	61 842
Operating costs	124 547	132 230	149 542	163 028	176 269	195 011	214 186
Investments	161 404	218 745	288 105	248 734	240 506	261 687	232 367
own resources	19 567	41 522	57 396	48 481	51 037	67 850	64 055
external resources	141 837	177 224	230 709	200 253	189 469	193 837	168 312
Total Budget	285 951	350 975	437 647	411 763	416 775	456 698	446 554
Actuals							
Personnel	64 287	67 783	71 988	82 574	88 874	97 766	
Goods & services	28 452	28 286	33 595	35 742	40 436	44 668	
Transfers	31 663	33 308	40 698	43 413	45 206	50 079	
Operating costs	124 402	129 377	146 281	161 730	174 516	192 513	
Investments	142 137	186 062	220 234	187 594	168 925	198 597	
own resources	18 552	37 700	57 722	41 285	41 054	54 522	
external resources	123 584	148 362	162 512	146 309	127 872	144 075	
Total Budget	266 539	315 439	366 515	349 324	343 441	391 110	

* *Source*: from the statement of expenditure authorisations.

Table 4: Burkina Faso Government Budget, 1996-2002, breakdown of allocations and actuals by sector (millions CFA francs).

Allocations	1996	1997	1998	1999	2000	2001	2002
Sovereignty ministry (*)	36 030	37 838	43 933	48 925	47 032	43 505	40 461
Ministry Defence & Security	20 010	24 616	25 263	28 693	26 528	38 040	37 405
Primary education	24 510	29 950	40 388	41 957	51 282	52 362	53 914
<i>of which HIPC</i>					4 100	9 850	8 190
Secondary education	18 776	19 613	21 667	29 786	30 414	40 342	33 273
Health	31 365	37 746	38 689	40 590	41 452	48 247	37 697
<i>of which HIPC</i>					3 590	9 400	8 440
Economy & Finance	30 515	23 437	29 838	25 207	25 568	23 592	23 520
Commerce, industry & mines	16 437	11 797	21 371	28 976	27 582	17 142	9 905
Agriculture	55 040	72 387	80 835	69 107	71 385	78 869	91 090
<i>of which HIPC</i>					0	3 400	2 540
Infrastructure, post, transport	24 322	44 924	76 859	48 601	49 126	62 189	48 656
<i>of which HIPC</i>					2 560	2 350	2 100
Other ministries (**)	15 831	15 966	14 774	12 133	13 491	13 125	14 930
Joint interdepartmental expenditures	13 114	32 701	44 030	37 789	35 475	41 635	63 583
National Budget	285 951	350 975	437 647	411 763	419 335	459 048	454 434
<i>of which HIPC</i>					10 250	25 000	25 200
Actuals (***)							
Sovereignty ministry (*)	31 522	33 393	40 823	45 714	43 587	38 146	
Ministry Defence & Security	20 156	24 624	25 270	28 693	27 528	34 516	
Primary education	25 150	30 807	34 389	40 025	48 901	50 542	
<i>of which HIPC</i>					2 870	8 540	
Secondary education	17 331	17 538	17 717	23 414	26 173	37 626	
Health	30 505	33 078	33 806	39 543	38 475	43 132	
<i>of which HIPC</i>					2 530	8 140	
Economy & Finance	27 536	17 436	26 822	22 487	20 222	19 723	
Commerce, industry & mines	13 772	11 206	13 605	16 647	12 903	13 242	
Agriculture	48 312	56 687	58 547	52 786	46 400	52 784	
<i>of which HIPC</i>					0	2 940	
Infrastructure, post, transport	21 654	47 019	61 874	39 021	36 212	52 533	
<i>of which HIPC</i>					1 800	2 040	
Other ministries (**)	15 175	12 390	13 096	10 371	11 759	11 012	
Joint interdepartmental expenditures	15 425	31 262	40 567	30 622	31 293	35 250	
National Budget	266 539	315 439	366 515	349 324	343 453	388 508	
<i>of which HIPC</i>					7 200	21 660	

(*): President's office, government secretariat-general, Prime Minister, Parliament, Economic and Social Council, Constitutional Court, relations with parliament, regional integration, territorial administration, justice, foreign affairs, civil service and institutional development, Chancellery, Higher Council for Information, State Inspectorate-General, General delegation for informatics, Supreme Court, Council of State, Court of Auditors, Court of Cassation, national electoral commission

(**): social actions and national solidarity, employment and social security, promotion of women, youth and sports, information, culture.

(***) from the statement of expenditure authorisations.

Table 5: rate of budget execution, 1996-2001, breakdown by function

Rate of execution	1996	1997	1998	1999	2000	2001
Sovereignty ministry (*)	87%	88%	93%	93%	93%	88%
Ministry Defence & Security	101%	100%	100%	100%	104%	91%
Primary education	103%	103%	85%	95%	95%	97%
<i>of which HIPC</i>					70%	87%
Secondary education	92%	89%	82%	79%	86%	93%
Health	97%	88%	87%	97%	93%	89%
<i>of which HIPC</i>					70%	87%
Economy & Finance	90%	74%	90%	89%	79%	84%
Commerce, industry & mines	84%	95%	64%	57%	47%	77%
Agriculture	88%	78%	72%	76%	65%	67%
<i>of which HIPC</i>						86%
Infrastructure, post, transport	89%	105%	81%	80%	74%	84%
<i>of which HIPC</i>					70%	87%
Other ministries (**)	96%	78%	89%	85%	87%	84%
Joint interdepartmental expenditures	118%	96%	92%	81%	88%	85%
National Budget	93%	90%	84%	85%	82%	85%
Rate of execution						
Personnel	102%	104%	100%	107%	105%	106%
Goods & services	97%	93%	98%	94%	89%	90%
Transfers	99%	91%	94%	90%	98%	94%
Operating costs	100%	98%	98%	99%	99%	99%
Investments	88%	85%	76%	75%	70%	76%
own resources	95%	91%	101%	85%	80%	80%
external resources	87%	84%	70%	73%	67%	74%
Total Budget	93%	90%	84%	85%	82%	86%

Table 6: Agriculture Sector : Comparative table of objectives in the Strategic operational plan (PSO) and in the ROPEM budget- 2003-2005

SECTORAL POLICIES AND STRATEGIES	ROPEM budget 2003 - 2005	MEASUREMENT INDICATORS
	OBJECTIVES	RESULTS
Guarantee food security	<p>1- Expand agricultural production by 5 to 10% per year</p>	<p>1-2 Quantity of Production (T) - Level of results(+/-) - Yields / Ha - Number of tractors and attachments - Rate of coverage of seeded areas</p>
Reduce poverty in urban areas	<p>2- Increase the incomes of farmers and herders by 3% per capita per year 3- Establish conditions whereby people are assured an adequate and balanced food supply</p>	<p>2-2 Level of areas (Ha) - Level of productions(T) - Export value (CFA F) - number of young people, - Area seeded, - Number of villages (or groups) - Value or volume of exports - Nature and number of processing units 3-2 physical stock level - financial level - level of domestic production - quantity of imports - volume of aid - average price per transaction - change in average prices - rate of annual migration</p>
Restore and improve natural resources	<p>4- Generalise and reinforce sustainable management of natural resources by rural communities by introducing: - a manure pit per household, - 60% coverage of seeded areas by small anti-erosion dams - a management contract per village. 5-increase coverage of water needs from 90% to 95% in rural and semi-urban areas on the basis of one water supply point per 300 inhabitants, and 60% to 75% in urban areas 6- expand fishery resources by 8 500 tonnes 8 exploit and develop catches after improving the quality of fishing products in a view to decreasing catch losses from 25% to 10%</p>	<p>- large-scale water and land conservation actions are being carried out (anti-erosion sites, Zai, manure pits) - increased use of mineral and organic fertilizer (organic and mineral manure, Burkina phosphate) - shallows and irrigated areas have been developed and are exploited</p> <p>- Area of anti-erosion sites (Ha) - Area with Zai techniques (Ha) , - Number of manure pits - Quantity of mineral fertilizer (T) - Quantity of organic manure (T) - Quantity of Burkina phosphate - Area of shallows developed (Ha), - Area of irrigated land(Ha)</p>
Develop the insertion of agriculture into the market economy	<p>7- ensure effective management of the department's structures</p>	<p>- regional agriculture offices have been built and are operational - phytosanitary posts and stores have been built and are operational, - water, electricity and telephone facilities are in place and operational - buildings have been rehabilitated and are operational, - the costs for monitoring/evaluation and support/consultancy services are known and used</p> <p>- Number of offices built - Number of posts constructed - Number of stores constructed - Number of contracts subscribed to, - Number of buildings rehabilitated - Amounts released</p>

Source: drawn up by authors using data from the strategic action plan (PSO) and the Ministry of Agriculture's ROPEM budget for 2003-2005

Table 7: Basic education sector: Comparative table of the 10-year basic education development plan (PDDEB) objectives and the ROPEM budget 2003-2005

OBJECTIVES OF the 10-year development plan (PDDEB)	OBJECTIVES AT THE NATIONAL LEVEL	ACTIVITY PROGRAMMES	INDICATORS
Expand education supply by taking measures to increase the rate of school enrolment from 41.25% in 1999 to 45.85% in 2001, 48.34% in 2002 and 50.97% in 2003	1- Expand education supply by increasing the rate of school enrolment from 48.34% in 2002 to 50.97% in 2003 2- Reduce geographical disparities in terms of schooling by taking measures to reduce the gross enrolment rate for the least performing province to 23.39 in 2003 3-Reduce gender disparities by containing the gap between the percentage of boy pupils and girl pupils at 15.18 points in 2003 4-Expand supply in terms of literacy plans by taking measures to increase the rate to 31.75% in 2003	1-1 acquisition of school infrastructures: - construction of 1712 classrooms in 2003 - construction of 250 CEBNF*** satellite schools - 60 school complexes - 2 ENEP**	- 1-1 the gross school enrolment rate is 50.97% - construction of 1588 classrooms 250 CEBNF satellite schools 60 school complexes 2 ENEPs -2-1 636 buildings in local materials rehabilitated 3-1 team working at 100%
Improve the quality and relevance of basic education by taking steps to increase the CEPE* success rate to 61.30% in 2003, and decrease the percentage of pupils repeating a school year to 13% in 2003.	1-1 Improve the quality and relevance of basic education by taking steps to increase success rates to 61.30% in 2003, and decrease the percentage of pupils repeating a school year to 13% in 2003. 1-2 recruit and train new primary teachers 1-3 food/hygiene/health for pupils 1-4 programme reforms for primary education 1-5 increase in production of school manuals and specific teaching materials	1-1 Draft and introduce geographical schooling map 1-2 recruit and train new primary teachers 1-3 food/hygiene/health for pupils 1-4 programme reforms for primary education 1-5 increase in production of school manuals and specific teaching materials	1-2 2067 primary teachers recruited 1-3 teachers in schools concerned are trained in population education (EMP)
Continue to introduce educational alternatives to primary school, taking into account children from 9 to 15 who do not attend school or no longer attend	1-1 Introduce as an alternative to primary school strategies combining formal and non formal education, taking into account children from 9 to 15 who do not attend school or no longer attend	1-1 support CEBNFs	- 51 CEBNFs constructed in 2003
Improve the MEBA's abilities to plan, manage and evaluate actions in favour of basic education.	1-1 Improve the MEBA's abilities to plan, manage and evaluate actions in favour of basic education.	1-1 Introduce a structure for management and circulation of information 1-2 Train managers 1-3 The Administration's everyday operations	

Source: drawn up by authors using the MEBA's draft budget for 2003

*CEPE Certificate of elementary education

** ENEP National college for primary teacher training *** CEBNF centre d'éducation de base non formelle Non formal basic education centre

Table 8: Centre for Agriculture's Regional Direction for Agriculture (DRA): Comparative table of strategic plan and ROPEM budget objectives, 2003-2005

POLICIES AND STRATEGIES FOR THE AGRICULTURAL SECTOR	OBJECTIVES	RESULTS	MEASUREMENT INDICATORS
Guarantee food security	<p>1- Expand agricultural production by 5 to 10% per year</p>	<p>1-1 the level of production has increased</p> <ul style="list-style-type: none"> - results from cereal growing are positive and growing, - yields have improved, - equipment use has improved, - input use has increased. 	<p>1-2 Quantity of Production (T)</p> <ul style="list-style-type: none"> - Level of results(+/-) - Yields / Ha - Number of tractors and attachments - Rate of coverage of seeded areas
Reduce poverty in urban areas	<p>2- Increase the incomes of farmers and herders by at least 3%</p> <p>3- Establish conditions whereby people are assured an adequate and balanced food supply</p>	<p>2-1 production of cash crops has increased</p> <ul style="list-style-type: none"> - there is strong support for the project encouraging young people to stay in their local communities - inputs are available in quantity and quality <p>3-1 the national security stock (physical and financial) has been constituted and is renewed</p> <ul style="list-style-type: none"> - food needs are covered by domestic production and imports when necessary - food availability and accessibility are guaranteed by better prices - population movements have slowed down 	<p>2-2 Level of areas (Ha)</p> <ul style="list-style-type: none"> - Level of productions(T) - Export value (CFA F) - number of young people, - Area seeded, - Number of villages (or groups) - Value or volume of exports <p>3-2 physical stock level</p> <ul style="list-style-type: none"> - Nature and number of processing units - financial level - production level
Restore and improve natural resources	<p>4- Generalise and reinforce sustainable management of natural resources by rural communities</p>	<ul style="list-style-type: none"> - large-scale water and land conservation actions are being carried out (anti-erosion sites, Zai, manure pits) - increased use of mineral and organic fertilizer (organic and mineral manure, Burkina phosphate) - shallows and irrigated areas have been developed and are exploited 	<ul style="list-style-type: none"> - Area of anti-erosion sites (Ha) - Area with Zai techniques (Ha), - Number of manure pits - Quantity of mineral fertilizer (T) - Quantity of organic manure (T) - Quantity of Burkina phosphate - Area of shallows developed (Ha), - Area of irrigated land(Ha)

Source: drawn up by authors using data from the strategic action plan (PSO) and Centre for Agriculture's Regional Agency (DRA) ROPEM budget for 2003-2005

**Table 9: Regional Direction for Basic Education and Literacy (DREBA) for the Central region, OUAGADOUGOU
Comparative table of Ministry of Basic Education (MEBA) and DREBA's draft budget 2003-2005**

MINISTRY'S OBJECTIVES	OBJECTIVES AT THE REGIONAL LEVEL	ACTIVITY PROGRAMMES	INDICATORS
<p>1- Expand education supply by taking measures to increase the rate of school enrolment from 41.25% in 1999 to 45.85% in 2001, 48.34% in 2002 and 50.97% in 2003</p>	<p>1- Expand education supply by increasing the rate of school enrolment from 79% to 81.7% in 2003 and to 84.8% in 2004</p>	<p>- acquisition of school infrastructures: - construction of 224 classrooms - construction of 2 CEBNF satellite schools and 12 CPAF* - rehabilitation of 89 buildings and inventory of 63 buildings built with local materials - equip classrooms with school furniture, and teaching materials and consumables.</p>	<p>- the gross school enrolment rate has risen from 79% to 81.7%</p>
<p>2- Improve the quality and relevance of basic education by taking steps to increase the CEPE* success rate from 48.40% in 1996 to 57.30% in 2001 and to 59.2% in 2002 and to 61.30% in 2003, and decrease the percentage of pupils repeating a school year from 17% in 1997 to 14.2% in 2001, to 13.6% in 2002 and to 13% in 2003.</p>	<p>2- Improve the quality and relevance of basic education</p>	<p>- food for pupils by operating 715 school canteens (1 per school) and opening 715 infirmaries (1 per school) - promotion of sport and art in 715 schools - improve school environment by: - construction of housing for 224 primary school teachers - construction of 113 latrines, - drilling 106 wells</p>	<p>- gap between number of girl and boy pupils amounts - fall in rate of pupils repeating classes or abandoning school and improved CEP success rate</p>
<p>3- Continue to introduce educational alternatives to primary school, taking into account children from 9 to 15 who do not attend school or no longer attend</p>	<p>3- Introduce, as an alternative to primary school, strategies combining formal and non-formal education, taking into account children from 9 to 15 who do not attend school or no longer attend.</p>	<p>- support for CEBNFs : - creation of 2 new CEBNFs per year in all villages exceeding 2,000 inhabitants - fitting out 2 CEBNFs with multi-purpose workshops - remuneration of monitors of 2 CEBNFs</p>	<p>- the general literacy rate amounts to in 2003</p>
<p>4- Improve the MEBA's abilities to plan, manage and evaluate actions in favour of basic education.</p>	<p>4- Improve the district's abilities to manage and evaluate actions in favour of basic education</p>	<p>- training for DREBA's managers and agents - the administration's everyday operations - basic equipment for DREBA</p>	<p>% of activities carried out in 2003 are executed in a satisfactory manner</p>

Source: drawn up by authors using the MEBA's draft budget for 2003 and that for the DREBA, central region

*CPAF: Permanent Training and Literacy Centres