

**Evaluation of the Sector Wide Approach as applied by
the Dutch development co-operation**

Working Document Burkina Faso

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Abbreviations

AES/B	Action pour l'Enfance et la Santé Burkina
AfDB.	African Development Bank
BPE	Bureau des Projets d'Education
CCTP	Committees de Consultation Technique Provincial
CFAA	Country Financial Accountability Assessment
CHR	Centre Hospitalier Régional
CMA	Centre Médical avec une Antenne chirurgicale
CNLS	Comité National de la Lutte contre le SIDA (aids).
COGES	Comité de Gestion
CPAT	Conseil Provincial d'Aménagement du Terroir.
CPIA	Country Policy and Institutional Assessment
CTG	Centres Techniques et de Gestion
CSPS	Centre de Santé et de Promotion Sociale
DAF	Direction de l'Administration et des Finances
DEP	Direction d'Etudes et de Planification
DGS	Direction Générale de la Santé
DGIS	Directorate General for International Cooperation
DOS	Document d'Orientation Stratégique
DPEBA	Direction Provinciale de l'Education de Base et d'Alphabétisation
DREBA	Direction Régionale de l'Education de Base et d'Alphabétisation
DRH	Direction des Ressources Humaines
DRS	Direction Régionale de la Santé
DSDP	Document de Stratégie de Développement Rural
EC	European Commission
EU	European Union
ESAF	Extended Structural Adjustment Facility
FTI	Fast Track Initiative
FONAENF	Fond pour l'Alphabétisation et l'Education Non Formelle
GBS	General Budget Support
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Country
IMF	International Monetary Fund
IOB	Operations Evaluation Department
IRDP	Integrated Rural Development Project
MDG	Millennium Development Goal
MoH	Ministry of Health
LPDRD	Lettre Politique de Développement Rural Décentralisé
MEBA	Ministry of Basic Education and Alphabetisation
MEDEV	Ministry of Economy and Development
MFB	Ministry of Finance and Budget
MTEF	Medium Term Expenditure Framework
NGO	Non Governmental Organisation
PA	Plan d'Action
PADS	Programme d'Appui aux Districts Sanitaires / au Développement Sanitaire.
PAFMR	Plan d'Action pour le Financement du Monde Rural
PAGIFS	Plan d'Action pour la Gestion Intégrée de la Fertilité de Sol
PAOPA	Plan d'Action pour les Organisations Professionnelles Agricoles

PA/PMLS	Programme d'Appui aux Programmes Multisectoriels de la Lutte contre le SIDA
PARDEP	Projet d'Appui au Renforcement de la Direction d'Etudes et de la Planification
PASA	Programme d'Ajustement Structurel Agricole
PASSP	Projet d'Appui aux Soins de Santé Primaires
PDDEB	Plan Décennal de Développement de l'Education de Base
PDL	Programme de Développement Local
PDSN	Projet de Développement Sanitaire et de la Nutrition
PER	Public Expenditure Review
PNDS	Programme National de Développement Sanitaire
PNGT	Programme National de la Gestion du Terroir
PNS	Politique Nationale de la Santé
PRGB	Programme de Renforcement de la Gestion Budgétaire
PRGF	Poverty Reduction and Growth Facility
PRS	Poverty Reduction Strategy
PRSC	Poverty Reduction Support Credit
PRSP	Poverty Reduction Strategy Paper
PSA	Programme pour la Sécurité Alimentaire
PSO	Programme Stratégique Opérationnel
RNE	Royal Netherlands Embassy
SCF/NL	Save the Children Fund Netherlands
SDR	Special Drawing Right
SP-CPSA	Secretariat Permanent de la Coordination des Politiques Sectorielles Agricoles
ST/PNDS	Secrétariat Technique du PNDS
SWAp	Sector wide approach
SSA	Sub-Sahara Africa
TA	Technical assistance
TOD	Texte d'Orientation pour la Décentralisation
UN	United Nations
UNDP	United Nations Development Programme
WB	World Bank
WHO	World Health Organisation

Introduction

In July 1999, the House of Representatives of the Netherlands approved both the selection of countries for structural bilateral co-operation (so called 17+3 list) and the sector-wide approach (SWAp) as method to increase aid effectiveness. The approach has been described as an “organising principle of bilateral aid”¹. In December 2003, the Minister for Development Co-operation announced an overall evaluation of the SWAp. The independent Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs was charged with conducting that worldwide evaluation.

The objective of the evaluation, as formulated by the IOB, is to assess “*whether and to what extent the introduction of the sector-wide approach has improved conditions for achievement of the main objective of Dutch development policy, namely poverty reduction*”. To this end, the following key questions have been formulated:

- *To what extent have the desired changes in Dutch policy been achieved and what explanatory factors can be given for the findings?*
- *To what extent have the desired changes in the aid recipient country been achieved and what were the most influential factors?*

As part of the research methodology, case studies in five selected countries have been conducted. This internal working document presents the results of the case study regarding Burkina Faso.

This case study has been carried out by Martin van der Linde (SEOR, Erasmus University, Rotterdam) and Frank Terwindt (HERA, Health Research for Action, Belgium). They visited Burkina Faso from 2 till 19 June 2004. During that mission interviews were held with the staff from the Royal Netherlands Embassy and key informants from other donors and the Ministries of Finance, Health, Education, Agriculture and Economic Development (see annexe C1 for a list of all persons met). Furthermore, various documents and files from the RNE have been consulted and analysed. Towards the end of the mission the evaluation team had the opportunity to discuss the effectiveness of the SWAp with the ministers of Finance, Economic Development, Health and Education, during a working lunch, hosted by the Ambassador of the Netherlands. The mission would like to thank all persons contacted for their availability, the information provided, the opinions put forward and the open and frank discussions.

This report is based on information and reports available in June 2004. Reports published and events occurred after that date, have not been taken into account. In a few cases some more recent information is mentioned in footnotes.

This report starts with a short context chapter on Burkina Faso, followed by two chapters describing and analysing the change process towards a SWAp (chapter 2) and the changes in the implementation of the Dutch development cooperation with Burkina Faso (chapter 3). Chapters 4, 5 and 6 deal with a number of key SWAp issues, namely: coordination, harmonisation and alignment (ch.4), institutional strengthening (ch.5) and ownership and participation (ch.6). Three selected issues are discussed in chapter 7: SWAp and the agricultural sector, transaction costs and deconcentration and decentralisation. The conclusions are presented in chapter 8.

¹ Source: Sector-wide Approach Support Group [SSB], 2000:5.

Part A : Main Report

1 National context and external support

1.1. The national context

Social context

Burkina Faso is a landlocked country in West Africa with about 12 million inhabitants with a very limited natural resource base. It is one of the poorest countries in the world according to the Human Development Index of the UNDP and in terms of GDP per capita. Key social indicators are substantially below the averages of sub-Saharan Africa (SSA), except access to an improved water source. Burkina Faso is severely affected by AIDS with an HIV prevalence of 7%.

The household living conditions survey of 1998² concluded that 45.3% of the population lived below the poverty line, fixed at FCFA 72.690 (€ 111) per adult per year³. Gross enrolment rate of primary schools increased from 30% in 1990 to 42.7% in 2000 and 47.5% in 2002, slightly below the target of 48% set for that year. Enrolment rates of girls are still notably below the national average: 36.2% in 2000 and 41.0% in 2002. The number of primary school classes increased from 17,648 in 1998 to 20,251 in 2002; an increase of 15%.⁴

Health services are still inadequate, although expanding. Immunization rates increased from 42-60% in 1999 to 61-90% in 2002, and the number of first contacts for curative services increased from 0.22 per person per year in 1999 to 0.27 in 2002.⁵ Public expenditure on health as percentage of the total government budget increased from 7% in 1993 to 12.0% in 1998 and 13.6% in 2001, followed by a decrease to 12.4% in 2002.⁶

Political and administrative context

Democratization and political pluralism started in the early nineties. Blaise Compaoré won the presidential elections in 1991 and was re-elected in 1998 for a second term of 7 years. Parliamentary elections were held in 1992, 1997 and 2002, which were generally judged as fair and democratic. After some internal political tension in 1999/2000, the president formed in November 2000 a government including several opposition parties in order to create a political environment of reconciliation and appeasement.

² A new Household Survey was carried out in 2003 of which the results became available after the first draft of this study. That Survey concluded that 46.4% of the population was living below the poverty line of FCFA 82,672 (€ 126) per adult per year. However, the results of that survey are contested. Other studies indicate that poverty may have fallen between 1998 and 2003: according to Tesliuc from 54.6% to 46.6% (E.D.Tesliuc, Burkina Faso, Quid de la pauvreté) and according to Grimm and Gunther from 61.8% to 47.2% (M.Grimm and I. Gunther, A country case study on Burkina Faso).

³ Source PRSP 2000, p.6.

⁴ PRSP 2000, p. 13 and Third PRSP progress report, pp. 31 and 93.

⁵ Third PRSP progress report, p.94.

⁶ PRSP 2000, p.19 and Third PRSP progress report, p.32.

The administrative division of the country consists of 13 regions, subdivided into 45 provinces. Furthermore there are 49 municipalities with an elected council. These municipalities cover about 20% of the national territory and 18% of the population. A number of ministries have a representation at both regional and provincial level; others only at regional level.

In 1998 the government adopted a set of guidelines for the political and administrative decentralisation⁷. Initially it was envisaged to hold the elections for provincial and municipal councils in 2002, but that appeared to be impossible due to insufficient progress with the preparations. No new indicative date has been announced yet. Many questions regarding the mandate and tasks of these councils and the devolution of central government tasks to the local governments are still unresolved⁸.

Apart from the internal political problems mentioned above, 2000 was also a difficult year as regards external politics. Burkina Faso was accused of not respecting the UN sanctions against Liberia and the UNITA in Angola and of facilitating arms and diamond traffic with these countries. Finally the issue lost political importance when the UN decided not to condemn Burkina Faso, because of (insufficient) prove, and when in 2001 Burkina Faso took a clearly positive attitude towards the international efforts to solve the conflicts in Liberia and Angola.

A new external political threat developed in the second half of 2002 with the onset of the political crisis in Ivory Coast. For more than a year the border between the two countries was closed and Burkina Faso lost its most important outlet to the sea and an important export market for cattle and vegetables. Furthermore many emigrant workers returned to Burkina Faso⁹. However, the economic repercussions were less severe than expected. Import and export trade have been diverted quite easily to Ghana, Togo and Benin and returned immigrants have been integrated in rural and urban economies without great problems. Although the border with Ivory Coast has been reopened in 2004, trade with and traffic through Ivory Coast is still difficult. At the political front, Burkina Faso played a constructive role in the peace process and succeeded in not becoming part of the problem.

The economic context

Although the World Bank and IMF generally judge macro-economic policies as good¹⁰, macro economic performance of the country will not allow for a rapid reduction of the number of people presently living below the poverty line. Real GDP growth averaged 4.7% per year during 1996-2002¹¹, which is equal to 2.3% per capita. The low growth rates reflect the country's meagre natural resources, large uneducated labour force, land-locked location and difficult climate.

⁷ Textes d'orientation en matière de décentralisation.

⁸ In the second half of 2004, a General Code regarding territorial communities was adopted, which designates Regions and Departments as the units of political decentralisation, while provinces will remain administrative units. Local elections for the regional and departmental councils will be held in 2005 or 2006.

⁹ Estimated at about 160,000; World Bank, *Program document third PRSC*, p.3.

¹⁰ See CPIA from the World Bank and conclusions from Article IV consultations and PRGF monitoring from the IMF.

¹¹ Source: IMF, *Article IV consultations*, June 2003, p. 8.

The IMF has observed recently that: “ Burkina Faso’s economic, financial and social situation remains fragile. The country continues to depend heavily on external assistance and cotton exports, making it highly vulnerable to terms of trade fluctuations and to the volatility of aid flows. Moreover, the external debt burden remains high, even following the completion point under the HPIC initiative”.¹²

Since 1993, Burkina Faso has received four loans from the IMF under the Extended Structural Adjustment Facility (ESAF) and the Poverty Reduction and Growth Facility (PRGF). The macroeconomic and fiscal programmes connected with those loans have always been implemented satisfactorily. The PRGF review of March/April 2004 concluded that real GDP growth was relatively high in 2003 (6.5%), while inflation was kept below 2%.¹³ Tax revenues, historically at a much too low level¹⁴, increased substantially, while expenditure was below programme projections. The overall fiscal deficit (including grants), financed in 2003 by concessional foreign loans and domestic borrowing, decreased from 4.9% of GDP in 2002 to 3.7% in 2003. The IMF noted that: “... limited absorptive capacity of HIPC Initiative resources in the social sectors has contributed to a slower execution of the government’s public investment program, limiting the authorities’ performance in reducing poverty and achieving the Millennium Development Goals”.¹⁵

In 2002 the Ministry of Economics and Finance (now Ministry of Finance and Budget; MFB) formulated the PRGB¹⁶, a programme to strengthen public finance management. It consists of 27 specific objectives and 400 activities. A mid-term review of the PRGB carried out in September 2003 concluded that the PRGB was a coherent set of actions that had sparked off a process of strengthening public finance management, but that implementation was behind schedule. A few of the numerous (operational) recommendations concerned the improvement of budget programming at the level of sector ministries, studying the implications of deconcentration of public finance management, and strengthening the Financial Inspectorate of the MFB and the General Inspectorate of the Prime Minister. One of the positive points was that by the end of 2003 all annual government accounts up to the year 2002 were submitted by the MFB to the Cour des Comptes (Court of Accounts), which had audited all accounts up to the year 2000.

The poverty reduction strategy

The first Poverty Reduction Strategy Paper (PRSP) was approved by the Government in May 2000¹⁷. Progress reports were issued in September 2001, September 2002 and December 2003. The second PRSP for the period 2004-2006 was presented in March 2004. The four broad objectives (axes stratégiques) of both PRSPs are:

- Acceleration of equity-based growth, including maintaining a stable macroeconomic framework, improving the competitiveness of the economy, and supporting productive services.
- Ensuring access to basic social services (education, health, water and housing).
- Expanding employment opportunities and income generating activities for the poor.

¹² IMF, PRGF Review, April 2004, p.18.

¹³ The PRGF review of November 2004 adjusted the growth figure of 2003 upwards to 8%.

¹⁴ 10.8% of GDP in 2002 (source: IMF Article IV consultations 2003).

¹⁵ IMF, PRGF Review, April 2004, p.18.

¹⁶ Programme de Renforcement de la Gestion Budgétaire

¹⁷ Endorsed by WB/IMF in June 2000.

- Promotion of good governance; including issues of decentralisation, public finance management and donor coordination.

The first PRSP was accompanied by a priority action plan focussing on four sectors, namely basic education, health, water and sanitation, and rural development (agriculture, livestock, water works and rural roads). The additional costs of this action plan¹⁸ were estimated at about € 170 million (for the period 2000-2003), of which about 80% could be financed with HIPC resources, while for the other 20% additional funding had to be sought.

The joint assessment of the third PRSP progress report by the staffs of the World Bank and IMF highlighted the following aspects:

- Implementation of macroeconomic and fiscal policies was broadly satisfactory but economic growth was well below expectations. More efforts should be made to analyse the obstacles for accelerating growth;
- Some important advances were made in reducing administrative hurdles, liberalisation, privatisation, improving road infrastructure and agricultural diversification and intensification, but overall performance regarding enhancing economic competitiveness, raising rural incomes and diversification of the economy was mixed and in some areas limited.
- The Government was encouraged to implement its new rural development strategy in order to raise rural incomes.
- Primary school enrolment rates improved clearly, although less than projected.
- Key health indicators improved modestly.
- The execution rate of the deconcentrated budgets for education and health is low.
- The Government was encouraged to set a comprehensive framework for the deconcentration of social services and the devolution of responsibilities to regions and local authorities.
- The household survey conducted in 2003 showed that poverty rates had not declined during the period 1998-2003, while income (in)equality remained stable.
- The second PRSP should include a more comprehensive framework for growth-enhancing policies, and should strengthen the role of the PRSP as an integrative framework for sectoral policies, and should emphasize the establishment of sectoral medium-term expenditure frameworks.

1.2. External support

Burkina Faso depends heavily on foreign assistance for its economic growth and poverty reduction strategies as well as for maintaining macro-economic stability. The World Bank mentions in the *Program document of the third PRSC* (p.3) that the total amount of external grants and loans plus HIPC relief amounted in 2001 to more than US\$ 350 million, equivalent to 124% of government revenue or about 14% of GDP. The Government of Burkina Faso reported even higher figures (see table 1.1). That table shows also the relative and absolute increase of budget support in 2001 and 2002, accompanied by a decrease of project aid and an increase of the total aid volume. The increase of budget support is most likely a response to the adoption of the PRSP in

¹⁸ Additional in relation to ongoing projects, programmes and funding sources.

2000. In nominal terms budget support increased from an average of US\$ 69 million per year during 1998-2000 to an average of US\$ 158 million per year in 2001-2002.

Table 1.1. Overview of total aid for Burkina Faso (in millions of US\$).

	1998	1999	2000	2001	2002
Project aid	270.7	276.4	258.5	251.2	218.9
Budget support	76.3	70.4	61.0	150.6	166.3
Other types of support	59.3	78.2	61.5	62.2	52.6
Total	409.3	425.0	381.0	464.0	437.8
Projects as % of total	66.4%	65.0%	67.8%	54.1%	50.0%
Budget support as % of total	18.9%	16.6%	16.0%	32.5%	38.0%
Others as % of total	14.7%	18.4%	16.2%	13.4%	12.0%
Grants as % of total	66.2%	65.1%	72.1%	60.6%	69.0%
Loans as % of total	33.8%	34.9%	27.9%	39.4%	31.0%
Bilateral aid as % of total	48.6%	48.8%	49.5%	42.0%	46.8%
Multilateral aid as % of total	50.3%	48.5%	47.7%	55.6%	50.8%
NGOs as % of total	1.1%	2.7%	2.8%	2.4%	2.4%

Source: calculated on the basis of table 1 of the document "Problématique de la mobilisation des ressources", presented by the Government of Burkina Faso at the Fourth Round Table Conference with the development partners in March 2004.

The World Bank started funding the PRS in 2001 with a first Poverty Reduction Support Credit (PRSC) amounting to US\$ 60 million, followed by a second PRSC of US\$ 35 million in 2002 and a third PRSC of US\$ 50 million in 2003. The latter amount was provided as a grant.

In April 2002, the IMF and the World Bank Boards decided that Burkina Faso had fulfilled the conditions for reaching the completion point under the enhanced HIPC Initiative.

Mid 2003, the IMF Board approved a PRGF arrangement for Burkina Faso amounting to SDR 24 million (about US\$ 35 million) to be disbursed from mid 2003 to mid 2006. The previous PRGF arrangement, amounting to SDR 39 million was fully disbursed during the years 1999-2000.

In April 2002 six donors¹⁹ signed an agreement with the Government of Burkina Faso to harmonize budget support. A joint framework was agreed regarding monitoring the implementation of the PRS, strengthening public finance management, operational procedures, joint assessments and coordination. Based on that joint framework each donor has its bilateral agreement with the Government. In terms of the volume of budget support, the European Commission and the Netherlands have provided the biggest contributions, respectively € 125 million and € 42 million for the years 2002-2004.

¹⁹ Belgium, Denmark, the European Commission, the Netherlands, Sweden and Switzerland. In 2004 Belgium resigned, while France joined the group.

1.3. Sectoral composition of aid

No consolidated quantitative information has been found regarding sectoral composition of aid per donor or total aid per sector with a breakdown per donor. Qualitative information on the sectors in which the most important donors are presently active is presented in table 1.3. The table shows that the education and rural/local development sectors are supported by many donors. In the case of the education sector, the availability of donor funding, especially for the Programme Décennal du Développement de l'Éducation de Base, outreaches the implementation capacity of the Ministry of Education, particularly since France and Denmark also started supporting that sector recently.

Table 1.3. Overview of sectoral interest of donors in recent years (until 2004)

	Aus	Be	Can	CH	DK	EU	Fr	Ger	NL	Sw	WB
Budget support		x		x		x	x		x	x	x
Education	x	x	x	x	x	x	x	x	x	x	x
Health		x					x	x	x	x	x
Rural/local development	x	x	x	x	x		x	x	x		x
Agriculture				x	x	x	x	x			x
Good governance			x	x	x	x	x		x	x	x
Decentralisation			x	x	x		x	x	x		x
Environment			x		x			x			x
Roads						x					x
Water supply		x			x	x		x	x		x
Energy					x						

Source: Oral information from RNE staff.

Legend: Aus = Austria DK = Denmark NL = Netherlands
 Be = Belgium EU = European Union Sw = Sweden
 Can = Canada FR = France (incl.AFD) WB = World Bank
 CH = Switzerland Ger = Germany (incl.GTZ)

Note: Denmark is also member of the General Budget Support Group but has not provided budget support for the last couple of years. France started recently with providing general budget support. Belgium has decided to stop its cooperation programme with Burkina Faso and has only once given budget support in the form of co-financing with the World Bank.

2 Characteristics of the Dutch development assistance for Burkina Faso

2.1. Dutch assistance prior to 1995

Bilateral development cooperation between the Netherlands and Burkina Faso started in 1975. In 1984 the two governments decided to focus the cooperation on four sectors (i) agriculture and livestock, (ii) environment, (iii) water supply, and (iv) integrated rural development in certain regions²⁰. At the end of the 1980s, the Netherlands started to provide also macroeconomic programme aid.

A major reorientation of the cooperation programme started in 1992, when it was decided to focus more on the development of human resources, to increase macroeconomic programme aid, to reduce the assistance for irrigated agriculture and to phase out the assistance for community water supply. Table 2.1 visualises the composition and reorientation of the development cooperation programme: the decrease of spending on agricultural development, village water supply and environment and the substantial increase of macroeconomic programme aid and financing integrated rural development. It should be noted that the integrated rural development projects included important environmental, health and education components. Thus in 1995, the cooperation programme was heavily concentrated in macroeconomic programme aid and integrated rural development.

Table 2.1. Sectoral composition of the bilateral development aid from the Netherlands for Burkina Faso during the period 1986-95 (disbursement basis; disbursements from 'country programme' only)

Sectors	1986	1990	1995	1986-95
Integrated rural development	19%	28%	30%	28%
Agriculture and livestock	30%	13%	7%	16%
Village water supply	10%	10%	5%	11%
Environment	12%	13%	3%	7%
Health	1%	2%	5%	2%
Education	6%	8%	1%	5%
Macroeconomic programme aid	55%	18%	42%	22%
Others	17%	8%	8%	9%
Total	100%	100%	100%	100%

Source: IOB, *Les Femmes du Burkina Faso et la coopération néerlandaise 1985-1995*, p.52, 1997. Original source: Information system DGIS-FOS.

²⁰ Source: IOB, *Les Femmes du Burkina Faso et la coopération néerlandaise 1985-1995*, p.49, 1997.

2.2. Composition of Dutch development aid expenditures for Burkina Faso from 1995 to 2003.

Tables 2.2 and 2.3 (see next page) show clearly the evolution of the sectoral composition of the Dutch development aid for Burkina Faso from 1995 to 2003. The highlights of that evolution are:

- Total aid volume increased from about 20 million Euros in 1995 to about 30 million in 2003. The large temporary decline in 2000 was caused by the non-disbursement of macro support due to the ongoing investigations of the United Nations regarding allegations that Burkina Faso did not respect the UN sanctions against Liberia and Angola. After that issue was solved, the macro support programmed for 2000 was made available in 2001²¹, which, together with a structural increase of the macro support volume, explains the high level of macro support in 2001.
- Apart from the special circumstances in 2000 and 2001, the volume of macro support fluctuated considerably over the years. The drop in 1997 was caused by the fact that co-financing of structural adjustment loans was phased out, while only debt relief continued. From 2001 onwards a new programme of general budget support (GBS) was launched, in cooperation with other donors, to support the implementation of the PRSP. The annual amount of GBS was fixed at a much higher level than the debt relief in the years prior to 2000.
- Spending for integrated rural development programmes has decreased from on average € 9.8 millions per year during 1995-1998 to an average of € 6.4 million per year during 2001-2003. This is a decrease from about 44% of the total aid envelope to about 20%. This decrease is a reflection of the difficulties to put a SWAp in place in the agricultural sector (see section 3.2), and the increase of spending in the other two priority sectors and on budget support.
- Spending in the education sector increased from a minimal amount in 1995 to € 5.6 million in 2003 (19% of the total envelope). This is the result of the increased co-financing of the basic education programme on the basis of a SWAp (see section 3.2).²²
- Spending in the health sector increased from about € 1 million per year during 1995 to 1998 (about 5.5% of the total envelope) to more than € 6 million in 2003 (21% of the total envelope). The increase from 2000 onwards reflects the start of financing of AIDS control programmes in 2000 and the PADS, based on a SWAp, from 2001/2002 onwards (see section 3.2).

Comparing 2003 with 1998, the year prior to the decision to focus the aid on macro support and the three priority sectors and the decision to start a SWAp (see sections 3.1 and 3.2), it can be concluded that macro support increased from 21% to 35% of the total aid envelope, while spending in the three priority sectors decreased slightly from 66% to 63%. These figures show that in 1998 (and in fact also in 1995) the aid was already focussed on macro support and the three priority sectors. The only major changes that took place were (i) the decrease of rural development financing and the increase of funding of the health and education sectors, and (ii) the increase of macro support absorbing funds previously spent on activities outside the priority sectors.

²¹ As 'incidental budget support' in addition to the regular ('structural') budget support.

²² In 2004 financing of the education sector by the Netherlands was quite limited, because of the increasing number of donors financing that sector and the limits of the implementation capacities within the sector.

Table 2.2. Disbursements of Dutch bilateral aid for Burkina Faso (in '000 Euros)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Macro support	9,076	9,076	4,538	4,538	6,807	-	18,151	12,767	10,346
Rural development	8,205	9,609	10,995	10,213	6,908	6,336	7,865	4,359	7,032
Education	127	1,386	3,561	2,993	4,255	5,792	5,875	4,597	5,598
Health and AIDS	1,125	933	554	847	1,756	2,885	3,345	4,412	6,269
Gender	206	121	422	497	109	134	185	234	72
Environment	-	47	414	133	82	125	110	78	8
Good governance	-	546	749	1,232	178	1,034	1,120	626	281
Others	1,583	1,893	2,393	1,131	221	182	1,038	758	314
Totals	20,322	23,611	23,626	21,584	20,316	16,488	37,689	27,831	29,920

Source: 1995-2002: MIDAS data obtained from IOB. Sector classification of projects and programmes done by evaluators

Data Macro support 1995-1998 from Midas data obtained from RNE. 2003: Piramide data obtained from IOB and RNE.

Note 1: Good governance includes decentralisation.

Note 2: From 1995 to 1999 macro support consisted mainly of debt relief, plus in 1995 and 1996 an amount of 4,538,000 Euros each year for co-financing the structural adjustment programme.

Note 3: From 2001 to 2003 macro support consisted of 'structural' General Budget Support, in 2001 topped up with 'incidental' General budget Support amounting to 11,345,000 Euros

Table 2.3. Disbursements of Dutch bilateral aid for Burkina Faso (in %)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Macro support	44.7%	38.4%	19.2%	21.0%	33.5%	0.0%	48.2%	45.9%	34.6%
Rural development	40.4%	40.7%	46.5%	47.3%	34.0%	38.4%	20.9%	15.7%	23.5%
Education	0.6%	5.9%	15.1%	13.9%	20.9%	35.1%	15.6%	16.5%	18.7%
Health and AIDS	5.5%	4.0%	2.3%	3.9%	8.6%	17.5%	8.9%	15.9%	21.0%
Gender	1.0%	0.5%	1.8%	2.3%	0.5%	0.8%	0.5%	0.8%	0.2%
Environment	0.0%	0.2%	1.8%	0.6%	0.4%	0.8%	0.3%	0.3%	0.0%
Good governance	0.0%	2.3%	3.2%	5.7%	0.9%	6.3%	3.0%	2.2%	0.9%
Others	7.8%	8.0%	10.1%	5.2%	1.1%	1.1%	2.8%	2.7%	1.0%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

2.3. Maintaining Burkina Faso as a partner country

In 1999, the Netherlands Ministry of Foreign Affairs (DGIS) reviewed the countries with which it had a development cooperation relationship, with the aim to select a number of countries on which most of the bilateral aid would be focussed. Burkina Faso was one of the about 20 selected countries. The key arguments for that selection were:

- Burkina Faso was one of the least developed countries in the world, taking position 172 out of 174 countries classified according to the Human Development Index of the UN of 1998. The need for external financing of development programmes was considered being high. Although many donors were active in Burkina Faso and the aid volume par capita was high, (additional) support from the Netherlands would be very useful in view of the financing needs.
- The International Financial Institutions were positive about the financial and economic policies of Burkina Faso: good implementation of the structural adjustment programmes, prudent fiscal policy, low inflation rate and a stable balance of payments.
- There were good prospects for basing the bilateral development cooperation on a SWAp and to improve donor coordination in the three selected sectors: rural development, education and health (see also section 3.1). Initiatives were taken to formulate comprehensive sector policies, which could form the basis for a SWAp.
- Attention paid to gender and environment issues was satisfactory. The study “women in Burkina Faso” carried out in 1997, had concluded that “there was a relatively favourable climate in Burkina Faso regarding development of women ...” Environment got a lot of attention through (i) the efforts of Ministry of Environment, (ii) the recently established committee to fight desertification and (iii) various environmental projects and activities.
- Measures were taken to reform the civil service and to strengthen public finance management. Nevertheless transparency and control of the use of public financial resources had to improve.
- Corruption, although increasing, was relatively low compared to many other African countries.
- The decentralisation process and the democratisation of the political processes contributed to a positive score regarding good governance. Fair parliamentary and presidential elections were held two times in the 1990s.
- Human rights were respected apart from some incidents. However the independence of the judiciary was questioned.
- In general the quality of existing cooperation programme was considered as ‘good’.

Another country screening exercise was carried out in 2003, which resulted in Burkina Faso being selected as one of the 36 partner countries of the Netherlands in terms of development cooperation. The arguments underpinning that selection were basically not very different from those used in 1999. Some highlights of that evaluation were:

- Burkina Faso was still one of the poorest countries in the world and fourth last on the list of countries classified according to the Human Development Index.
- Burkina Faso scored well in the Country Policy and Institutional Assessment (CPIA). The CPIA of 2001 classified Burkina Faso in the top quintile of analysed countries as far as public sector management was concerned, in the upper

(second) quintile as regards macroeconomic policy and social policies and in the middle quintile as regards structural reform policies. On average Burkina Faso was classified in the upper quintile.

- DGIS gave Burkina Faso a high score as regards financial and economic policies and social policies. Macroeconomic and fiscal policies were evaluated as well balanced, although the tax level was still too low. Structural reforms were said to be on schedule. A PRSP was formulated in 2000. Furthermore, the Government had formulated ambitious plans regarding improvement of basic education, literacy programmes, health care and AIDS prevention and control. As regards the legal basis for women emancipation Burkina Faso was considered being among the most advanced countries in Africa. However, in terms of initiatives the country was less outspoken than in the 1990s. The same applied to environmental policies. The policies were well formulated, but implementation was judged to be less impressive, often due to lack of resources.
- As regards 'good governance' DGIS gave Burkina Faso a score of 40 out of 50. A public finance management strengthening programme had been formulated and various measures had already been taken. The biggest shortcoming as regards public finance management was the insufficiency at the level of internal ex post control and external control. The level of integrity of the civil service was evaluated as satisfactory. However, the effectiveness of the public services was not really satisfactory, mainly due to lack of sufficiently competent civil servants. Corruption was increasing, but still relatively low in the African context. The parliamentary elections of 2002 were judged as being democratic and fair. Thirteen political parties were represented in parliament and the political processes were qualified as quite dynamic, although political participation was not wide spread. The process of governmental decentralisation could enhance political participation. The judiciary was hampered by lack of resources and political influence. A plan for reform of the judiciary was being implemented.
- Regarding the indicators 'level of poverty' and 'need for aid', Burkina Faso was given a score of 50 out of 50, because it is one of the poorest countries in the world. The level of external aid is equal to about 15% of the country's GDP. Donor coordination has improved in recent years, particularly in the context of the PRSP and the efforts to start a SWAp in a number of sectors.
- The quality of the bilateral cooperation programme was considered being good. The SWAp started bearing fruits. Donor coordination was improving, particularly in the context of the PRSP. However insufficient implementation capacity remained to be the biggest problem.
- Good progress had been made by the Government regarding policy formulation for the two priority sectors: education and health. Policy formulation for the third sector, rural development, was more complicated because of the large variety of issues and actors, but action plans for various issues were being made, and the link with the PRSP was being strengthened.
- Consultation and coordination with the various ministries was good. Commitment to improve performance of the key ministries for the bilateral cooperation programme was considered as high.

3 Changes in the implementation of the Dutch development co-operation

3.1. Preparing the sector wide approach

Already in the first half of 1998 a series of internal RNE discussions took place on how to move from project support to programme financing and on how to improve the quality of the cooperation programme through streamlining the portfolio of activities and deepening the cooperation. An analysis was made of the needs, absorption capacity, assistance provided by the Netherlands and other donors and the policy environment in Burkina Faso. On the basis of that analysis it was decided to focus the Dutch assistance on rural development, basic education and primary health care, while within those sectors special attention would be paid to the following crosscutting issues: environment, gender, good governance, decentralisation and institutional development. Activities in other sectors would be phased out, unless there would be a clear added value for the entire cooperation programme. Furthermore it was decided to progressively replace project aid by sector programme aid, and to continue with macroeconomic programme aid.

In May 1998 a document was made on how to move towards programme financing (*“the shift from project aid to programme aid in Burkina Faso”*) which was discussed with the authorities of BF during the annual consultations in June 1998. The authorities agreed with the main conclusions of the document, including the focus on the three sectors. These new orientations influenced already the implementation of the cooperation programme of 1998 and formed the basis of the programme from 1999 onwards.

The need for sector concentration was further strengthened by the request from DGIS, sent to the various embassies by the end of 1998, that scenarios should be developed for reduction of the cooperation budgets in the coming years.

During the second half of 1998 and the whole of 1999, the RNE put a lot of efforts into the preparation of programme financing in the three sectors and the RNE reported in its annual reports that important progress was made. A joint sector policy paper regarding rural development and a ten-year plan for basic education were almost ready. Discussion with other donors about common procedures advanced well. However, in the health sector there were some problems impeding rapid progress towards programme financing

The shift from project financing to programme financing was facilitated by the fact that the cooperation programme had already quite a lot of programmatic elements. Furthermore streamlining the cooperation programme was facilitated by the fact that prior to 1998, activities in a number of sectors had already been phased out (e.g. village water supply, reforestation, irrigation). The major “exit” operation still to be carried out was the phasing out of support to four institutions for higher education.

When DGIS launched the SWAp in the course of 1999, the RNE in Ouagadougou was already ‘well on the way’: the sector choice had already been made and a strategy about

how to move from project financing to programme financing was already being implemented.

In September 1999, the RNE had a workshop, supported by an external facilitator, for designing a consistent and uniform strategy for the development of a SWAp in the three sectors. It was decided that the strategy would consist of five, partly overlapping, elements/activities.²³

- Support to **policy formulation**.
- **Capacity development and institutional strengthening** of organisations and institutions responsible for policy implementation.
- **Implementation**: Financing and influencing sector programmes implemented by the Government of Burkina Faso. Implementation of activities aimed at preparation of the SWAp (pre-SWAp activities) and/or innovative activities to support the SWAp.
- **Donor coordination and harmonisation** of policies, interventions and procedures of donors aimed at supporting the sector policies of the Government.
- **Monitoring** the impact of the implementation of the sector programmes.

This strategy is elaborated in the “log frame Ouagadougou”. For a couple of years to come this log frame was the reference document for restructuring the cooperation programme. A further specification of RNE’s strategy can be derived from the following statement in RNE’s annual plan for the year 2000: “the SWAp is a gradual process, with the ultimate aim to arrive at basket funding of sector programmes, accompanied by an active policy dialogue and technical assistance, in close cooperation with other donors.”

The choice of the three sectors had not been subject of a dialogue with the civil society, but the civil society had been involved intensively in elaborating the policies at sector level (by the government). The RNE had the opinion that, due to the participative approach regarding the formulation of sector policies, the sector policies were sufficiently anchored in the civil society, so that a consultative process regarding the SWA would have little value added (Annual plan 2000, p.15).

3.2. Implementing the sector wide approach

From 1999 onwards the RNE was closely involved in policy discussions regarding the formulation of comprehensive policies for the three priority sectors, and at a more general level regarding the formulation of the PRSP, the design of macro-economic policies and the improvement of public finance management.

The development of a SWAp for each of the three priority sectors is described and analysed in the annexes B1 to B3. The highlights and main conclusions are summarised in the following paragraphs. Within the rural development sector a distinction is made between two major components (axis, sub-programmes), namely agricultural development (in a broad sense, including rural finance and farmers organisations) and local development.

²³ See Annual Report 1999, pp. 6-7 and Annual Plan 2000 p.16.

Designing a SWAp for agricultural development

Progress regarding the formulation of a sector wide policy for agricultural development was promising during 1998 and 1999 (two policy documents were made), although the decision of the World Bank to refrain from finalising the formulation of a second agricultural adjustment programme was a major set back. Among donors there was a growing consensus about joint financing of a number of action plans for agricultural development (one budget, one bank account, common procedures, uniform reporting and joint audits).

However, during 2000 and 2001 there was little progress regarding formulation and/or implementation of those action plans, due to differences of views within the Ministry of Agriculture, among donors and between the Ministry and the donors. Insufficient policy and strategy formulation capacity within the Ministry was also an obstacle. Discussions between the donors and the Ministry led to the conclusion that the policy documents were not entirely coherent and complete, and that priorities and expected results were insufficiently defined and substantiated. The Ministry would therefore prepare a new policy document.

During 2002, it became more and more clear that the new Minister for Agriculture had not put a SWAp high on its agenda. There was a preference for discussions and negotiations with individual donors. At the same time progress regarding the formulation of a new comprehensive policy document was slow and the institutional analysis of the ministry was not carried out.

Already during 2002 doubts were rising within the RNE about the feasibility of applying a SWAp for the cooperation programme in the agricultural sector, because of insufficient political support, too many stakeholders with different views and the complexity of the multitude of issues at stake. When, towards the end of 2003, DGIS requested the embassies (again) to reduce the number of sectors, the decision was made to phase out the Dutch support to the agricultural sector.

With hindsight it can be concluded that the SWAp did not get off the ground because of lack of political support from the Ministry of Agriculture, insufficient coherence among donors and the complexity of agricultural development (multitude of objectives, priorities and issues; complicated and non-settled division of roles between the public and private sector, including the small scale farmers).

Furthermore, it has to be observed that the donors did not have a clear view of what a SWAp for the agricultural sector could or should be about. At a certain stage the joint financing of a number of action plans was considered as the objective and materialisation of a SWAp. However, the action plans cover only part of the agricultural policy and only part of the responsibilities and activities of the Ministry of Agriculture. Furthermore, the action plans were designed in such a way that a project-type implementation modality would be the most appropriate way to execute them. In practice (i) only a few of the action plans reached the stage of implementation, (ii) no joint financing mechanism for all action plans was put in place, (iii) each donor had its own financing agreement and procedures regarding the support to the action plans, and (iv) the implementation of the plans was contracted out to consultants on the basis of a project formula.

Designing a SWAp for local development

In 1999 the RNE decided to restructure and to reorient the four Dutch financed Integrated Rural Development Programmes and to bring them together in one local development programme (PDL) under the aegis of the Ministry of Economy and Finance (in 2002 transformed into the Ministry of Economy and Development; MEDEV). The approach of the PDL was largely based on the policy being formulated at that time in the Lettre Politique de Développement Rural Décentralisé (LPDRD, drafted in 1999/2000 and finally approved in 2002.), on the new decentralisation policy of the government and on the agricultural policy documents formulated in 1998/99.

Although various local development programmes/projects were formulated at the same time during 1999-2002 and although the RNE envisaged promoting the establishment of a basket funding mechanism for all these programmes, there has never been a (strong) initiative to try to bring together those initiatives under the umbrella of a SWAp.

The policy formulated in the LPRDR could have provided the anchor for a SWAp regarding local development. However no initiatives were taken in that direction. Two important explanatory factors are:

- The fact that two ministries were and still are involved, which do not really cooperate, while none of the two is having the lead, or is allowed to have the lead. The MEDEV is responsible for the Dutch financed programme, for two of the three Danish financed programmes, for the implementation of the LPDRD and for setting up a coordination mechanism. All other PDL projects are under the responsibility of the Ministry of Agriculture.
- The lack of interest among donors to work towards a SWAp in this sector. Particularly the role of the World Bank is crucial because the Bank is financing by far the largest project regarding local development. The Bank has however not taken initiatives towards a SWAp. To the contrary, both the Bank and the project staff are being criticised by other donors for not coordinating sufficiently as regards the local development programmes.

Although there is no SWAp, the redesign of the Dutch financed integrated rural development programmes into PDLs resulted in, among many other things, increased national ownership. The MEDEV became responsible for the formulation of the policy documents, financial management and audits, while the technical assistance was reduced dramatically.

Designing a SWAp for the health sector

In 1999/00 the RNE decided to broaden its assistance to the health sector on the basis of a SWAp and the National Programme for Health Development (PNDS), which was being formulated at that time and finally adopted in 2001. However, in 1999/00 the institutional, administrative and financial framework for implementing the PNDS on the basis of a SWAp, supported by various donors, was not yet in place within the Ministry of Health (MoH), while also many donors were not yet 'aligned' to join such an approach.

From 2001 to 2003 the RNE financed various missions supporting the MoH to prepare itself for managing a SWAp and invested a lot of time in strengthening donor

coordination and intensification of the dialogue with the MoH. In 2003 all donors providing support to the health sector issued a joint statement, in which they confirm that the PNDS would be the global framework for the development of the health sector and in which they committed themselves to further this plan.

Because starting a SWAp on the basis of the (entire) PNDS was not yet possible, the MoH and the RNE formulated the Programme d'Appui aux Districts Sanitaires (PADS)²⁴, which actually started in 2003. This programme has already many characteristics of a SWAp: a financing mechanism for all activities of the public health services at district level, decentralised planning, allocation of financial resources per district and per budget item on the basis of needs and certain criteria, a basket fund to which various donors could contribute, etc. However, it is not yet a SWAp in terms of number of donors participating, coverage and financial management. Nevertheless, it is acknowledged that the PADS approach is a tremendous improvement, in light of the objectives of a SWAp, compared to the 'old' project approach.

Although there is, since 1999/2000, a common (informal) understanding among the MoH and some donors regarding the aim of developing a SWAp, the discussions about the introduction of a SWAp in the health sector were and are not easy. In practice it appears that not all actors, both at the level of the MoH and the donors, are convinced about the advantages of a SWAp. Presently there are four donors actively promoting a SWAp. The other donors are interested to follow the process and to participate in the discussions, but do not change their approach. They continue financing their projects and do not, at this moment, consider contributing to a basket funding mechanism, be it for the PADS or the PNDS at large.

At this moment it is not clear whether further strengthening of the SWAp should focus on the PNDS, the PADS or both. So far, the PNDS is merely a policy, coordination and monitoring framework for all health activities implemented by the MoH, and various donor funded and NGO projects, with varying degrees of cooperation with the MoH structures. There is no clear move towards deepening the SWAp in terms of integrating project activities and financial management in the structures of the MoH, reducing the number of projects, and expanding the basket funding of the PADS.

Designing a SWAp for the education sector

At policy level the Plan Décennal de Développement de l'Éducation de Base (PDDEB), formulated during the years 1999-2001, is the cornerstone and anchor of a SWAp. The RNE provided substantial financial and technical support to the Ministry of Education (MEBA) for strengthening the formulation and preparation of the PDDEB, and to prepare MEBA for managing the implementation of the PDDEB. The World Bank and the RNE financed also a rapid institutional analysis of MEBA in 1999 and a more detailed organisational analysis in 2000.

Implementation of the PDDEB started officially in 2002. In principle all government and donor-funded activities are included in the PDDEB. The contributions from the donors can be classified in two categories: (i) the traditional project-type activities, and (ii) the support via the common financing framework of the PDDEB managed by MEBA. Initially only the World Bank, the Netherlands and Canada made use of that common financing

²⁴ Later on renamed as Programme d'Appui au Développement Sanitaire.

framework, but the group was enlarged with Sweden at the end of 2003, and Denmark and France mid 2004. Belgium may follow soon.

The common financing framework of the PDDEB is not (yet) integrated in the national financial management system. The common financing framework is managed by a special 'Bureau des Projets d'Education' (BPE) and the contributions of each donor are kept in separate bank accounts. Apart from that, management of the PDDEB is largely organised along SWAp principles: jointly approved consolidated annual plans and budgets based on a comprehensive sector policy, a joint financing framework, joint annual reviews to assess progress, joint audits, procedure manuals for all aspects and components of the PDDEB and a common monitoring, evaluation and reporting mechanism.

Although the financing and implementation of the PDDEB complies with many characteristics of a SWAp, there are also a few 'missing elements' which are:

- Until very recently too few donors participated in the joint financing framework.
- No real basket fund.
- The financial system of the PDDEB operates in parallel with the standard government system.
- There is no formal commitment of donors to support the PDDEB for the full duration (until 2010).

The first missing element has been largely resolved with the recent entry of Sweden, Denmark and France to the group making use of the common financing framework, while Belgium may follow soon. The second and third missing elements might be resolved in 2005, because MEBA and the donors have agreed recently that the BPE will be phased out in 2005 and there are serious talks about creating a joint basket fund in the form of a special Treasury Account at the Central Bank operated by the Ministry of Finance.

3.3. Sector choice and the Poverty Reduction Strategy

The sector choice and the first design of the strategy to implement the SWAp (see section 3.1) was not influenced by the content of the Poverty Reduction Strategy Paper (PRSP), because of the simple fact that the PRSP did not yet exist at that time. The PRSP preparation process was officially launched in November 1999 and the final document was approved by the government in May 2000 and endorsed by the World Bank and IMF a few months later.

The PRSP contains a priority action plan focussing on basic education, health and rural development, including agriculture, livestock, water works and rural roads (see also section 1.2). Furthermore, under the four broad objectives of the PRSP, all (other) elements of rural development are mentioned, such as: soil fertility management, access to land, modernization of agriculture, access to credit, support for producers organisations and decentralisation. Thus it can be concluded that the choice of the priority sectors for the bilateral cooperation programme matches well with the priorities defined in the PRSP.

3.4. Towards reduced earmarking

Already in 1998 the RNE decided to replace progressively project aid by sector programme aid, which implies reduced earmarking (see section 3.1).

Macro support increased from 21% of the total aid envelope in 1998 to 35% in 2003, which is a clear move towards reduced earmarking²⁵. Spending in the three priority sectors (education, health and rural development), which decreased slightly from 66% to 63% between 1998 and 2003, was also characterised by reduced earmarking (within the sectors).

Reduced earmarking was strongest in the education sector. From 1998 to 2003 various project-type financing activities were phased out, while funding of the sector wide Plan Décennal de Développement de l'Education de Base (PDDEB) started in 2002 (see section 3.2. and annex B.3). Management of the PDDEB is largely organised along SWAp principles: jointly approved consolidated annual plans and budgets based on a comprehensive sector policy, a joint financing framework, joint annual reviews to assess progress, joint audits, procedure manuals for all aspects and components of the PDDEB and a common monitoring, evaluation and reporting mechanism. However, the joint financing framework does not yet include a common basket fund and still operates in parallel with the financial management system of the government, because the crucial directorates of the ministry are judged to be still too weak to manage the external funds adequately. Dutch support for the education sector amounted to € 5.6 million in 2003, of which by far the largest portion was spent as non-earmarked support for the PDDEB²⁶.

Also in the health sector there was a move towards reduced earmarking, although less pronounced than in the case of the education sector. The "Projet d'Appui aux Soins de Santé Primaires" (PASSP), which was for many years RNE's most important activity in the health sector, was phased out in June 2004, while funding of the "Programme d'Appui aux Districts Sanitaires et Directions Régionales de la Santé" (PADS) had actually started in 2003. This programme consists of a financing mechanism for all activities of the public health services at district level. Financial resources are allocated per region, district and budget item on the basis of needs and some other criteria. A basket fund is put in place to which various donors could contribute, however so far only two donors contribute actually (the Netherlands and Sweden). Within the context and framework of the PADS the donor contributions are non-earmarked. Financial management of the PADS is not integrated in the standard financial management systems of the government. Dutch support for the health sector amounted to € 6.2 million in 2003, most of which was non-earmarked support for the PADS and funding of AIDS control programmes (see section 3.2. and annexe B.3)²⁷.

²⁵ In 1998 the macro support consisted of debt relief and in 2003 of General Budget Support. See also table 2.2.

²⁶ In 2002 an amount of € 4.6 million was spent on education activities of which 39% for the PDDEB, 19% for bilingual education (OESO), 6% for literacy programs (Tin Tua) and 35% on school construction programmes.

²⁷ In 2002 an amount of € 4.5 million was spent on health activities of which 40% for AIDS control, 20% for the PADS and 21% for the PASSP.

Progress towards reduced earmarking was less pronounced in the rural development sectors. Regarding agricultural development the main focus was on formulating and funding 11 priority action plans. Only a few of these action plans have actually started, while execution of these plans is based on a project approach with specific earmarked funding. In 2003 the RNE decided to discontinue the support to these action plans (see section 3.2 and annexe B.1).

As regards local development, the Dutch support consists of funding a Local Development Programme (PDL) for four provinces. Within the framework of that programme the Dutch funding is largely non-earmarked: the specific use of the funds is decided by village level committees and approved by provincial level committees²⁸. Although there are many PDLs in the country and the RNE envisaged promoting the establishment of a basket funding mechanism for all PDLs (in 2001 and 2002), there has never been a (strong) initiative to set up such a basket fund, because the dominant donor (the World Bank) was not interested to participate. Such a basket fund could have been the instrument for further reduction of earmarking of the funds for local development programmes (for further information see section 3.2 and annexe B.1).

The percentage of the disbursed aid spent as programme aid could be used as a measure of reduced earmarking; programme aid being defined as “non-project financial support for the implementation of development policies and programmes”. The tables 3.1 and 3.2 show how much within each sector has been spent as programme aid. By definition all macro support is programme aid (see first line of table 3.2). Due to the focus on the SWA and the explicit policy of expanding non-project financing mechanisms the percentage of programme aid in each of the sectors increased quickly from 2000 to 2003 (see table 3.2). The percentage of the total Dutch aid volume provided as programme aid decreased from 1995 to 2000 due to the decrease of macro support. Thereafter there was a rapid increase to 73% of the total Dutch aid in 2003.

3.5. The exit strategy

Exit strategies have not been a major issue when redesigning the bilateral cooperation on the basis of a SWAp focussed on a few sectors, because when the decision to develop a SWAP was taken in 1998, most of the cooperation activities were already part of the three selected priority sectors (rural development, basic education and health). In fact activities in a number of other sectors had already been phased out prior to 1998 (e.g. village water supply, reforestation, irrigation). The major “exit” operation still to be carried out was the phasing out of support to four institutions of higher education. This was communicated to those institutions as early as 1998/1999. Financial support for one of these institutes was phased out in 1999 and for the other three in 2001. Neither a specific strategy nor specific problems have been reported regarding this ‘exit’.

Another major ‘exit operation’ was carried out in 2003/2004, when it was decided to stop the support to agricultural development, because of lack of progress as regards developing a SWAp for that sector and because of insufficient funds for maintaining a sizeable support programme in three sectors plus a macroeconomic support programme. This decision was communicated informally to the Prime Minister and the Minister of Finance, who understood the rationale that one sector had to be skipped in

²⁸ The ‘Comité Provincial de l’Aménagement du Terroir’.

Table 3.1. Disbursements of Dutch programme aid for Burkina Faso

(in '000 Euros)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Macro support	9,076	9,076	4,538	4,538	6,807	-	18,151	12,767	10,346
Rural development	-	-	-	-	-	-	1,130	1,989	5,271
Education	-	-	78	528	480	516	469	1,809	3,500
Health and AIDS	-	152	-	229	297	353	907	1,273	2,630
Totals	9,076	9,228	4,616	5,295	7,584	869	20,657	17,838	21,747

Table 3.2. Disbursements of Dutch programme aid for Burkina Faso

(In % of total disbursements per sector)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Macro support	100%	100%	100%	100%	100%		100%	100%	100%
Rural development							14%	46%	75%
Education			2%	18%	11%	9%	8%	39%	63%
Health and AIDS		16%	0%	27%	17%	12%	27%	29%	42%
Totals	45%	39%	20%	25%	37%	5%	55%	64%	73%

view of the limited availability of funds. The financial impact of RNE's withdrawal from the agricultural sector was not quite large, because the financial support prior to the decision to withdraw was (still) small. However, the impact of the gradual withdrawal from various formal and informal committees was much more noticeable. In fact many other donors and staff from the Ministry of Agriculture expressed their surprise that the Netherlands moved out of that sector after having provided support for more than 25 years.

One other, but minor, exit operation was the phasing out of the PASSP; the support to five health districts. This was already announced in 2001/2002, when the RNE decided to develop the PADS formula, which is more in line with a SWAp than the PASSP (see section 3.2). The PASSP was finally closed in June 2004. The exit strategy was well designed in terms of building up management capacity within the district health teams and the gradual phasing out of Dutch support. Furthermore, the impact of the closure of the PASSP will be cushioned by the fact that the five districts concerned will continue receiving support, although at a lower level than in the past, via the PADS, which supports all health districts in the country.

3.6. Long-term commitment

Education sector

The Dutch financial commitment towards funding the first phase of the 'Plan Décennal de Développement de l'Education de Base' (PDDEB) amounts to € 10.8 million for the years 2002-2005. This commitment fits in overall financial framework of the first phase of the PDDEB with a total budget of € 106 million. No expenditure framework has yet been made for the second phase of the PDDEB (2006-2010) and there is no formal commitment of donors to support the PDDEB for the full duration up to 2010.

In November 2003, the Ministry of Basic Education (MEBA) produced a draft of a Medium Term Expenditure Framework (MTEF) for the basic education sector regarding the years 2004-2006. However, that document is still far from being finalised and cannot yet be called a real MTEF. No budgets are attached to the objectives and no annual projections are presented regarding required levels of funding and/or funding that can be mobilised. Furthermore, no link is made with the overall MTEF of the Ministry of Finance.

Health sector

The RNE has expressed its intention to provide long-term support to the implementation of the PNDS 2001-2010 (Plan National de Développement Sanitaire), but has not made any formal specific long-term financial commitment beyond the duration of the present financing agreements (PADS: € 4 million for 2002-2004; PASSP funding up to mid 2004; PARDEP funding up to mid 2005).

A general financial framework of the PNDS exists, as well as a more detailed financial plan for the first three years. The PADS 2002-2004 fits in that financial plan. The Ministry of Health is busy preparing a MTEF for the health sector for the years 2004-2006, which should fit in the overall MTEF of the Ministry of Finance and Budget and which could form the basis for further financial commitments.

Rural development sector

The support of the Netherlands for the four Local Development Programmes is based on a five year financing agreement (2002-2006) amounting to € 24.3 million. There is neither a MTEF for all local development programmes in the country, nor for the agricultural sector at large. There are no financial commitments of the Netherlands beyond 2006.

Conclusion

It can be concluded that the RNE has signed medium-term commitments for funding sector wide programmes, but not long-term commitments. The length of these medium term commitments is comparable to the usual duration of project and programme financing agreements. Making specific long-term commitments is difficult because of the absence of long-term financial frameworks for the sectors concerned.

3.7. Technical assistance.

General

The number of international technical assistants working for Dutch funded projects and programmes in Burkina Faso decreased from 28 in 1998 to 15 in 1999 and about 6 in 2004. The substantial reduction of technical assistance (TA) is partly the result of the move towards a SWAp, which includes an objective to limit the TA as far as possible, and partly the results of a general policy directive from DGIS, issued in 1998, to reduce the number of TA, in order to increase the local responsibility (ownership) for the implementation of development projects and programmes.

Education sector

An institutional analysis of MEBA, financed by the RNE and carried out in 2000, and an evaluation mission of the World Bank came to the conclusion that the 'Direction de l'Administration et des Finances' (DAF) did not have the necessary capacities to ensure proper financial management of the PDDEB. That is why it was decided to use a separate financial management system, operated by the BPE (Bureau des Projets d'Education) to manage the donor contributions for the PDDEB. BPE is staffed by local personnel working on special contracts.

In 2000 and particularly in 2001 MEBA received various financing lines from the Netherlands for the preparation of the PDDEB. Total amount was close to € 1.7 million, of which one major commitment of € 1.36 million in 2001. No external TA was provided.

Strengthening the DAF is part of Phase I of the PDDEB and includes: an internal re-organisation (job descriptions and decentralised cells) and establishment of a system of consolidated annual programme-budgets. The transfer of BPE's responsibilities to the DAF is contingent upon strengthening the capacity of the latter structure. However, little progress seems to have been made in this respect. Review reports highlight that neither the DAF, nor the DEP and the DRH have yet been strengthened sufficiently.

Health sector

The technical assistance component of the PASSP (project type support for five health districts) consisted of some local consultants and, up to 2002, periodic short-term technical support from the SCF/NL; a Dutch NGO. Since 2002 the PASSP operated with

national TA only. The TA was mainly focussed on capacity building within the health districts concerned regarding health sector planning and management. The PASSP was phased out mid 2004. Although the TA of the PASSP has most likely provided an important contribution to capacity building and institutional development at the level of some districts, there was no direct link with developing a SWAp.

In 2000/2001, the RNE provided short-term TA for carrying out an organisational assessment of the MoH in 2000/2001 in the context of preparing a SWAp. The conclusions of that assessment formed the basis of a 'Plan de Renforcement de la Direction d'Etudes et de la Planification' (DEP) of the Ministry of Health, and the TA project PARDEP (financed by the RNE). This project comprises funding of one (international) technical assistant, equipment and some operational costs. PARDEP focuses on two of the three objectives of the 'Plan de Renforcement', namely (i) strengthening the implementation capacity of the DEP, and (ii) strengthening the DEP to support the implementation of the first three-year plan of the PNDS. The TA of the PARDEP has also provided a major input for the formulation of the PADS.

Rural development sector

In the 1990s several international consultants were working for the four integrated rural development programmes financed by the Netherlands. When, from 1999 to 2002, these programmes were reoriented and brought together in one local development programme, the number of consultants was reduced considerable. Since 2002, the TA consists of one Chief Technical Advisor in each of the four provinces and one coordinator based at the Ministry of Economics and Development in Ouagadougou.

Since a couple of years, one expert in 'gender and development', funded by the RNE, provides support to "Secretariat permanent de la coordination des politiques sectorielles agricoles" (SP-CPSA).

Of the six TA presently working in the rural development sector, two could be directly instrumental for developing a SWAp: namely the overall coordinator of the local development programmes and the TA for the SP-CPSA. However, the position of the first mentioned person was phased out in June 2004, and the position of the last mentioned person will probably be phased out soon, because of the withdrawal of the Netherlands from the agricultural sector. The other four TA, being advisors of the provincial level local development programmes contribute primarily to capacity building of the institutions responsible for the implementation of those programmes.

Conclusion

The general policy directive from DGIS, issued in 1998, to reduce the number of technical assistants has been implemented swiftly by the RNE: the number decreased from 28 in 1998 to 6 in 2004.

In the early phase of the development of a SWAp, the RNE provided, in 2000/2001 substantial support to the Ministries of Education and Health for institutional analyses and organisational assessments. As regards the Ministry of Health these studies got a follow up in the form of a TA project supporting the DEP. Regarding the Ministry of Education no further specific activities were taken, although it is recognised now that the capacities of the DEP, DAF and DRH of that ministry are still not strong enough to ensure a successful implementation of the PDDEB.

The situation in the agricultural and local development sectors is quite different. The TA for the SP-CPSA was meant for assisting the ministry to formulate and implement a coherent agricultural sector gender policy. The TA for the Ministry of Economics and Development was meant to strengthen the coordination capacity of the ministry as regards local development programmes. However, in practice that effort was mainly limited to the Dutch and two of the three Danish funded programmes, because the other programmes are under the responsibility of the Ministry of Agriculture. Both TA positions have most likely contributed to capacity building at central level, but they could not contribute very much to designing a SWAp, because the ministries concerned did not facilitate the development of such an approach.

3.8. Summary of main findings

The preparation of a SWAp

When DGIS launched the SWAp in the course of 1999, the RNE in Ouagadougou was already working on it for more than a year. In 1998 the RNE had already decided to progressively replace project aid by sector programme aid, to focus the Dutch assistance on rural development, basic education and primary health care, and to continue with macroeconomic programme aid. The shift from project financing to programme financing and the streamlining the cooperation programme were facilitated by the fact that the cooperation programme had already quite a lot of programmatic elements, and that a number of sectors had already been phased out prior to 1998. The new orientations had been discussed with and agreed by the authorities of Burkina Faso during the annual consultations in June 1998.

The implementation of a SWAp

From 1999 onwards the RNE was closely involved in policy discussions regarding the formulation of comprehensive policies for the three priority sectors, and at a more general level regarding the formulation of the PRSP, the design of macro-economic policies and the improvement of public finance management.

Preparation of a SWAp for the agricultural sector did not get off the ground due to lack of political support from the Ministry of Agriculture, absence of a coherent sector policy with clear priorities, insufficient interest among donors and the complexity and multifaceted nature of agricultural development. When, towards the end of 2003, DGIS requested the embassies to reduce the number of sectors, the decision was made to phase out the Dutch support to the agricultural sector.

The question can be raised whether a SWAp would have been and will be feasible for the agricultural sector, and whether it is the best approach for that sector in terms of 'aid modality'. The diversity of subjects (rain fed agriculture, irrigation, livestock, primary processing, research and extension, rural credit, farmers organisations, etc.), the small role of public services regarding many agricultural policy issues, and the transfer of many functions to the private sector, might make the sector less suitable for a SWAp. Probably SWAps could be developed per sub-sector; while sub-sectors with a clear public service function such as research and extension would offer the best opportunities²⁹.

As regards local development, the RNE finances a major programme in five provinces (the PDL). Although various similar programmes exist and although the RNE envisaged promoting the establishment of a basket funding mechanism for all these programmes, there has never been a (strong) initiative to try to bring together those initiatives under the umbrella of a SWAp. Two major explanatory factors are: (i) the responsibility for the various programmes is spread over two ministries which do not cooperate well, and (ii) the donors involved do not show a strong interest in developing a SWAp in this sector. Although there is no SWAp, the redesign of the Dutch financed integrated rural development programmes into one comprehensive PDL resulted in, among many other things, increased national and local ownership.

²⁹ Foster wrote an interesting paper on this subject. See: Foster, Mick at al, *What's different about agricultural SWAps?*, CAPE/ODI, 2002.

In 2002 the Ministry of Health and the RNE formulated the Programme d'Appui aux Districts Sanitaires (PADS). This programme has many characteristics of a SWAp: a financing mechanism for all activities of the public health services at district level, decentralised planning, allocation of financial resources per district and per budget item on the basis of needs and certain criteria, a basket fund to which various donors could contribute, etc. However, it is not yet a SWAp in terms of number of donors participating, coverage and financial management. Nevertheless, it is acknowledged that the PADS approach is a tremendous improvement, in light of the objectives of a SWAp, compared to the 'old' project approach. However, it appears that various donors and a number senior staff of the MoH are not (yet) convinced of the advantages of a SWAp.

As regards the education sector, the Plan Décennal de Développement de l'Education de Base (PDDEB), formulated during the years 1999-2001, is the cornerstone and anchor of a SWAp. Implementation started officially in 2002 and by mid 2004 all major donors made use of a common financing framework. However, that framework was not (yet) integrated in the national financial management system. PDDEB funds were managed by a special unit within the Ministry and the contributions of each donor were kept in separate bank accounts³⁰. Apart from that, management of the PDDEB is largely organised along SWAp principles: jointly approved consolidated annual plans and budgets based on a comprehensive sector policy, a joint financing framework, joint annual reviews to assess progress, joint audits, procedure manuals for all aspects and components of the PDDEB and a common monitoring, evaluation and reporting mechanism.

Sector choice and the poverty reduction strategy

The choice of the sectors for concentration of the Dutch bilateral aid was not influenced by the content of the Poverty Reduction Strategy Paper (PRSP), because that document did not yet exist when the choice was made. Nevertheless it appears that the selected priority sectors are all part of the objectives and the priority action plan of the PRSP.

Reduced earmarking

The increase of macro support was a clear move towards reduced earmarking. Within the sectors reduced earmarking was strongest in the education sector. From 1998 to 2003 various project-type financing activities were phased out, while funding of the sector wide PDDEB started in 2002.

Also in the health sector there was a move towards reduced earmarking, although less pronounced than in the case of the education sector. Project support to five specific health districts was phased out and funding of the PADS, which consists of a financing mechanism for all activities of the public health services at district level in the whole country, started in 2003.

Progress towards reduced earmarking was least in the rural development sectors. In fact support to the agricultural sector was terminated in 2003/04 because of insufficient progress towards a SWAp. As regards local development, the Dutch support is largely non-earmarked, but only within the framework of the local development programme itself: the specific use of the funds is decided by village and provincial level committees.

³⁰ From 2005 onwards foreign funding for the PDDEB will be centralised in a special Treasury Account managed by the Ministry of Finance. The special PDDEB management unit will be dissolved.

Exit strategy

Exit strategies have not been a major issue when redesigning the bilateral cooperation on the basis of a SWAp focussed on a few sectors, because when the decision to develop a SWAp was taken in 1998, most of the cooperation activities were already part of the three selected priority sectors (rural development, basic education and health).

Long-term commitment

It can be concluded that the RNE has signed medium-term commitments for funding sector wide programmes, but not long-term commitments. The length of these medium term commitments is comparable to the usual duration of project and programme financing agreements.

Technical assistance

The general policy directive from DGIS, issued in 1998, to reduce the number of TA has been implemented swiftly by the RNE: the number of long-term TA decreased from 28 in 1998 to 6 in 2004.

In the early phase of the development of a SWAp, the RNE provided, substantial support to the Ministries of Education and Health for institutional analyses and organisational assessments. As regards the Ministry of Health these studies got a follow up in the form of a TA project supporting the DEP. Regarding the Ministry of Education no further specific activities were taken. The two TA positions for the Ministry of Agriculture and the Ministry of Economics and Development have most likely contributed to capacity building at central level, but they could not contribute very much to designing a SWAp, because the ministries concerned did not facilitate the development of such an approach.

4. Coordination, harmonisation and alignment

4.1. Introduction

This chapter deals with coordination, harmonisation and alignment. Coordination and harmonisation refers to processes and procedures of collaboration among donors. The most intensive form of donor coordination is the harmonisation of policies, procedures and activities. Alignment refers to the collaboration between donors and the recipient government; in particular aligning the policies, approaches operational rules, procedures and approaches of donors with those of the recipient government. In this chapter all three topics are discussed in an integrated way because coordination, harmonisation and alignment are quite often subjects and results of the same processes. Sections 4.2 to 4.5 deal with the education, health, agriculture and local development sectors respectively. Some general conclusions are presented in section 4.6.

4.2. Education sector

The Ministry of Education (MEBA) organizes monthly³¹ meetings with all donors supporting the education sector, and weekly meetings with the donors supporting specifically the common financial framework of the Plan Décennal de Développement de l'Éducation de Base (PDDEB). These meetings deal with both policy and operational issues. Apart from these meetings, the donors supporting the education sector in general or those supporting the common financial framework of the PDDEB in particular, have sometimes 'internal' meetings if there is a special need to do so. Presently Canada is chairing the group of donors supporting the education sector; the RNE chaired that group from 1998 till 2001. In that capacity, the RNE played an important role in (i) the preparation of the PDDEB, (ii) the conference where the PDDEB was presented and discussed and (iii) the thematic elaboration of the PDDEB. Although not chairing the group of donors any more, the RNE is still one of the important partners in all forums dealing with the education sector.

In 2002, MEBA and 12 agencies (bilateral, multilateral and NGO) signed the 'Cadre partenarial'. This is a Memorandum of Understanding in which all signatories confirm that they consider the PDDEB as the "unique cadre d'intervention dans le secteur d'éducation de base". The PDDEB is now the focal point for donor coordination and harmonisation as regards support to the basic education sector. The comprehensive annual PDDEB plans and budgets are jointly approved by MEBA and the donors and joint six-monthly reviews are carried out to assess progress of the PDDEB. Procedure manuals for all aspects and components of the PDDEB have been elaborated, including a practical Monitoring and Evaluation guide, developed by the Ministry with external assistance. There is a common monitoring, evaluation and reporting mechanism, which measures progress on the basis of clearly defined targets and indicators.

Although all donors formally accept the PDDEB as the framework for providing assistance to the basic education sector, many donors (including the Netherlands)

³¹ The monthly schedule is not always adhered too.

maintain special areas of interest and specific administrative requirements. Furthermore, a few agencies have not yet signed the Memorandum of Understanding and remain outside the scope of the PDDEB (e.g. African Development Bank, Islamic Development Bank, Japanese aid agency JICA).

The collaboration between the three partners funding the PDDEB (the World Bank, Canada and the Netherlands) has always been quite informal, but the recent enlargement of the group, - Sweden started funding the PDDEB at the end of 2003, France and Denmark in the course of 2004, and Belgium may follow soon -, makes it necessary to formalise the collaboration and to codify informal arrangements. The PDDEB partners are considering now the development of a "Lettre d'entente" (memorandum of understanding), which will describe and define the principles of their collaboration.

The donors not using the central financing mechanism of the PDDEB have the tendency to target certain aspects in certain regions of the country. This may cause inefficiencies and fragmentation of the development of the educational system, all the more because MEBA does not have the capacities and the power to coordinate these relatively isolated interventions.

The three donors that started funding the PDDEB in 2002 (the World Bank, the Netherlands and Canada) decided at that time to use a separate financial management system, because an institutional analysis of MEBA, financed by the RNE, and an evaluation mission of the World Bank came to the conclusion that the 'Direction de l'Administration et des Finances' (DAF) of MEBA did not have the necessary capacities to ensure proper financial management of the PDDEB. Until the DAF would have acquired the necessary capacities, the 'Bureau des Projets d'Education (BPE), already existing within MEBA and attached to the Secretary General's office of the ministry, would ensure the financial management of the donor contributions to the PDDEB.

That central financing mechanism managed by the BPE, is a major achievement in terms of donor coordination and harmonisation, but it is not (yet) a basket fund. The contributions of each donor are held in a separate bank account, and the use of the money of each donor can in principle be traced (audited) up to the level of final expenditure. But financial programming is done jointly without a predetermined earmarking (within the PDDEB) of the use of the funds of each donor. Each year the Minister and the donors agree on an annual programme and budget, which is then implemented by the Ministry and the BPE under the responsibility of the Minister. External auditing of the use of the donor contributions is also done jointly (half yearly at central level and quarterly in the field). Rules, regulations and procedures for the use of the various contributions are largely identical. Thus, the PDDEB financing mechanism is a kind of 'virtual' basket fund.

The arrival of new donor agencies financing the PDDEB in 2004 (see above) has renewed the discussion about setting up a real basket fund. It is likely that a joint PDDEB bank account for all donors, except the World Bank, will be opened in 2005, possibly at the Central Bank.

Although donor funding for the PDDEB is managed separately from the governmental financial management system, the national governmental procedures are applied when using those donor funds. For instances tenders for construction works and the purchase

of equipment are organised on the basis of the governmental procurement guidelines and evaluated by the national or provincial tender committees of the government.

Thus, in terms of financial administration the PDDEB is not aligned with the national systems (separate accounts; special management entity), but in terms of allocation and actual spending of funds the rules, procedures and approaches regarding donor funds and government funds are (almost) entirely aligned.

As regards financing the "Fond pour l'Alphabétisation et l'Education Non Formelle"³² (FONAENF), donor coordination and harmonisation is also relatively strong. A body composed of MEBA, other relevant ministries (Agriculture, Women's Affairs, Social Action) and representatives of donor agencies, the private sector and the civil society, steer and supervise the management of the Fund. The rules for project selection and financing are defined in a procedures manual adopted by MEBA and all contributing donor agencies.

4.3. Health sector

Coordination among donors

The WHO is chairing the group of donors active in the health sector. Coordination facilitating factors are: (i) increasing interest among donors in the SWAp, (ii) limited number of donors and (iii) the WHO recognized as donor representative. Coordination obstacles are: (i) differences among donors regarding SWAp vocabulary, (ii) maintaining own projects, plans and procedures, and (iii) no strong leadership by the Ministry of Health (MoH). Regarding the last aspect it should be noted that most of the donors in the health sector are in favour of coordination among donors and not donors being coordinated by the MoH.

The Netherlands is the lead donor as far as the introduction of a SWAp in the health sector is concerned, while the RNE plays an active role in donor coordination regarding the health sector. The RNE participates in field visits ("sorties conjointes") and attends meetings of the Monitoring Committee (Comité de Suivi) and technical committees of the PNDS and the PADS.

The coordinating role of the WHO works quite well, but there is no schedule of regular meetings. Meetings are organised ad hoc and are mostly focussed on information exchange and to some extent defining common ground regarding both strategic and operational issues.

Coordination in the context of the PNDS

The participants of the Round Table Conference regarding the health sector held in April 2003 signed a joint statement, which can be considered as a Code of Conduct. All parties agreed to accept the Plan National du Développement Sanitaire (PNDS) as the general framework for the development of the health sector and committed themselves to further this plan. However, due to limited capacities and weak leadership within the MoH, approaches and strategies of the different MOH directorates and the various donors are not always coherent.

³² Fund for literacy and Non-Formal Education

A platform for coordination of all donors and the MoH is in place: a PNDS Monitoring Committee (comité de suivi), a number of technical committees and joint annual PNDS field missions. Furthermore, the WHO resident representative, as donor representative for the health sector, has weekly meetings with the Minister of Health.

However, the Monitoring Committee meets only annually and is not based on a well-structured annual review. Such annual reviews would be necessary for keeping track of the process of change: of institutional reforms, of implementation of new strategies and of commonly defined sector priorities.

Also the coordinative role of the technical committees is not very strong. Ideas from these committees are not systematically followed up within the framework of a SWAp. For instance, proposals developed for strengthening partnership with the private sector ought to be picked up by the MoH and, if approved, translated into an action plan that is to be integrated into annual plans and budgets.

In general the leadership of the MoH regarding these PNDS coordinative structures is not quite strong. The MoH does not promote harmonisation and alignment actively, for instance by proposing elements for a Memorandum of Understanding (MoU) regarding harmonisation and alignment of planning cycles, per diem scales, approval of annual plans, etc. Up to now the MoH does not impose any cooperation framework or set of rules.

The attitude of most health sector donors regarding development of a SWAp is limited to monitoring of the transition process. The donor coordination does not lead to an increasing involvement in the sector reforms and more efforts to work towards harmonisation and alignment. The prime interest of donors to participate in coordination mechanisms is to be informed about developments in the health sector that may have an impact on their projects and programmes. The difficulty of getting the donors on one line is illustrated by the long negotiation process that was necessary for the organisation of the first field visit in the context of the PNDS in March 2004.

Furthermore coordination among the donors is hampered by the fact that the French cooperation is pulling out of the health sector (hospitals and medical drugs), while the Belgian cooperation is planning to wrap up its health sector activities in the next 3 years.

Coordination in the context of the PADS

The PADS donors (the Netherlands, Sweden and, to a certain extent, the World Bank) and the MoH have drafted a MoU regarding the PADS approach, procedures and implementation. Because the PADS does not embrace the entire sector and is financed by three donors only, the outreach of that MoU is limited.

The PADS donors and the MoH have regularly coordinative meetings, particularly about operational issues. Now and then there is a broader (informal) exchange of information and views with a larger group of donors and the MoH concerning the PADS procedures and their appropriateness for adoption at a larger scale. These issues are also raised during annual PADS planning sessions at regional and central level.

Harmonisation and alignment of procedures

The operational procedures of the PADS are largely identical to the national procedures, particularly because of the fact that the PADS finances activities programmed and executed by institutions from the MoH. The financial procedures of the PADS are only partly aligned with the national procedures, because the PADS funds are managed and accounted for separately from the government funds. Only at the stage of spending the PADS funds, the same procedures are used as for spending government funds.

The DEP of the MoH is charged with financial and programmatic management of the PADS funds, including adequate and timely resource mobilisation, keeping the accounts, tendering and organizing external audits (while the Ministry of Finance and the DAF are doing the financial management of the government funds). Channelling the PADS funds to the health districts is based on a flexible set of procedures, budgeting in accordance with annual plans, use of local bank accounts, availability of cash at district level, disbursement from central level to the districts twice a year, retention of acquittals at district level, monthly bank statements and quarterly financial reports, 6-monthly accountant's control and annual external audits.

This PADS system runs in parallel with the standard government system for channelling funds from the national government budget to the health districts. Because of the parallel PADS system, and the half yearly and annual audits, the fiduciary risk regarding the use of PADS funds is considered relatively low.

The overall conclusion of the PADS Review, carried out in March 2004, is that there are quite some similarities between the financial management system of the PADS and the governmental system. Therefore it would be not too difficult to integrate the two systems at district level. However, it seems that the Review under-estimated the implications in terms of control procedures, accountability and audits. Furthermore integration at district level should ideally be accompanied by integration at national level, which implies actually a move towards sector budget support. One of the preconditions for sector budget support is a reinforcement of the DAF and the DRH, which has not yet been realised.

The PADS is only funded by the Netherlands and Sweden, while the World Bank provides funds earmarked for aids control activities only. The operational and financial management procedures of all other types of funding for the health sector are much less aligned with the government procedures. The limited alignment of those types of funding can be explained by (1) the lack of fiduciary confidence of donors, (2) the weak institutional capacity of the MoH, and (3) unwillingness of donors and the MoH to adapt approaches and procedures. Still, the majority of donors think that a certain degree of harmonisation and alignment should be possible. There is however no plan for gradual harmonisation and alignment of procedures.

There is also no dialogue between the MoH, the Ministry of Finance and Budget (MFB) and the donors on the implications of decentralization on financial administration.

Coordination of Aids control

Donor coordination regarding aids control activities takes place twice a year during meetings of the Comité National de la Lutte contre le SIDA (CNLS). Burkina Faso, which receives also resources from the Global Fund, has a Country Coordination Mechanism (CCM³³), in which the Netherlands, France and Italy are the donor representatives. However, coordination of the many different resources with many actors is still poor. Output and impact is therefore sub optimal.

4.4. Agricultural sector

During 1998 and 1999 both the Ministry of Agriculture and the donors were quite active as regards coordinating their approaches and programmes in the agricultural sector. A number of policy documents and action plans were formulated by the Ministry in close consultation with the key donors³⁴, including the appraisal document for the second agricultural structural adjustment loan to be provided by the World Bank. The RNE provided support to these policy formulation activities, in the form of technical and financial assistance to the Directions d'Etudes et de la Planification (DEP) of the Ministry of Agriculture and to the "Cellule de Coordination du PASA"³⁵, the PASA Steering Committee and the PASA Reformulation Committee.

The RNE considered PASA II as the policy framework and basis for a SWAp and for harmonisation and alignment of strategies and approaches. However, by the end of 1998, the WB stopped negotiations about financing the PASA, due to differences in view about a number of policy issues³⁶. The withdrawal of the WB and the non-finalisation of the PASA II document, implied that an important component of the strategy to introduce a SWAp ceased to exist and that the donor, which was supposed to be the catalyst in the donor coordination process, withdrew itself from that process.

During 1999 and 2000, there was little progress regarding formulation and/or implementation of the action plans. Main reasons were: differences of view within the Ministry of Agriculture and among donors, and insufficient capacity and political considerations within the Ministry of Agriculture. Discussions of the donors and the Ministry of Agriculture led to the conclusion that the various policy documents were not entirely coherent and complete, and that priorities and expected results were insufficiently defined and substantiated. The Ministry would therefore prepare a new policy document called Document de Stratégie de Développement Rural (DSDR).

In 2001 the Secretariat Permanent pour la Coordination des Politiques Sectorielles Agricoles (SP/CPSA; ex-SP-PASA) started to coordinate the donors in the context of each individual action plan. A few action plans were effectively started. In terms of implementation modalities, an action plan took actually the form of a 'traditional' project.

³³ CCM: Country Coordination mechanism in countries that benefit from the Global Fund (UNAIDS)

³⁴ The "Document d'Orientation Stratégique" (approved in January 1998), the Programme Stratégique Opérationnel (drafted in December 1998) and its 11 action plans, the appraisal document of the second agricultural adjustment credit (PASA II), and the "Lettre Politique de Développement Agricole Durable.

³⁵ The CC/PASA was rebaptised into the Secretariat Permanent pour la Coordination des Politiques Sectorielles Agricoles (SP/CPSA) in 2000/2001 (see further on).

³⁶ In particular: the subsidy on sugar production, the reform of the cotton sector and the creation of two separate ministries for agriculture and livestock.

Each donor had its own financing agreement and had earmarked the use of its funds for specific items, within a commonly agreed overall budget and programme of activities, while a consultant was hired to manage the implementation of the action plan. Within an action plan donors tried to harmonise their procedures as far as possible, but because of the project modality, alignment with national procedures was not seen as a big issue.

During 2002, it became more and more clear that the new Minister of Agriculture, appointed by the end of 2001, had not put a SWAp high on its agenda. There was a preference for discussions and negotiations with individual donors, which obviously was not a conducive environment for intense donor coordination and harmonisation.

Already during 2002 doubts within the RNE were rising about the feasibility of applying the SWAp for the cooperation programme in the agricultural sector, because of insufficient political support, too many stakeholders with different views and the complexity of the multitude of issues at stake. These characteristics explain also why donor coordination was not really flourishing. Towards the end of 2003 the RNE decided to phase out all its activities in the agricultural sector, because of lack of remedial action regarding policies and strategies of the Ministry and insufficient budget for the coming years to fund three priority sectors plus the budget support programme.

Thus, during the last couple of years, donor coordination as regards the agricultural sector was limited to some ad hoc meetings, convened by the Ministry of Agriculture, about the finalisation of the DSDR. Furthermore, some donor coordination took place in the context of a few Action Plans. Since 1999, the donors have an informal 'internal' coordinative structure regarding rural development, which is presently chaired by GTZ. Harmonisation and alignment of procedures is not advancing because there is no sector wide programme implemented by the Government and supported by various donors.

4.5. Local development

Since 1999/2000 various local development programmes have been started, including the Dutch funded PDL operating in five provinces³⁷. All largely based on the "Lettre de la Politique de Développement Rural Décentralisé (LPDRD) drafted by the Ministry of Economics and Development (MEDEV) and finally approved in 2002. In 2004 all provinces benefit from a PDL; many provinces even from two PDLs and some from three. These ingredients, a widely accepted government policy (the LPDRD) and various similar donor funded programmes could have provided the basis for effective donor coordination. However, coordination is actually quite limited, because of, among others, (i) the dominant position of the World Bank funded local development programme (PNGT), which is not much inclined to effective coordination, and (ii) the fact that the responsibility for the various local development programmes is spread over two different ministries³⁸.

³⁷ During 1999-2001, the RNE restructured and reoriented four Dutch financed Integrated Rural Development Programmes (IRDPs) and brought them together in one Programme de Développement Local (PDL) under the aegis of MEDEV.

³⁸ The MEDEV is responsible for the Dutch financed PDL, two of the three Danish financed PDLs, the formulation of the LPDRD and setting up the Cadre de Concertation des Partenaires au Développement Rural Décentralisé. All other PDL projects, including the large PNGT, are under the responsibility of the Ministry of Agriculture

In 2002 the idea was launched to set up a coordination mechanism (the ‘Cadre de concertation des partenaires au développement rural décentralisé’. However, that mechanism has not yet been put in place, probably because of lack of cooperation between the two ministries involved.³⁹ Presently, coordination is limited to the two programmes implemented under the aegis of MEDEV and funded by the Netherlands and Denmark. MEDEV convenes regularly meetings with these two donors in order to coordinate approaches and implementation modalities. Sometimes, but not very often, a few other donors are invited as well.

It has to be concluded that, although there is quite some congruency in terms of general approaches of the various PDLs, anchored by the LPDRD, no real efforts have been made to bring them together in a SWAp. Coordination, collaboration harmonisation of procedures across the various PDLs is therefore limited. Alignment with national procedures varies from one PDL to another. Some PDLs still have a traditional project-type management structure, while others are largely implemented by governmental institutions, such as in the case of the Dutch funded PDL.

The redesign of the Dutch financed IRDPs into a PDL included, among many other things, phasing out the project-type management structure and the transfer of the management responsibility to governmental structures. Since then MEDEV is responsible for coordination and financial management on the basis of procedures laid down in a manual. These procedures are largely aligned with national procedures.

4.6. Summary of main findings

Education

Among the four analysed sectors, donor coordination, harmonisation and alignment is clearly strongest in the basic education sector. The Plan Décennal de Développement de l’Education de Base (PDDEB) is the catalytic factor. In 2002, MEBA and 12 donors signed a Memorandum of Understanding in which all signatories confirm that they consider the PDDEB as the “unique cadre d’intervention dans le secteur d’éducation de base”. The recent enlargement of the group of donors, - from three to six, soon further expanded to seven -, using the common financing framework of the PDDEB will further strengthen the donor harmonisation and alignment of interventions and procedures.

Under the common financing framework of the PDDEB, the procedures and approaches regarding the allocation and actual spending of donor funds and government funds are (almost) entirely aligned. That is not yet the case with the financial administration: there is a special financial management entity (the BPE) and separate accounts are kept for each donor. Presently there are intensive talks on merging these accounts into one basket fund and to transfer the responsibility for financial management to the DAF of MEBA.

³⁹ According to RNE’s annual report of 1999 there were, at that time, already plans to establish an interministerial steering committee for the PDLs, but those plans did not materialise. The MEDEV, created in 2002, re-launched the dialogue with donors on coordination of PDLs.

Health

As regards the health sector, the coordination among donors is less developed than in the case of the education sector, while (partial) harmonisation and alignment of procedures is limited to the donors financing the PADS (the Netherlands, Sweden, and to a certain extent the World Bank).

As in the case of the education sector, the ten-year development plan for the health sector (PNDS) is the catalytic factor. In April 2003 most donor agencies signed a statement, in which they confirm to accept the PNDS as the general framework for the development of the health sector and commit themselves to further this plan. A PNDS Monitoring Committee, supported by technical committees, was put in place and it was agreed to hold joint annual PNDS field missions. However, the Monitoring Committee meets only annually and is, so far, not yet based on a well-structured annual review. In general the leadership of the MoH regarding these PNDS coordinative structures is not quite strong. The MoH does not promote coordination, harmonisation and alignment actively. Moreover, the prime interest of many donors for participating in coordination mechanisms seems to be: getting information about developments in the health sector that may have an impact on their projects and programmes.

Within the, more limited, context of the PADS, coordination is stronger. The PADS donors and the MoH have regularly coordinative meetings, while a MoU, to be signed by the PADS donors and the MoH, is presently being drafted. Because the PADS is a parallel sub sector funding mechanism with only a few donors, the outreach of that MoU is limited. The operational procedures of the PADS are largely identical to the national procedures, particularly because of the fact that the PADS finances activities programmed and executed by institutions from the MoH. The financial procedures of the PADS are only partly aligned with the national procedures, because the PADS funds are managed and accounted for separately from the government funds. Only at the stage of spending the PADS funds the same procedures are used as for spending government funds.

Agricultural development

Presently donor coordination and harmonisation in the agricultural sector is fairly weak and alignment is almost non-existent. During 1998 and 1999 there were still quite some positive developments regarding coordination. Both the Ministry of Agriculture and the donors were quite active as regards coordinating their approaches and programmes, centred on a number of policy documents being drafted at that time. The process stagnated in 2000 due to differences of view within the Ministry of Agriculture and among donors, and insufficient capacity and political considerations within the Ministry of Agriculture. During 2002, it became more and more clear that the new Minister of Agriculture did not have donor coordination and a SWAp high on its agenda. There was a preference for discussions and negotiations with individual donors.

During the last couple of years, donor coordination as regards the agricultural sector has been limited to ad hoc meetings, convened by the Ministry of Agriculture, about the finalisation of the 'Document de Stratégie de Développement Rural'. Furthermore, donor coordination is taking place in the context of a few specific Action Plans and with respect to food security. Since 1999, the donors have an informal 'internal' coordinative structure regarding rural development. Because of the absence of a sector wide programme

implemented by the Government and supported by various donors, alignment of donor procedures with government procedures is not very well advanced.

Local development

Also regarding local development the donor coordination is not very strong, although the widely accepted government policy regarding local development (as formulated in the LPDRD) and the existence of various similar donor funded programmes could have provided a good basis for effective donor coordination. The main explanatory factors for the absence of an effective coordinative structure are: (i) the fact that two different ministries deal with local development programs, and (ii) the dominant position of the World Bank funded local development programme, which is not much inclined to effective coordination. The first mentioned problem might also be the main cause of the non-implementation of a decision taken in 2002 to set up a 'Cadre de Concertation des Partenaires au Développement Rural Décentralisé'. Presently, coordination is limited to the two programmes implemented under the aegis of the Ministry of Economics and Development funded by the Netherlands and Denmark.

Harmonisation of procedures across the various local development programmes (PDLs) is also limited, while alignment with national procedures varies from one PDL to another. Most PDLs still have a project-type management structure only loosely integrated in government structures, operating on the basis of their own procedures manual. The PDLs financed by the Netherlands and Denmark score relatively well in terms of alignment.

5. Institutional strengthening

5.1. Introduction

This chapter focuses on the following three questions: (i) do the ministries concerned have sufficient capacities to manage a SWAp, (ii) what kind of support has been provided to strengthen the capacities, and (iii) did the capacities increase? Sections 5.2 to 5.5 deal with the education, health, agriculture and local development sectors respectively. Furthermore, two special institutional issues are discussed in the sections 5.6 and 5.7, namely (i) the link between SWAps and deconcentration and decentralisation processes, and (ii) transactions costs. A summary of the main findings is presented in section 5.8.

5.2. Education sector

When preparing the PDDEB the donors considered the institutional weakness of the Ministry of Basic Education (MEBA) a major problem. The World Bank and the RNE decided therefore, in 1999, to carry out a rapid institutional analysis and offered support for a more detailed organisational analysis, which was done in 2000. Subsequently, in 2001/2002, MEBA received various financing lines from the Netherlands for strengthening the formulation and preparation of the PDDEB, and to prepare itself for receiving and using additional funds from the World Bank, the Netherlands and other bilateral donors (e.g. writing financial management manuals, setting up a financial information system, etc.)

The RNE's appraisal document, written in 2002, regarding the PDDEB referred to various planned institutional strengthening measures, particularly regarding the central directorates, including an internal re-organisation of the DAF (making job descriptions and creating decentralised cells) and establishment of a system of consolidated annual programme-budgets. However, presently it has to be concluded that the DEP, the DAF and the DRH have not yet been strengthened sufficiently⁴⁰, while at the same time the position of the BPE has become stronger and stronger. The complaint can even be heard now that the BPE has become more and more independent from MEBA and that its role needs to be reviewed. The strengthened position of the BPE and the insufficient strengthening of the capacities of the other directorates of MEBA lead automatically to the continuation of a parallel management system for the PDDEB. With hindsight, it appears that the assumptions expressed in the appraisal document that (i) real leadership for carrying through the necessary reforms and (ii) increased administrative and managerial capacity would be forthcoming in the course of the transitional phase, were not justified.

However, the strong position of the BPE does not mean that the BPE functions smoothly. This former World Bank Implementation Unit of the Basic Education Sector Project (in the 1990s) was maintained to guarantee efficient and transparent use of external funds, but so far it has been unable to provide meaningful reports, while audit reports are highly critical.

⁴⁰ Notwithstanding the technical assistance presently provided by Japan to the DEP and by France to the DEP and the DAF.

It was envisaged that the responsibilities and tasks of the BPE would be handed over to the DAF at the start of the second phase of the PDDEB (in 2005), when its capacities would have been strengthened. Although, according to the donors, the results of the efforts to strengthen the DAF are not satisfactory, the government and the donors are now engaged in serious talks about handing over the management of the external funds to the DAF in 2005. This intention is motivated by (i) the general feeling that the co-existence of two (parallel) financial management systems should come to an end, and (ii) the dissatisfaction with the functioning of the BPE, described above.

The problem regarding the too little progress with strengthening the central directorates does not stand on its own. Already since a couple of years, concern amongst donors is growing about too little progress regarding the necessary reforms. In 2003, the RNE noted that MEBA was "fairly slow in implementing activities under the PDDEB's institutional strengthening component, and the report of the Joint Evaluation Mission of September 2003 was quoted pointing at the "low capacity for planning" within MEBA. Still, the RNE's rating for "Capacity of government" was B, which seems too positive. In 2004 that rating was downgraded to C.

At the start of the first phase of the PDDEB, it was stated that for starting a second phase (in 2005) a comprehensive framework of common procedures for planning, etc, designed under the leadership of MEBA, should be in place and the necessary organisational and institutional reforms should have been finalised. However, MEBA is still characterised by a number of weaknesses. It functions in a very hierarchical way, with little delegation of authority to decentralised levels for taking decisions. At central level confusion persists about the division of responsibilities among the directorates. Staff transfers are often sudden and unexplained and many staff members have too little competence in administration and management.

The Review Mission of March 2004 concluded that there is still a delay in the process of organizational change, which impedes a smooth implementation of the PDDEB. The donors expressed concern about the apparent lack of commitment to carry out sensitive measures such as staff redeployment, recruitment of specialists and reduced staff turnover. One of the biggest obstacles is that teachers oppose (understandably) a salary decrease, which however is deemed to be necessary to keep the education system financially sustainable. Negotiations about these issues have damaged the trust of the work force in the Government.

The Review Mission observed also that the national budget and treasury procedures, as well as the available management and administrative capacity, might hamper the implementation of the PDDEB, in particular as regards procurement procedures and payments to decentralized units at provincial level (DPEBA).

MEBA is represented at regional level by the DREBA⁴¹ and at provincial level by the DPEBA⁴², but so far very few responsibilities have been delegated from the ministry to those levels, although a start has been made. At the same time these deconcentrated levels do not have yet the means and capacity to take up greater responsibilities.

⁴¹ DREBA: Direction Régional de l'Éducation de Base

⁴² DPEB: Direction Provinciale d'Éducation de Base

5.3. Health sector

The Organisational Assessment of the Ministry of Health (MoH) carried out in 2000/2001, financed by the RNE, concluded that the 'Direction d'Etudes et de la Planification' (DEP) and the 'Direction de l'Administration et des Finances' had to be strengthened and that a 'Direction des Ressources Humaines' needed to be established in order to enable the MoH to manage a SWAp. As a follow up of these conclusions a 'Plan de Renforcement de la DEP' and the 'Projet d'Appui au Renforcement de la DEP' were formulated in 2001, which started in 2002 with Dutch funding.

The transition towards a SWAp was accompanied by a number of institutional reforms, including the creation of an institutional framework for a SWAp, such as the Secrétariat Technique of the PNDS (ST/PNDS), the Comité de Suivi of the PNDS, and the Comité Directeur and the Unité de Gestion both of the PADS. It should be noted that the institutional frameworks of the PNDS and the PADS are in fact two parallel structures largely aiming at the same objectives and covering the same activities. In principle the PADS, being part of the PNDS, should be considered as a temporary structure. However the MoH has not yet a clear strategy how to resolve this dichotomy.

Two technical committees of the MoH are particularly involved in preparing and guiding institutional reforms: the SWAp Committee and the Committee for institutional reform. These technical committees were created during the PNDS preparation process, but nowadays they assist the Monitoring Committee of the PNDS with regard to the strategic development of the following six key themes: human resources, decentralisation, institutional reinforcement of the MoH, private sector involvement, sector approach and health sector financing, and health indicators. Each of these committees is chaired by a MoH directorate and composed of representatives from the MOH, donor organisations, other ministries and the private sector.

The Direction d'Etudes et de Planification (DEP)

In 2002 a 'Décret' was adopted prescribing a comprehensive reorganisation of the MoH, including a revised mission of the DEP. The revised attributions and internal organisation of the DEP are described in a ministerial decision signed in 2003. The adoption of these documents has led to strengthening the DEP, including the creation of a 'Secrétariat Technique du Comité de Suivi du PNDS'.

The DEP, with its 2 attached units: the Management Unit of the PADS and the Technical Secretariat of the PNDS, has a huge responsibility not only in terms of planning, but also in coordination, monitoring of annual plans, budgeting and resource allocation. Based on proposals from the various levels within the MoH, the DEP prepares the 3-year operational plans and the annual plans of the PNDS for all levels and elaborates annual planning directives for the regions.

The DEP is one of the few central level services of the MoH, whose performance has improved since the year 2000, due to (i) improved programming of its activities, (ii) the 'plan de renforcement de la DEP' (more staff, increased qualifications) and (iii) the support provided by the RNE in the context of PARDEP. Nevertheless, just like all other structures at central level, the DEP is still confronted with capacity problems, as is

illustrated by the fact that the Technical Secretariat of the PNDS has not yet produced an annual sector report regarding 2003.

Apart from the question how well the DEP executes its present tasks, the question whether the tasks of the two attached units (and the technical assistance from PARDEP) should at some point be handed over to a permanent structure, should be considered as well, but has not yet been addressed.

The Direction de l'Administration et des Finances (DAF) and the Direction des Ressources Humaines (DRH)

The structural weaknesses of the DAF of the MoH were already well known when it was decided in 1999 to develop a SWAp. In 2001, the Belgium Cooperation offered to provide technical assistance to the DAF, but it took until 2004 before an agreement was signed.

The DRH was established in 2003, but this has had hardly any impact on human resource management so far. The old problems persist: inadequate recruitment procedures, salary levels based on seniority only, shortage of staff in certain categories, irrational and inequitable distribution of personnel, limited disciplinary action and rewarding systems, insufficient supervision, lack of incentives for working in remote areas, absence of career plans, poor working conditions, inadequate training curricula, etc. Some time ago, the Swedish Cooperation (Sida) has offered to provide assistance to the DRH, but the MoH has not yet come forward with a request.

Dutch support

The RNE has provided considerable support for strengthening the organization and management of the health system: diagnostic missions, identification of needs for institutional and organizational support, programming of the transitional phase from the PDSN to the PADS, etc. Capacities of the institutions and human resources were strengthened through technical assistance provided in the context of the PASSP and the PARDEP (the project supporting the DEP) and financing study missions to countries with a SWAp. The PASSP has also contributed to developing an approach for strengthening the planning at regional and district level. The sector specialist of the RNE provided substantial support in the area of policy and strategy development, through participation in various forums (PADS, PNDS, CNLS, etc.).

PARDEP started in June 2002 for a duration of two years but has recently been extended to August 2005. It comprises funding of one technical assistant, equipment and some operational costs. PARDEP focuses on two of the three objectives of the 'Plan de Renforcement de la DEP', namely (i) strengthening the implementation capacity of the DEP, and (ii) strengthening the DEP to support the implementation of the first three-year plan of the PNDS. The technical assistant of the PARDEP has also provided a major input for the formulation of the PADS. The MoH has committed itself, in the context of the PARDEP agreement, to reorganise the DEP and to recruit additional personnel.

In general it can be said that the Dutch support contributes to defining and implementing a new health sector policy and developing a new approach regarding external support for health sector development, which is the SWAp. However, implementation of the SWAp is hindered by the fact (i) that the MoH has not yet invested much in institutional reform and capacity building at central level, and (ii) that many donors do not yet fully support the SWAp.

Concluding remarks

Institutional capacity has improved at decentralised level (health districts and regions), mostly in planning and implementation, thanks to support from the PAPPs (for 5 health districts) and the PADS (for all 55 health districts). At central level the DEP benefited from the Dutch financed PARDEP. Additional staff was allocated and an internal reorganisation was carried out, which contributed to strengthening the national capacity in terms of policy formulation and planning. The impact of these measures has however not yet been evaluated.

The national capacity in terms of budgeting, financial management and procurement/tendering has hardly improved, mainly because the DAF has not yet been strengthened.

Programme implementation, financial management and monitoring of the PADS improved at the level of the PADS management unit within the DEP. However it must be noted that this is not an ideal set up because (i) the financial management of the PADS is parallel to the management of government funds, and (ii) the management structure of the PADS does not correspond with the normal division of tasks at the level of the MoH.

5.4. Agricultural sector

During 1998-2000, the RNE provided support to the Ministry of Agriculture for various policy formulation activities, in the form of technical and financial assistance to the Directions d'Etudes et de la Planification (DEP) of the Ministry of Agriculture and to the "Cellule de Coordination du PASA"⁴³ and two PASA Committees. With some short interruptions, the RNE has continued financing a technical assistant for the DEP of the Ministry of Agriculture, and more specifically for the "Secretariat permanent de la coordination des politiques sectorielles agricoles" (which is the successor of the Cellule PASA mentioned above). Presently one expert in 'gender and development' provides support to that Secretariat.

Because the SWAp has never got off the ground, mainly because of lack of high level support within the Ministry of Agriculture and of the major donors (see section 2.2.1), the issue of providing technical assistance to support the Ministry to implement a SWAp did not become relevant.

5.5. Local development

Until today the possible focus of institutional strengthening for the development and implementation of a SWAp for local development is undefined, because the Government of Burkina Faso has not made clear which ministry should be coordinating and leading the various local development programmes (PDLs). Presently, the Ministry of Economics and Development (MEDEV) is responsible for the Dutch financed PDL, two of the three Danish financed PDLs, the implementation of the LPDRD (policy document) and setting

⁴³ The CC/PASA was rebaptised into the Secretariat Permanent pour la Coordination des Politiques Sectorielles Agricoles (SP/CPSA) in 2000/2001 (see further on).

up the Cadre de Concertation des Partenaires au Développement Rural Décentralisé. All other PDL projects, including the large PNGT, are under the responsibility of the Ministry of Agriculture.

Since 2002, when the integration of the four Dutch-funded integrated rural development programmes into one PDL was completed, the coordination of that PDL was vested in MEDEV and the RNE has provided technical (one expert) and financial assistance to that ministry to strengthen its capacities for carrying out this task. Each of the four regional MEDEV directorates involved in the implementation of the Dutch funded PDL received also technical (one expert) and financial assistance for managing the programme. This assistance has definitely contributed to institutional strengthening at central and regional level for managing PDLs, but it was not directly linked to institutional strengthening for managing a SWAp, because a real SWAp did not get off the ground (see section 2.2.1).

5.6. The SWAp, deconcentration and decentralisation

Via the traditional project approach it was possible to target and reach provincial and even local level development activities by designing specific projects for those levels. However a SWAp is by definition managed by a central ministry and the 'entry point' of external funding is at central level. The degree to which the sector programs and financial resources reach provincial and local levels depends, among others, on the degree to which public services are deconcentrated (brought under the responsibility of regional and provincial offices) and/or decentralised (brought under the responsibility of local authorities). It is therefore appropriate and useful to have a closer look at the state of decentralisation and deconcentration in Burkina Faso.

As reported in the first chapter, a set of guidelines for the political and administrative decentralisation was adopted in 1998 and later on amended in 2001⁴⁴. However, actual implementation of the decentralisation had not yet started in 2004. During many years there were discussions about the creation of elected bodies at provincial and local level, and elections were even programmed for 2002. However the preparation process stagnated, possibly because of disagreement at political level about the structure and content of political decentralisation. So far, there are only 49 municipalities (urban communities) with an elected council covering about 20% of the national territory and 18% of the population. These municipalities have only limited tasks regarding the sectors discussed in this evaluation (education, health, agriculture and local development), apart possibly from participating in some consultative bodies. Proposals about what kind of public services would eventually be handed over to the local authorities, and how that could be done, have not been elaborated yet. Thus, so far political (and fiscal) decentralisation has not impacted on the design and implementation of sector wide approaches, but it will become a big issue once sector development tasks will be handed over the local authorities.⁴⁵

⁴⁴ Textes d'orientation en matière de décentralisation.

⁴⁵ In the second half of 2004, a General Code regarding territorial communities was adopted, which designates Regions and Departments as the units of political decentralisation, while provinces will remain administrative units. Local elections for the regional and departmental councils will be held in 2005 or 2006.

As regards deconcentration of public services the situation is more complex and diverse. The deconcentrated structure of the Ministry of Education consists of regional and provincial directorates and at the lowest level of Circonscriptions d'Enseignement de Base, which are in fact 'school inspectorates'. The administrative and technical tasks deconcentrated to the regional and provincial levels are quite clear, but at the same time also quite limited. In line with that, budgets deconcentrated to these levels are also relatively small. However in 2003, the important task of recruiting teachers has been delegated to the regional level.

The Ministry of Health is represented in the country by 13 regional and 45 provincial health directorates. The structure of the operational health services does not correspond entirely with that administrative structure: there are 13 'Centres Hospitaliers Régionaux', 55 Centres Médicaux at the level of a health districts (of which the boundaries do not correspond entirely with the boundaries of the 45 provinces) and a large number of 'Centres de Santé et de Promotion Sociale' within the health districts. During the 1990s there were major problems with funding primary level health services. Funding from the national budget was insufficient and/or inefficient, while cost sharing systems were not put in place or were not adequate. In order to solve part of the financial problems at the periphery, the government introduced a system of "régies d'avances" in 2002 and allowed the retention of revenues at the level of regional directorates and health districts. Within the context of the SWAp as promoted by the PADS, donors have always paid much attention to stimulating the government in enlarging and facilitating the flow of funds to deconcentrated structures.

The Ministry of Economics and Development (MEDEV) responsible for the implementation of the Dutch-funded local development programme (PDL), has regional directorates but no provincial directorates. However, the deconcentrated structure of MEDEV is presently not very relevant for the implementation of the PDL because the PDL has its own implementation structure at provincial level with the 'Centres Techniques et de Gestion' (CTG) and the 'Conseils Provinciaux d'Aménagement du Terroir' (CPAT). Funds are transferred directly from a central account managed by MEDEV to the accounts of provincial level Village Development Funds, managed by the CTG and CPAT, on the basis of a specific manual of procedures.

It should be noted that, although the PDDEB and the PADS do not have specific implementation structures at provincial level, - like the PDL has - , but are implemented by the existing institutions of the two ministries -, financial management is kept separate from the standard public finance management systems. Both the PDDEB and the PADS have their own bank account and own manual of procedures, which are although quite close to the standard government procedures.

In general delegation of responsibilities to the regional and provincial levels is hindered by the fact that public finance management is still highly centralised at the level of the Ministry of Finance and Budget (MFB), which has so far only one regional office in Bobo Dioulasso (apart from regional and provincial tax collection and payment offices)⁴⁶. Each financial commitment and each payment order needs ex-ante approval from the MFB in Ouagadougou or a regional office. As regards, management of budget lines only the Ministries of Health and Education are allowed to make use of a system of "crédits

⁴⁶ During 2004, four more regional offices were established. It is the objective to have regional offices in all thirteen regions by 2006.

délégués" (delegated credits) for certain categories of expenses, which means managing those expenses at deconcentrated levels (regions and provinces).

5.7. Transaction costs

One of the (secondary) objectives of a SWAp is a reduction of transaction costs compared to the traditional project approach. Transaction costs could be defined as 'the additional costs related to mobilizing external support; costs which do not directly contribute to an improvement of the policies and the implementation of those policies'. The discussion about transaction costs is fairly diffuse because various concepts, definitions, notions and perceptions are intertwined. In the context of this study it appeared to be impossible to disentangle all these aspects, leave alone to measure changes in transaction costs, but on the basis of the various discussions the following observations could be made, which could be used to further the thinking about transaction costs:

- With a shift from project aid to support for programmes in the context of a SWAp, the burden of transactions costs shifts to other organisations and individuals. Under project aid a large portion of the transaction costs is born by organisations and by staff at decentralised and deconcentrated levels and by project implementation units (often staffed by consultants). In the case of a SWAp the emphasis of the contacts between the recipient partner and the donors shifts to the central level. Embassy staff and a limited number of high level persons of the recipient government have to handle now most of the contacts between the two partners. Their workload will have increased definitely, but it is difficult to say whether that increase outweighs the decrease of transaction costs related with the projects in the past.
- Most of the contacts between the donors and the recipient government about a SWAp and financing sector wide programmes are not just costs (for mobilizing the money) but have also a benefit in terms of improved policies and strengthened implementation modalities. The costs of contributing to improving policies and strengthening implementation modalities should not be considered as transaction costs. It is very difficult to estimate the *net* transaction costs of these contacts, which means the additional costs related to mobilizing and managing external funds.
- As long as project aid and aid in the context of a SWAp exist side by side, it is not very likely that total transaction costs will decrease. Savings in handling a decreased number of projects will be less than the additional transactions costs of the new approach. Potential savings in transaction costs will only be realised when most of the external aid has been brought under the umbrella of a SWAp.
- Setting up a SWAp is quite labour intensive. It is expected that the transaction costs will decrease, once the new approach is well established.

Specifically regarding the Dutch bilateral aid, it is relevant to observe that the number of active projects and financing agreements has decreased from about 200 to 50 over a five years period. At the same time the number of external missions has decreased substantially as well. It is likely that this has resulted in a decrease of transaction costs, which could compensate (partly or wholly) for the increase of the transaction costs related to the introduction of the SWAp. But this shift in transaction costs has increased the workload of Embassy staff, because the savings have been realised at the level of consultants working for the projects, who are no longer there.

5.8. Summary of main findings

Education

When preparing the ten-year development plan for basic education (PDDEB) it was acknowledged that the capacity of the Ministry of Basic Education (MEBA) was not yet strong to manage all external funding. The World Bank and the RNE provided therefore substantial short-term technical assistance for the formulation and preparation of the PDDEB, and for preparing MEBA to manage additional funds from the World Bank, the Netherlands and other bilateral donors. Surprisingly, the focus on providing institutional support to MEBA diminished considerably when actual funding of the PDDEB started in 2002.

Although it was the intention to strengthen the DEP, the DAF and the DRH quickly so that they could manage all basic education development programmes, not much progress was made up to 2004, while at the same time the position of the BPE, the unit managing external funding for the PDDEB, had become stronger and stronger. However, this does not mean that the BPE functioned smoothly. Notwithstanding the fact that the results of the efforts to strengthen the DAF are not satisfactory, the government and the donors have decided to hand over the management of the external funds to the DAF in 2005. This intention is motivated by (i) the general feeling that the co-existence of two (parallel) financial management systems should come to an end, and (ii) the dissatisfaction with the functioning of the BPE.

More in general it is observed that the process of organizational strengthening within MEBA is very slow, which impedes a smooth implementation of the PDDEB. MEBA still functions in a very hierarchical way, with little delegation of authority to decentralised levels for taking decisions. At central level confusion persists about the division of responsibilities among the directorates. Staff transfers are often sudden and unexplained and many staff members have too little competence in administration and management.

Health

An organisational Assessment of the Ministry of Health (MoH), carried out in 2000/2001 and financed by the RNE, concluded that the DAF and the DEP needed strengthening and that a DRH needed to be created. In 2002 the RNE started funding a technical assistance project supporting the DEP. The Belgium Cooperation offered to provide technical assistance to the DAF, but it took until 2004 before an agreement was signed. The DRH was established in 2003, but this has had hardly any impact on human resource management so far. Some time ago, the Swedish Cooperation (Sida) has offered to provide assistance to the DRH, but the MoH has not yet submitted a request. The MoH as well as other donors are not quite active in mobilising additional technical assistance for the DAF and DRH.

The DEP is one of the few central level services of the MoH, whose performance has improved since the year 2000, due to (i) improved programming of its activities, (ii) more and higher qualified staff and (iii) the support provided by the RNE. Two specific units are attached to the DEP: the Management Unit of the PADS and the Technical Secretariat of the PADS. Financial management of the PADS should actually be a task of the DAF, but in view of its limited capacities and the absence of real progress with strengthening that directorate, the DEP is still charged with that responsibility.

More in general it is observed that the institutional capacity regarding planning and implementation has improved at decentralised level (health districts and regions), thanks to support from the PAPPS (for 5 health districts) and the PADS (for all 55 health districts).

Agricultural development

Since many years the RNE provides technical and financial assistance to the DEP of the Ministry of Agriculture for various policy formulation activities. However, that support did not play a role in developing a SWAp, because there was insufficient political support to start the development of a SWAp.

Local development

Until today the possible focus of institutional strengthening for the development and implementation of a SWAp for local development is undefined, because the Government of Burkina Faso has not made clear which ministry should be coordinating and leading the various local development programmes (PDLs). The Ministry of Economics and Development receives technical and financial assistance for managing the programme the Dutch funded PDL. This assistance has definitely contributed to institutional strengthening at central and regional level for managing PDLs, but it was not directly linked to institutional strengthening for managing a SWAp, because a real SWAp did not get off the ground.

Deconcentration and decentralisation

Political decentralisation has not yet been started in Burkina Faso. It will become an important issue for sector wide approaches, once certain sector development tasks will be handed over to local governments.

For most sectors the administrative and technical tasks deconcentrated to regional and provincial offices of the central government are quite limited. In line with that, budgets deconcentrated to these levels are also relatively small. Within the context of the SWAps for the education and health sectors, donors have always paid much attention to stimulating the government in enlarging and facilitating the flow of funds to deconcentrated structures.

In general delegation of responsibilities to the regional and provincial levels is hindered by the fact that public finance management is still highly centralised at the level of the Ministry of Finance and Budget (MFB), which has so far only one regional office. Each financial commitment and each payment order needs ex-ante approval from the MFB or its regional office. As regards, management of budget lines only the Ministries of Health and Education are allowed to make use of a system of "crédits délégués" (delegated credits) for certain categories of expenses, which means managing those expenses at deconcentrated levels (regions and provinces).

Transaction costs

In the context of this study it appeared to be impossible to disentangle all the aspects of increasing and decreasing transaction costs, all the more because of the various understandings and ideas about what is meant with 'transaction costs'. The substantial reduction of (i) the number of projects and programmes and (ii) the number of external missions has definitely resulted in a reduction of transaction costs, but on the other hand the preparation and introduction of the SWAp has (hopefully only temporarily) caused

additional transaction costs. Substantial reduction of transaction costs within a sector will only materialise once donors have, next to financing sector wide programmes, reduced their project portfolios dramatically.

6. Ownership and participation

6.1. Introduction

One of the objectives of a SWAp is to increase and strengthen national ownership of the development programmes and activities. Ownership should be understood as “ the control over the design, the formulation, the implementation and the monitoring of development policies, strategies, programmes and activities”. The word ‘national’ refers mainly to the government being responsible for the development programmes and activities, but participation of civil society in policy design and implementation could also be included.

Sections 6.2 to 6.5 deal with the education, health, agricultural and local development sectors respectively. A summary of the main findings is presented in section 6.6.

6.2. Education sector

National ownership of the PDDEB is much larger than the ownership of the various education projects implemented in the past by special project implementation units, often for a large deal steered and monitored by external donor agencies. The PDDEB has been designed and formulated by MEBA, in consultation with representatives of the civil society in Burkina Faso and a number of interested donor agencies. The implementation of the PDDEB activities, at least as far as they are financed through the common financial framework, is carried out by governmental institutions and/or organisations operating under the responsibility of, or under contract with the government of Burkina Faso. Monitoring of the implementation of the PDDEB is managed by MEBA through six-monthly joint reviews.

The civil society has been involved in the formulation of the PDDEB through various meetings and consultations. Since the start of the PDDEB, contacts between MEBA and civil society have intensified further, as can be seen from the involvement of representatives of NGOs, associations and trade unions in the six-monthly PDDEB Review Missions. Regarding alphabetisation of adults and other specific issues such as school health, the Government has adopted the strategy of ‘*faire faire*’ (allow and stimulate others to implement), conferring a central role to NGOs, associations and parents organisations.

Under the PDDEB a start has been made with the deconcentration of planning, decision-making and financial management. Provincial education directorates have now their own bank account, to be used for financing a number of activities for which the financial responsibility has been delegated to their level. Financial deconcentration could be expanded further towards financial decentralisation up to the level of individual schools, but most of the school managers and parents associations are insufficiently prepared for managing a school in all its aspects.

Notwithstanding these positive evolutions regarding increased ownership, there are also two major obstacles hindering the increase of ownership. These obstacles are: too little initiatives from MEBA and (too) much influence and pressure from donors. These

obstacles are interrelated. Donor pressure is (partly) caused by insufficient vision, initiative, leadership and implementation capacity within MEBA. On the other hand MEBA cannot take leadership when donors dominate too much. The overwhelming feeling is that MEBA is not yet sufficiently in the driver's seat and that limited capacity within MEBA will likely remain an issue in the near future.

6.3. Health sector

Ownership of the SWAp

The decision to adopt a SWAp for the development of the health sector in Burkina Faso was the combined result of external and internal (national) forces. The decision was triggered by (i) the fact that the PNS and the PNDS, to be implemented by the MoH, needed a sector wide and long term support from donors, (ii) the fact that some donors had developed the same ideas (Netherlands, World Bank and the WHO), (iii) positive examples of health SWAps in the region (Mali, Senegal, Benin), (iv) pressure within the Government to decentralise the health department and, (v) the SWAp example of the primary education sector in Burkina Faso.

Since the decision to develop a SWAp for the health sector (in 1999), the process was strongly determined by a few energetic and committed key actors at central level of the MoH and at the level of some donors. After the replacement of both the Minister of Health and the Secretary General of the MoH in 2001, the commitment and dynamics regarding developing a SWAp became less visible and outspoken. The recent and current enormous turnover of key staff of the MoH has further weakened the Swap. In fights within the MoH also threaten the SWAp and more in general the leadership capacity of MoH, although the leadership capacity within the MoH has improved since 1999.

The Government's sense of responsibility for a SWAp, should be visible above all in the courage with which essential (but often complex) reforms, like redefining resource allocation criteria, introducing "performance contracts", etc. are proposed and implemented. However, the MoH's commitment towards such reforms is not really convincing. This was already the case when the decision was taken to go for a health SWAp and it is still true.

Ownership of the PNDS

At policy formulation level national ownership is quite strong. The MoH defines strategies, priorities, norms and standards, unit costs, budget allocation criteria and annual allocations. It tries to bring all health development activities under the umbrella of the PNDS. Factors that have positively influenced the degree of ownership are: (i) the improved, although still rather weak capacity to lead and manage the health sector and its services compared to the situation before 1999; (ii) the confidence of donors in the policy framework of Burkina Faso; (iii) the broad support for the reforms by the civil society.

Ownership is also quite strong in terms of operational planning and implementation of the PADS: Health Regions and Districts formulate and execute their own annual plan. However, the role of the public health institutions regarding health activities not under

the umbrella of the PADS, in terms of coordination and monitoring, is still insufficiently developed.

Decentralised health services and political decentralisation

Political decentralization could strengthen ownership of health services at local level but the preparation of political decentralisation is progressing only slowly. Local elections have been postponed a number of times. The legislation regarding political decentralisation is said to be still contradictory. Furthermore, the relation between political decentralisation and decentralised government services is not yet defined.⁴⁷

The MoH has also not yet anticipated on or developed a strategy regarding the possible consequences of political decentralisation: for instance the possible devolution of health system responsibilities to local governments (communes and provinces).

Civil society participation

The formulation of the PNDS was clearly based on a participative approach. Nowadays, there is little effort to maintain the participatory process regarding strategic issues. At decentralised level, there is some civil society level participation in planning and monitoring through the Management Committees (COGES⁴⁸) of the health centres (CSPS), the Conseil de Santé du District (approving annual district health plans) and the 'Committees de Consultation Technique Provincial' (CCTP). The mission of the CCTP is clearly established with respect to coordination of development actors in the province. However, not all government structures and NGOs participate actively in the CCTP.

Although NGOs play a more important role in the health sector than before, their input is not coordinated by the MoH. Apart from some information gatherings, the MoH has not made a significant effort to involve the national NGOs and associations, nor the private sector (e.g. through a contract approach) in the implementation of the PNDS, in spite of the 8th objective of the PNDS referring to partnership development. Since the start of the PNDS, the private sector did not receive incentives to develop its position as service provider. To the contrary, the private sector did not even benefit from the same advantages as the public sector services. Establishment of new private sector services was not facilitated and its workers did not have easy access to training facilities.

6.4. Agricultural sector

The 'ownership of the SWAp as regards agricultural development' is in fact a non-issue because the development of a SWAp never got started. Nevertheless a few things can be said of the ownership regarding agricultural development in Burkina Faso in general.

Not lack of ownership, but differences in view between the Ministry of Agriculture and the donors about policy objectives and approaches has led to stagnation of the development of a SWAp for agriculture, which started in a promising way in 1998/99. In fact ministerial/governmental ownership of the policy formulation process was quite strong during 1998-2000, when various policy documents were being formulated, which could have provided the basis for a SWAp for the agricultural sector. Differences in

⁴⁷ It is hoped that the General Code on territorial communities, adopted in the second half of 2004, and the local elections now planned for 2005/2006, will accelerate the process of transfer of competence and resources to the local communities.

⁴⁸ COGES: Comité de Gestion

approaches emerged already in 1998/99, when the World Bank stopped the negotiations regarding a new agricultural structural adjustment loan. Other differences in view emerged in 2000, leading to an agreement that the Ministry would prepare a new policy document called Document de Stratégie de Développement Rural (DSDR). This has probably weakened the sense of local ownership as regards the policy formulation process.

In 2001 the SP/CPSA started to coordinate the donors in the context of the action plans (coordination structures per plan; no overall structure), which can be considered as a crucial instrument for establishing ownership as regards the implementation of these action plans. However, the fact that consultancy firms are contracted to implement these action plans, could weaken the ownership.⁴⁹

During 2002, it became more and more clear that the new Minister for Agriculture preferred discussions and negotiations with individual donors instead of a SWAp. Furthermore disagreements arose about the strategy regarding one of the action plans: the Minister wanted to focus on the establishment of Regional Agricultural Chambers instead of supporting (grass root level) farmers organisations. Because the preferences of the Minister prevailed (no SWAp, no focus on support to farmers organisations) one could say that ownership was strong, but the outcome was not what donors wished.

6.5. Local development

Also in the case of local development, one cannot speak about 'ownership of a SWAp' because there is no real SWAp in that sector. Nevertheless a few things can be said about ownership regarding other aspects of local development programmes in Burkina Faso. Overall, national ownership of the local development programmes has increased at policy level with the approval of the 'Lettre Politique de Développement Rural Décentralisé' in 2002.

At implementation level the ownership of the Dutch funded local development programme has improved also considerably, with the integration of the management of that programme in the Ministry of Economics and Development (MEDEV). In 2002 MEDEV became responsible for the formulation of the policy documents, financial management and audits, while the technical assistance was reduced dramatically. However, that integration concerned the Dutch and Danish funded programmes only. Various other local development programmes are still implemented by specific implementation units. Most of these units have to report to the Ministry of Agriculture, but have a certain degree of autonomy and are also steered and monitored by the funding agency.

⁴⁹ Contracting consultancy firms for the implementation of the action plans is a deliberate policy of the Ministry of Agriculture, which wants to focus on regulation and supervision. However, most of these consultancy firms are directly financed by donors, which causes that 'old patterns' of strong donor-consultancy firms relationships persist, while supervision and control by the MoA remain weak.

6.6. Summary of main findings

Education

Local ownership of the PDDEB is much larger than the ownership of the various education projects implemented in the past by special project implementation units, often for a large deal steered and monitored by external donor agencies. Notwithstanding this positive evolution, there are also two major obstacles hindering the increase of ownership, which are: too little leadership from the Ministry of Education and (too) much influence and pressure from donors.

Participation of the civil society has increased through involvement in the formulation of the PDDEB and the six-monthly reviews, the establishment of parent organisations and the central role of NGOs and associations in alphabetisation programmes.

Health

At policy formulation level national ownership is quite strong. The MoH tries to bring all health development activities under the umbrella of the PNDS. Factors that have positively influenced the degree of ownership are: (i) the improved, although still rather weak capacity to lead and manage the health sector and its services compared to the situation before 1999; (ii) the confidence of donors in the policy framework of Burkina Faso; (iii) the broad support for the reforms by the civil society. However at the level of implementation strong ownership is limited to the activities funded by the government and the PADS (funded by the Netherlands, Sweden and the World Bank only).

The formulation of the PNDS was clearly based on a participative approach. Nowadays, there is little effort to maintain the participatory process regarding strategic issues. Although NGOs play a more important role in the health sector than before, their input is not coordinated by the MoH.

Agricultural development

Not lack of ownership, but differences in view between the Ministry of Agriculture and the donors about policy objectives and approaches have led to stagnation of the development of a SWAp for agriculture, which started in a promising way in 1998/99. In fact the development of a SWAp never got started, which makes that the 'ownership of the SWAp as regards agricultural development' is actually a non-issue

Local development

Also in the case of local development, one cannot speak about 'ownership of a SWAp' because there is no real SWAp in that sector. Apart from that, ownership of the local development programmes has increased at policy level with the approval of the 'Lettre Politique de Développement Rural Décentralisé' in 2002. At implementation level the ownership of the Dutch funded local development programme has improved also considerably, with the integration of the management of that programme in the Ministry of Economics and Development (MEDEV).

7. Main findings

7.1. Introduction.

The three main questions to be answered by this evaluation are:

- To what extent and how has the SWAp been applied to the development cooperation of the Netherlands with Burkina Faso?
- To what extent have the desired changes in aid management (less earmarking; more coordination, harmonisation, alignment and ownership; higher institutional capacity and efficiency) been achieved in Burkina Faso?
- Has the introduction of the sector-wide approach improved the conditions for achievement of the main objective of Dutch development policy, namely poverty reduction?.

These questions are successively discussed in the three sections of this chapter.

7.2. Preparation and development of a SWAp

The RNE in Ouagadougou started the preparation of a SWAp more than a year before DGIS launched the SWAp. In the first half of 1998 it decided to progressively replace project aid by sector programme aid and to focus the Dutch assistance on rural development, basic education and primary health care, while also continuing macroeconomic programme aid. The shift from project financing to programme financing and streamlining the cooperation programme were facilitated by the fact that the programme had already quite a lot of programmatic elements and that a number of sectors had already been phased out prior to 1998.

After a promising start in 1998 and 1999 with formulating a common policy framework, it appeared being very difficult to develop a SWAp for the *agricultural sector*, due to lack of political support and insufficient institutional capacity at the level of the Ministry of Agriculture, insufficient interest among donors and the complexity of agricultural development (multitude of objectives, priorities and issues; complicated and non-settled division of roles between the public and private sector, including the small scale farmers). Because of this problem and the need to reduce the number of priority sectors due to budget constraints, the RNE decided in 2003 to phase out assistance to the agricultural sector. The large number of donors active in this sector was an additional consideration.

Although various *local development* programmes/projects were formulated at the same time during 1999-2002 and although the RNE envisaged promoting the establishment of a basket funding mechanism for all these programmes, there has never been a (strong) initiative to unite those initiatives under the umbrella of a SWAp. The main factors why a SWAp has not been developed are probably: (i) the involvement of two lead ministries, which do not really cooperate, and (ii) the lack of interest/priority among donors to work towards a SWAp. But, although there is no SWAp, the transformation of the Dutch financed integrated rural development programmes into a local development programme has resulted in, among many other things, increased national and local ownership.

Since 1999/2000, there is a common (informal) understanding among the Ministry of Health and some donors regarding the aim of developing a SWAp for the *health sector*. However, in practice it appears that not all actors, both at the level of the MoH and the donors, are convinced about the advantages of a SWAp. Presently there are three donors actively promoting a SWAp, including the Netherlands. The other donors are interested to follow the process and to participate actively in the discussions, but do not change their approach. The PADS, - supported by the Netherlands, Sweden and, with an earmarked contribution, the World Bank -, is a SWAp-like funding mechanism mainly for district level health services. There are no clear indications that other donors consider to start contributing to the PADS basket.

Financing and implementation of the ten-year development plan for the *education sector* (PDDEB) complies with many characteristics of a SWAp. During 1999-2002, the RNE provided substantial financial and technical support to the Ministry of Education for strengthening the formulation and preparation of the PDDEB and for institutional strengthening of the Ministry of Education. In 2004 there were still a few missing links as regards the SWAp for the basic education sector, namely: absence of a real basket fund and the fact that the common financing framework of the PDDEB was still run in parallel with the national (governmental) system. These shortcomings were expected to be solved soon, because it had been decided that the separate financial management structure for the PDDEB would be phased out in 2005.

7.3. Changes in aid management

Sector choice

As early as 1998 the RNE in Ouagadougou had decided to focus the development cooperation with Burkina Faso on macroeconomic budget support and three sectors, namely: basic education, health and rural development; the latter including agricultural development and local development. This choice aligned very well with the priority action plan of the PRSP, which was formulated some time later.

Sector concentration

A comparison of the aid expenditures of 2003 with those of 1998, the year prior to the decision to focus the aid on macro support and the 3 priority sectors and the decision to start a SWAp, shows that macro support has increased from 21% to 35% of the total Dutch support for Burkina Faso, while spending in the three priority sectors had decreased slightly from 66% to 63%. These figures show that in 1998 (and in fact also in 1995) the aid was already focussed on macro support and the three priority sectors. The only major changes that took place were the (i) the decrease of rural development financing and the increase of funding of the health and education sectors, and (ii) the increase of macro support absorbing funds previously spent on activities outside the priority sectors.

Less earmarking

Dutch aid for Burkina Faso has become *less earmarked* since 1998. As said in the previous section, macro support increased from 21% of the total aid envelope in 1998 to 35% in 2003, which is a clear move towards reduced earmarking. Spending in the three priority sectors also became much less earmarked, as is witnessed by the increase of

programme aid within each sector. In 2003 the percentage of Dutch aid provided as programme aid stood at 75% for rural development, 63% for education, 42% for health and 73% for the total cooperation programme (including budget support).

Although rural development accounts for the highest percentage, in terms of quality and content, reduced earmarking was strongest in the education sector. From 1998 to 2003 various project-type financing activities were phased out, while funding of the sector wide PDDEB started in 2002. Within the framework of the PDDEB, the Dutch contribution is not earmarked and can be used for any activity or budget line included in the annual plan made by the Ministry of Education and endorsed by all participating donors.

Also in the health sector there was a move towards reduced earmarking, although less pronounced than in the case of the education sector. The primary health care project PASSP, for many years RNE's most important activity in the health sector, was phased out in June 2004, while funding of the SWAp-like PADS had already started in 2003. This programme consists of a financing mechanism for all activities of the public health services at district level. Financial resources are allocated per region, district and budget item on the basis of certain criteria. Within the context and framework of the PADS the donor contributions are non-earmarked.

Progress towards reduced earmarking was least in the agricultural sector. All donor funding in the agricultural sector is still project-based and thus fully earmarked. As regards local development, the Dutch support consists of funding a Local Development Programme operating in five provinces. Within the framework of those programmes the Dutch funding is largely non-earmarked: the specific use of the funds is decided by village and provincial level committees.

Donor coordination, harmonisation and alignment

Donor coordination, harmonisation and alignment have progressed in Burkina Faso, but there are notable differences across the analysed sectors. By definition sectors with the strongest SWAp perform best in terms of harmonisation and alignment. Among the four analysed sectors, donor coordination and harmonisation is clearly strongest in the *basic education sector*. All donors have confirmed to operate within the framework of the 10-year development plan PDDEB and the number of donors using the common financing framework has recently been extended from three to six. The procedures of the common financing framework are largely aligned with the national procedures. Alignment will be completed once the separate management entity will have been phased out in 2005, and when the various donor accounts are merged into one central account managed according to national financial management procedures.

As regards the *health sector*, the coordination among donors is less developed than in the case of the education sector, while (partial) harmonisation and alignment of procedures is limited to the donors financing the PADS (the Netherlands, Sweden, and to a certain extent the World Bank). Most donor agencies accept the ten-year development plan for the health sector (PNDS) as the general framework for their assistance. However, the PNDS is still merely a policy coordination and programming tool. It does not include a common financing framework as in the case of the PDDEB. Within the PADS, coordination, harmonisation and alignment is much stronger, but its outreach is limited by the fact that only a few donors participate. Furthermore, it should be noted that the financial procedures of the PADS are only partly aligned with the

national procedures, because the PADS funds are managed and accounted for separately from the government funds. Only at the stage of spending the PADS funds, the same procedures are used as for spending government funds.

Donor coordination and harmonisation in the *agricultural sector* is presently quite weak and alignment of procedures almost non-existent. During the last couple of years, donor coordination has been limited to some ad hoc meetings, convened by the Ministry of Agriculture, about the finalisation of a policy document and the implementation of a few specific action plans, and an informal 'internal' coordinative structure of the donors.

Also regarding *local development* the donor coordination is not very strong, although the widely accepted government policy regarding local development and the existence of various similar donor funded programmes could have provided a good basis for effective donor coordination. The main explanatory factors for the absence of an effective coordinative structure are: (i) the fact that two different ministries deal with local development programs, and (ii) the dominant position of the World Bank funded PNGT, which is not much inclined to effective coordination. Harmonisation of procedures across the various local development programmes (PDLs) is also limited, while alignment with national procedures varies from one PDL to another.

Long term commitments

The SWAp has not led to *long-term commitments* from donors to finance sector wide programmes. The present financing agreements from the Netherlands, as well as other donors, with the Burkina Faso government, as regards the PDDEB, the PADS and the local development programmes have a 'normal' duration of 4 to 5 years. This is understandable in view of the fact that the financial planning of these programmes does not go beyond a period of 5 years. Therefore donors did not provide financing commitments beyond the usual duration of project and programme financing agreements. Furthermore it can be questioned whether longer term commitments are feasible in view of the uncertainties in the longer term regarding the policy environment both in Burkina Faso and the Netherlands. Probably a declaration of intent is the maximum feasible for the long term.

Ownership

The degree of national ownership of the development of a sector is of course also, by definition, closely related with the strength of the SWAp and the degree of alignment in the sector. National ownership of the *basic education development plan* (PDDEB) is much larger than in the case of the various education projects implemented in the past by special project implementation units, often for a large deal steered and monitored by external donor agencies. Notwithstanding this positive evolution, there are still two major obstacles hindering the increase of ownership, which are: too little leadership from the Ministry of Education and (too) much influence and pressure from donors.

Regarding the *health sector*, national ownership is quite strong at policy formulation level. At the level of implementation strong ownership is limited to the activities funded by the government and the PADS (funded by the Netherlands, Sweden and the World Bank only). Most other externally financed activities are organised as projects.

In the case of *agricultural and local development*, one cannot speak of 'ownership of a SWAp' because there is no real SWAp in those sectors. Apart from that, ownership of the local development programmes has increased at policy level with the approval of the

'Lettre Politique de Développement Rural Décentralisé' in 2002. At implementation level the ownership of the Dutch funded local development programme has improved as well with the integration of the management of that programme in the Ministry of Economics and Development (MEDEV).

Capacity building

In terms of *institutional capacity* of the ministries for facilitating a shift from project support to a SWAp, the RNE has focussed on strengthening the directorates of (i) planning, (ii) finance and administration, and (iii) human resources of the ministries concerned. Although the RNE, and to a lesser extent a few other donors, provided some support to these directorates, the capacity of these directorates has not reached a level to give full confidence in a successful management of a SWAp. That is not only due to limited external support for capacity strengthening, but particularly also due to insufficient priority attached to this issue by the top of the ministries. Improving personnel management should be one of the key priorities.

In the early phase of the development of a SWAp, the RNE provided substantial support to the Ministries of Education and Health for institutional analyses and organisational assessments. As regards the Ministry of Health these studies got a follow up in the form of a technical assistance (TA) project supporting the DEP. Regarding the Ministry of Education no further specific activities were taken, although it is recognised now that the capacities of the DEP, DAF and DRH of that ministry are still not strong enough to take care of a successful implementation of the PDDEB. The two TA positions for the Ministry of Agriculture and the Ministry of Economics and Development have most likely contributed to capacity building at central level, but they could not contribute very much to designing a SWAp, because the ministries concerned did not facilitate the development of such an approach.

Efficiency

Harmonizing donor procedures, aligning them with the national procedures in the context of a SWAp and decreasing the number of projects could result in *efficiency gains* (less duplication and lower transaction costs). These gains may be (partly) offset in the short term by additional efforts required to set up a SWAp while inefficiencies may occur due to 'getting acquainted with the new system' and lack of management and coordinative capacity of the ministries concerned. Furthermore, in the transition phase, many donors continue with the project approach, so that the efficiency gains through a reduction of the number of projects are still limited, while at the same time quite a lot of effort has to be put into developing a SWAp. At this moment it is not clear whether the efficiency gains in Burkina Faso do already outweigh the, hopefully temporarily, inefficiencies and additional efforts. The real efficiency gain can only be achieved when all (large) donors are effectively committed to harmonisation and alignment.

In the context of this study it appeared to be impossible to disentangle all the aspects of decreased and increased transaction costs, the mere because of the various understandings and ideas about what is meant by transaction costs. In order to structure the discussion the following definition was used: 'transaction costs are the additional costs related to mobilizing external support; costs which do not directly contribute to an improvement of the policies and the implementation of those policies'. On the basis of that definition a number of observations are presented in this report. One observation is that the number of active projects and programmes financed by the RNE has decreased

from about 200 to 50 over a five years period. At the same time the number of external missions has decreased substantially as well. It is likely that this has contributed to a decrease of transaction costs, which could compensate (partly or wholly) for the increase of the transaction costs related to the introduction of the SWAp.

7.4 SWAp and improved conditions for effective poverty reduction

General observations

In general it can be concluded that the focus of the Dutch development cooperation with Burkina Faso on macroeconomic budget support, basic education, health and local development aligns very well with the priority action plan of the PRSP.

As regards the SWAp it is assumed that such an approach managed by and under the full responsibility of the recipient government, will strengthen the (long-term) sustainability of the development activities concerned, as compared to a series of projects managed by donor agencies. Whether or not a SWAp promotes also the poverty reduction impact of the development activities, - again as compared to the project approach -, will depend on the objectives and strategies of the recipient government regarding the sectors concerned. In essence it is not the SWAp as such, which strengthens the poverty reduction impact of a set of development activities. The sectoral objectives and strategies are the determining factors.

A relevant next question is whether objectives, strategies and implementation structures developed in the context of a SWAp would be more and better poverty reduction oriented and more effective than in the case of project aid. It could be argued that through a SWAp better and more effective policies and strategies will be developed, and activities and results will be more sustainable because of increased national ownership. Whether that will be the case, will depend largely on the political orientation and will of the recipient government and its ability to set up and maintain an effective implementation capacity.

Education

The SWAp in the basic education sector focuses on strengthening the implementation of the ten-year development plan for the basic education sector (PPDEB). Because basic education is one of the key objectives of the PRSP and one of the Millennium Development Goals, the link between this SWAp and the poverty reduction strategy is clear. The poverty reduction focus of the PDDEB will be further strengthened when, during the third phase, the emphasis will be laid on regions with low enrolment and school completion rates. Furthermore, the successful alphabetisation programmes, among others financed via FONAEF, strengthen the poverty reduction focus of the basic education programmes.

Health

The Programme National de Développement Sanitaire (PNDS) is generally considered as one of the cornerstones of the poverty reduction strategy of the Government. The RNE and the Ministry of Health are trying to develop a SWAp via the PADS, which so far is mainly focussed on strengthening the primary health services at the level of health districts. As such the PADS fits very well in the PNDS. The poverty focus of the PADS

will be further strengthened by taking a poverty indicator into account when allocating the PADS funds to the health districts.

Agricultural and local development

Because a SWAp has not been developed in either of these two sectors, nothing can be said about the subject of this section. Notwithstanding that, it can be observed that the transform of the Dutch funded integrated rural development programmes into a local development programme has improved the conditions for an effective poverty reduction focus. Decision-making regarding the use of the available funds has been transferred largely to village committees.

Conclusion

Thus, the government policies and sector wide approaches as regards the education and health sectors in Burkina Faso are clearly aimed at poverty reduction. To the extent that these sector wide approaches are more sustainable than project approaches, the conditions for effective poverty reduction in these sectors have improved. This aspect cannot be evaluated as regards the agricultural and local development sectors, because no SWAp has been developed for those sectors. Nevertheless, it can be observed that the transformation of the Dutch funded integrated rural development programmes into a local development programme has improved the conditions for an effective poverty reduction focus, because decision-making and responsibility regarding the village development plans and the use of the funds have been transferred largely to village committees.

Part B: Annexes for each evaluated sector

B.1. Rural Development

Within the rural development cooperation programme, two major components (axis, sub-programmes) can be distinguished, namely *agricultural development* (in a broad sense, including rural finance and farmers organisations) and *local development*.

1. Agricultural development.

In January 1998 the Government approved the “Document d’Orientation Stratégique” (DOS) as the basic policy paper for the agricultural sector. The DOS was translated into an operational document called Programme Stratégique Opérationnel (PSO), of which a draft was ready in December 1998. On the basis of the PSO, 11 action plans would be formulated. At the same time the Government and the World Bank (WB) were preparing a second agricultural adjustment credit (PASA II; Programme d’Ajustement Structurel Agricole), at policy level underpinned by the “Lettre Politique de Développement Agricole Durable”.

The RNE provided support to the policy formulation activities in the form of technical and financial assistance to the Direction d’Etudes et de la Planification (DEP) of the Ministry of Agriculture and to the “Cellule de Coordination du PASA”⁵⁰, the PASA Steering Committee and the PASA Reformulation Committee. The RNE reported broad support from donors for these documents (RNE annual report 1998). RNE reached agreement with the EU, the AFD (France) and Denmark on joint financing of action plans: one budget, one bank account, one chef de file, one set of procedures, uniform reporting and joint audits.

The RNE was also quite satisfied with the programme documents for PASA II (which included the DOS and the PSO). They reflected the growing consensus between government, farmers’ organisations, the private sector and donors about the policy framework, the strategies, the roles of the various actors and the required action plans. There were also good links with gender and environment issues. The vision of the RNE was that PASA II would be the policy framework and basis for a SWAp (RNE annual plan 1999).

However, by the end of 1998, the World Bank (WB) stopped negotiations about financing the PASA, due to differences in view about the subsidy on sugar production, the reform of the cotton sector and the creation of two separate ministries for agriculture and livestock. The WB decided to focus on the implementation of the Programme National de Développement des Services Agricoles (credit signed in 1997) and the preparation of a second credit for the Programme National de la Gestion des Terroirs (PNGT II; a programme for local area development, which will be discussed in the section on local development hereafter). The withdrawal of the WB and the non-finalisation of the PASA II document, implied that an important component of the

⁵⁰ The CC/PASA was rebaptised into the Secretariat Permanent pour la Coordination des Politiques Sectorielles Agricoles (SP/CPSA) in 2000/2001 (see further on).

strategy to introduce a SWAp ceased to exist and that an important partner for the design of a SWAp for agriculture, lost interest in the DOS/PSO/Action Plans package.

By the end of 1999 the RNE reported that policy formulation had improved (again), thanks to nomination of a new minister for agriculture in October of that year and the approval of the PSO in the same month. The RNE chose to focus on four of the eleven action plans, namely PAOPA (farmers organisations), PAFMR (rural finance), PAGIFS (soil fertility and agricultural mechanisation), and PSA (food security and desertification). PAOPA and PAFMR were already approved in 1999, while the other action plans were supposed to be finalised in the year 2000 (RNE annual plan 2000). The RNE provided technical and financial support for the formulation of those action plans, chaired the donor group regarding the PAGIFS and played a key role in the formulation of the PSA (particularly the desertification component).

The RNE reported intensified donor coordination during 1999 and increased interest for basket funding and increased commitment to integrate all projects and programmes in one policy framework. The RNE envisaged integrating all ongoing support from the NL for the agricultural sector in those action plans⁵¹, if needed after some redesigning. In 1999, a few specific projects regarding livestock were phased out as planned⁵².

During 2000 there was little progress regarding formulation and/or implementation of the Action Plans. In fact none of the Action Plans had started yet⁵³. Main reasons were: differences of view within the Ministry of Agriculture and among donors, and insufficient capacity and political considerations within the Ministry of Agriculture. Discussions of the donors and the Ministry of Agriculture led to the conclusion that the policy framework of the DOS/PSO, the PRSP and the LPDRD (see further on under 'local development) were not entirely coherent and complete, and that priorities and expected results were insufficiently defined and substantiated. The Ministry would therefore prepare a new policy document called Document de Stratégie de Développement Rural (DSDR). Furthermore, it was agreed that an institutional assessment would be carried out, aimed at designing a strategy for capacity development of the ministry to improve the conditions for implementation of a coherent sector policy. Furthermore it was decided to rebaptise the Cellule de Coordination du PASA into the Secretariat Permanent pour la Coordination des Politiques Sectorielles Agricoles (SP/CPSA) and to charge it, among other things, with the coordination of the implementation of the action plans (including design of a monitoring system).

In 2001 the SP/CPSA started to coordinate the donors in the context of the action plans (coordination structures per action plan; no overall structure). PAOPA and the PA-riz (rice production) started effectively. PAOPA was financed by four donors (the EC, the Netherlands, Denmark and France) but not through a basket funding structure. Each donor had its own financing agreement and had earmarked the use of its funds for specific items, within a commonly agreed overall budget and programme of activities. An international consultant was hired to provide the support to the farmers' organisations. At that level of implementation the action plan took the form of a 'traditional' project. That

⁵¹ E.g. PAROP (farmers organisation) in PAOPA, UGIFS (soil fertility) and PAMA (mechanisation) in PAGIFS and SONAGESS and ENSA in PSA.

⁵² Namely POE (livestock research) and UEPL (union of livestock keepers), see annual report 1999, 13/14.

⁵³ The PAN/LCD (desertification) was approved but not actually started. A programme of activities was not yet made. RNE was the lead donor (annual report 2000, p24).

was also the case with the PA-riz, which was financed by France and implemented by an international consultant.

During 2002, it became more and more clear that the new Minister for Agriculture, appointed by the end of 2001, had not put a SWAp high on its agenda. There was a preference for discussions and negotiations with individual donors. The progress regarding the formulation of the DSDR was slow and the institutional analysis of the ministry not yet done, while the donors perceived the ministry's strategy as non-coherent. Furthermore disagreements arose about the strategy of the PAOPA: the Minister wanted to refocus the PAOPA on the establishment of Regional Agricultural Chambers instead of supporting (grass root level) farmers' organisations. This disagreement and the poor quality of the services of the international consultant hired for the implementation, led to a premature halt of this action plan in 2003.

Already during 2002 doubts were rising within the RNE about the feasibility of applying the SWAp for the cooperation programme in the agricultural sector, because of insufficient political support, too many stakeholders with different views and the complexity of the multitude of issues at stake. These doubts were reinforced by the collapse of the PAOPA in 2003 and the fact that the RNE was disappointed about the final version of the DSDR, approved by the government mid 2003. The main criticism of the RNE was the absence of priority setting in that policy document. Furthermore, during 2003 it became clear that the budget for the Dutch bilateral cooperation with Burkina Faso would be reduced in the coming years, which would made it desirable to reduce the number of sectors of cooperation. During 2003 the RNE discontinued support for most of the action plans⁵⁴ because of lack of remedial action from the Ministry regarding policies and strategies and insufficient budget for the coming years.

When, towards the end of 2003, DGIS requested the embassies to reduce the number of sectors, if possible to two (in the context of the new AEV policy document), the decision was easily made. All activities regarding the agricultural sector would be phased out as soon as possible, while support to the local development programs (see next section) would continue as a cross-sector programme, under the heading 'good governance'.

2. Local development

In 1999 the RNE decided to restructure and to reorient the four Dutch financed Integrated Rural Development Programmes (IRDPs) and to bring them together in one local development programme (PDL; Programme de développement local) under the aegis of the Ministry of Economy and Finance (in 2002 transformed into the Ministry of Economy and Development; MEDEV). The approach of the PDL was largely based on the policy being formulated at that time in the Lettre Politique de Développement Rural Décentralisé (LPDRD, drafted in 1999/2000 and finally approved in 2002.), on the new decentralisation policy of the government (TOD: Texte d'Orientation pour la Décentralisation) and on the agricultural policy documents DOS and PSO.

⁵⁴ In fact the PAOPA had already been stopped due to the political disagreement; implementation of the PAFMR started in 2003 without funding from the NL; formulation of PAGIFS/PAMA was never finalised but re-launched in 2003/2004.

The new approach was first to be tested by the IRDP in Zoundwéogo (PDI/Z), which was transformed into a PDL at the start of 2000. During the year 2001, a new overall PDL was formulated for the four (ex-) IRDPs, which was put into operation on the first of January 2002.

At the same time when the Dutch financed IRDPs were transformed into a PDL, some other donor-funded IRDPs were subject of the same transform, while also new PDLs were being formulated. In 2004 all provinces benefit from a PDL; many provinces even from two PDLs and some from three. The largest PDLs are the WB-financed PNGT, operating in 22 provinces, and two PDLs financed by France operating in 9 provinces.

Coordination between the various PDLs is quite limited; one of the reasons being that two different ministries are involved. The MEDEV is responsible for the Dutch financed PDL, for two of the three Danish financed PDLs, for the implementation of the LPDRD and for setting up the Cadre de Concertation des Partenaires au Développement Rural Décentralisé. All other PDL projects, including the large PNGT, are under the responsibility of the Ministry of Agriculture. The 'Cadre de Concertation' has not yet been put in place, most likely because of the fact that two different ministries are involved.⁵⁵

Although various PDL formulation initiatives were employed at the same time during 1999-2002 and although the RNE envisaged promoting the establishment of a basket funding mechanism for all PDLs (RNE annual plan 2001) and announced in 2002 that a start would be made with bringing together PDL activities of all donors (RNE annual plan 2002), there has never been a (strong) initiative to try to bring together those initiatives under the umbrella of a SWAp. Neither the ministries concerned nor the donors took such an initiative. The RNE designed the new PDL in collaboration with MEDEV, and the World Bank designed the PNGT with the Ministry of Agriculture, A number of other donors designed also PDL projects with that ministry. There is quite some congruency in terms of general approaches of the various PDLs, anchored by the LPDRD, but there is no SWAp and the coordination and collaboration at implementation level is quite limited.

Although there is no SWAp, the redesign of the Dutch financed IRDPs into a PDL resulted in, among many other things, increased local ownership of the PDL. The MEDEV became responsible for the formulation of the policy documents and financial management and audits, while the technical assistance was reduced dramatically.

⁵⁵ According RNE's annual report of 1999 there were, at that time, already plans to establish an interministerial steering committee for the PDLs, but those plans did not materialise. The MEDEV, created in 2002, re-launched the dialogue with donors on coordination of PDLs.

B.2. Report on the Health Sector

1. Overview

The Projet d'Appui aux Soins de Sante Primaires (PASSP)

Start of the involvement of the Netherlands in financing health activities in Burkina Faso dates back from the early nineties when the RNE started to co-finance the PASSP, implemented first by the Dutch NGO called Save the Children Fund/Netherlands (SCF/NL) and later, since 2004, by a local NGO called AES/B (Action pour l'Enfance et la Santé Burkina)⁵⁶. Initially the project covered only one health district, but in 1995 three other districts were added and a fifth one in 1999⁵⁷. The project provided support to the public health services at district level for implementing the national health policies. The project was phased out in July 2004, because of the shift of the Dutch support towards the PADS (see hereafter).

The Plan National de Développement Sanitaire (PNDS)

In 1999/00 the RNE decided to broaden its assistance to the health sector on the basis of a SWAp and two key policy documents which were planned to be formulated: the PNS (Politique Nationale de la Santé = National Health Policy) and the ten-year PNDS (National Programme for Health Development). In June 1999 a large workshop called "Etats Généraux de la Santé" was held with large participation of the civil society, which provided a major input for formulating the PNS. Subsequently various working groups were established for the preparation of the PNDS. The RNE financed three background studies regarding (i) institutional development of the Ministry of Health, (ii) decentralisation, and (iii) definition of criteria for service delivery. The PNDS was finally adopted in 2001 covering the period 2001-2010. The various stakeholders of the health sector had been well involved in the formulation of that document, which was also well aligned with the PRSP and the MDG. In 2003 a Monitoring Committee, chaired by the Secretary General of the Ministry of Health (MoH) and a Technical Secretariat⁵⁸ were put in place to oversee the implementation of the PNDS.

It was envisaged that the PNDS would be implemented and managed by the MoH itself on the basis of a SWAp and funded by (i) the government and (ii) various donors through a basket fund. However, in 2001 the institutional, administrative and financial framework for managing a SWAp was not yet in place within the MoH, while also various donors were not yet 'aligned' to join such an approach. Moreover the knowledge of staff from the MoH and various donors about the SWAp varied enormously. The RNE financed therefore various missions during the years 2000-2003 to support the MoH preparing itself for managing a SWAp. Furthermore, during that period the RNE invested a lot of time in strengthening donor coordination and intensification of the dialogue with the MoH. It is clear that among the donors, the RNE had the lead in propagating and preparing a SWAp.

⁵⁶ The RNE financed 85% of the costs of the PASSP and SCF/PB 15%.

⁵⁷ The first four districts were located in the region of Kaya. The fifth district was the health district of Manga in Zoudwéogo province.

⁵⁸ Attached to the Direction d'Etudes et de Plainification of the Ministry.

A Round Table Conference with all donors providing support to the health sector regarding the implementation of the PNDS took place in April 2003. The participants issued a joint statement, which can be considered as a kind of 'Code of Conduct'. All parties agreed that the PNDS would be the global framework for the development of the health sector and committed themselves to further this plan.

The PADS: Programme d'Appui aux Districts Sanitaires et Direction Régionales de la Santé⁵⁹

Because starting a SWAp on the basis of the (entire) PNDS was not yet possible, the MoH and the RNE formulated the PADS, which actually started in 2003.⁶⁰ This programme has already many characteristics of a SWAp: a financing mechanism for all activities of the public health services particularly at district level, decentralised planning, allocation of financial resources per district and per programme/activity on the basis of needs and certain criteria, a basket fund to which various donors could contribute, etc. However, it is not yet a SWAp in terms of number of donors participating, coverage and financial management. Until today only the Netherlands and Sweden contribute financially to the PADS, plus the World Bank providing an earmarked contribution for AIDS control activities. Regarding coverage, the PADS deals only with regional and district level health services, while financial management of the PADS is not integrated in the standard financial management systems of the government (see hereafter).

Notwithstanding the limited donor participation so far, it is generally recognised that the PADS is a crucial financing mechanism for the development of the health districts. Because a basket funding for the entire PNDS will not be feasible in the short term, it has been decided to prolong the PADS to 2008. In the mean time it will be tried to get other donors on board for contributing to the basket fund of the PADS.

At national level, a special unit within the DEP manages the PADS. That unit is responsible for overall planning, financial management, bookkeeping and monitoring the use of funds at decentralised level. A Management Committee, presided by the Secretary General of the MoH, oversees the implementation of the PADS and approves the annual plans. In view of the normal tasks of the DEP and the DAF, it would have been more appropriate to charge the DAF with the financial management of the PADS. However, the DAF is considered too weak for taking up such a responsibility.

The national contribution to the PADS, which is in fact the national financing of the regional and district level health services (merely salaries), does not pass through the basket fund, but is managed according to standard national financial procedures, with an important role for the DAF of the MoH.

Strengthening the MoH

The institutional analysis of the MoH, financed by the RNE, made clear that it would be necessary to strengthen the MoH for making it capable to manage a SWAp, particularly the Direction d'Etudes et de la Planification (DEP), the Direction de l'Administration et des Finances (DAF) and the Direction des Ressources Humaines (DRH). In 2002 the

⁵⁹ Later on renamed into Programme d'Appui au Développement Sanitaire.

⁶⁰ The PADS was partly based on the Projet de Développement de la Santé et de la Nutrition (PDSN), which had been financed by the World Bank and ended in 2001. The World Bank did not consider a second phase or follow up, because it preferred to focus on general budget support for the implementation of the PRSP. The PDSN provided support to Health Districts and Regional Directorates of Health.

RNE started a project, called PARDEP, to support the DEP (one technical assistant plus some financial support). This project has been extended recently until August 2005. The Belgian Cooperation would support the DAF, but it took until the second quarter of 2004 before a project agreement was signed. The Sida had indicated that it might be prepared to support the DRH but mid 2004 the MoH had not yet submitted a request.

Other activities supported by the RNE in the health sector

Since 1995 the RNE provides financial support to the MoH for the implementation of the National Tuberculosis Programme. The present financing agreement lasts until the end of 2004. Since 2000 the RNE finances various AIDS control activities, within the context of a multi-sector strategic framework for combating VIH/SIDA⁶¹ and IST⁶² covering the period 2001-2005 and officially adopted by the Government. In 2002 the government established the Conseil National de Lutte contre le VIH/SIDA and IST (CNLS-IST), which coordinates the Plan National Multisectoriel. The RNE is one of the three donor representatives in the CNLS-IST.

Conclusions

Although there is, since 1999/2000, a common (informal) agreement among the MoH and some donors (the Netherlands and Sweden, and to a lesser extent the WHO) regarding the aim of developing a SWAp, the discussions about the introduction of a SWAp in the health sector were and are not easy. In practice it appears that not all actors, both at the level of the MoH and the donors, are convinced about the advantages of a SWAp. Furthermore, discussions about the SWAp were and still are complicated because of the differences in definitions and understanding of a SWAp and because of various changes of personnel.

Nevertheless, since 2002, important progress has been made to introduce a SWAp. The policy framework (PNS and PNDS) is clear and consistent with the PRSP and the MDG. The PNDS is detailed in forward rolling three-year plans, which are respected by the donors. The MoH is busy preparing a MTEF 2004-2006 for the health sector, which should fit in the overall MTEF of the Ministry of Finance and Budget.

Some elements of the necessary institutional framework for the coordination of the PNDS have been put in place, such as a monitoring committee with a permanent secretariat, a number of technical committees related to the PNDS, external audits and joint field visits of the donors. However, many measures to strengthen the capacity of the MoH and many necessary institutional reforms have not yet been taken.⁶³

Presently there are three donors (the Netherlands, Sweden and the WHO) actively promoting a SWAp; The Netherlands and Sweden in the context of the PADS, and the WHO by actively supporting the MoH to set up a SWAp⁶⁴. The other donors are interested to follow the process and to participate actively in the discussions, but do not

⁶¹ VIH/SIDA = HIV/AIDS-

⁶² Infections Sexuellement Transmissibles

⁶³ Strengthening the DAF and the DRH, integrating financial management of the MoH and the PADS, reform of the hospital sector, etc.

⁶⁴ Some time ago the Belgian embassy considered continuing its support to one health district in the form of earmarked budget support for the health sector. However, it is said that the MoH convinced the Embassy to develop a new traditional health project. That project is now being implemented by the Belgian Technical Cooperation.

change the approach of their assistance. They continue financing their projects and do not, at this moment, consider contributing to a basket funding mechanism, be it for the PADS or the PNDS in general.

At this moment it is not clear whether further strengthening of the SWAp should focus on the PNDS, the PADS or both. So far, the PNDS is merely a policy, coordination and monitoring framework for all health activities implemented by the MoH, and various donor funded and NGO projects, with varying degrees of cooperation with the MoH structures. There is no clear move towards deepening the SWAp in terms of integrating project activities and financial management in the structures of the MoH, reducing the number of projects, and expanding the basket funding of the PADS or the MoH budget at large.

The 'SWAp content' of the PADS is much stronger than the PNDS at large, but until today only two donors provide an un-earmarked contribution to the PADS basket fund. Furthermore, financial management of the PADS is not integrated in the standard government systems, and the PADS covers only part of the national health services. There is a tendency to increase the coverage of the PADS, but there are no clear signs that more donors will join the PADS basket fund. Regarding financial management, there is no strategy for integrating financial management of the PADS in the standard financial management systems of the Government. Nevertheless, it is acknowledged that the PADS approach is a tremendous improvement, in light of the objectives of a SWAp, compared to the 'old' project approach.

2. Background

In 1998 the RNE made the strategic choice to focus the development cooperation programme with Burkina Faso on three sectors, including the health sector. In 1999/2000 it was decided to organise the cooperation along the principles and objectives of a SWAp.

The idea of a SWAp was well received by the Ministry of Health (MoH), because it was looking for partners who would be committed for medium to long-term support for the implementation of the Politique Nationale de la Sante (PNS) and the Programme National de Développement Sanitaire (PNDS), being formulated at that time. Furthermore support provided along the principles of a SWAp would allow the MoH to get more control of what is happening in the health sector and it could reduce the complexity, and sometimes inefficiency, of coordinating numerous projects.

Important considerations of the RNE for choosing health as one of the priority sectors, were:

- The experience gained with the Dutch financed PASSP (see further on);
- The existence of the World Bank financed PDSN (later continued as PADS with Dutch funding; see further on) which could offer an opportunity to facilitate the transition towards a SWAp;
- The promising policy formulation process going on in the health sector;
- The fact that there were only a few donors active in the health sector;

- Most of the other donors active in the sector also showed interest in developing a SWAp⁶⁵.

In 2000/2001 the RNE financed an institutional analysis and an organizational capacity assessment of the MoH. These studies revealed that the MoH was weak and that the strong motivation and dynamics of the MoH depended in fact on a few individuals only.

In March 2001 the RNE commissioned a small study on the coherence between the PNDS and the first three-year plan for the implementation of the PNDS. This study found that there was not enough prioritization in the sector programme and that the financial framework was shaky. However, these weaknesses were considered acceptable and could be addressed through providing technical and financial support in the context of a SWAp.

3. Sector description

3.1 National health policies

The general objective of the "Politique Nationale de la Santé" (PNS) is to improve the health status of the population. Intermediate objectives are (i) to reduce morbidity and mortality, (ii) to reinforce the fight against AIDS/HIV and (iii) to improve the control of risk factors.

For carrying out the national health policies, a national 10-year health sector development plan has been formulated (PNDS 2001-2010; Plan National de Développement Sanitaire). For the implementation of the PNDS "plans triennaux glissants" are made (forward rolling 3-year plans). The PNDS was inspired by the already existing PRSP, which was formulated in 1999-2000. The PNDS is focussed on 8 intermediate objectives that regroup 22 specific objectives or programmes:

- 1) Accroître la couverture sanitaire nationale.
- 2) Améliorer la qualité et l'utilisation des services de santé.
- 3) Renforcer la lutte contre les maladies transmissibles et les maladies non transmissibles.
- 4) Réduire la transmission du VIH.
- 5) Développer les ressources humaines en santé.
- 6) Améliorer l'accessibilité financière des populations aux services de santé,
- 7) Accroître les financements du secteur de la santé
- 8) Renforcer les capacités institutionnelles du ministère de la santé.

These objectives are coherent with the Millennium Development Goals and the health objectives of NEPAD⁶⁶.

The global framework of the PNDS is accepted at all levels and by all donors and is used as a reference for all activities in the health sector. However, due to limited capacities and weak leadership within the MoH, approaches and strategies at directorate

⁶⁵ Mainly in terms of harmonizing the policy and planning frameworks, as appeared later on. Interest in common financing frameworks appeared to be much lower.

⁶⁶ NEPAD: nouveau partenariat pour le développement de l'Afrique. Rencontre des experts responsables de l'Organisation Ouest Africaine de la Santé et du NEPAD (Dakar, les 9-11/12/02). Objectifs de mortalité et morbidité (source: Document de base Table Ronde PNDS (3/4/03)

level are not always coherent. As a consequence, sub sector programmes and activities are not always in line with the PNDS strategies.

3.2. Organisation of the health services

As from 1990 onwards, Burkina Faso's health system has been subject to several reforms, amongst others related to the Bamako Initiative. In the course of the nineties, Burkina Faso started to decentralize the health system, especially by establishing health districts.

Nowadays the district health teams are responsible for operational planning, integration of vertical programmes, healthcare services, development of management capacity, training of personnel, organising community participation and gathering routine data at district level. However, the capacities of the health districts improve only slowly, because of insufficiencies in planning and management in the districts, too little technical support from the regional level, centralized human resource management, and inadequate regulation and control by the central level of the MoH. The administrative decentralization, which commenced a few years ago, constitutes an opportunity for strengthening the population/user involvement, but entails institutional and administrative challenges.

During the 1990s there were major problems with funding primary level services. Funding from the national budget was insufficient and/or inefficient, while cost sharing systems were not put in place or were not adequate. In order to solve part of the financial problems at the periphery, health districts were allowed to retain their own revenues from mid 1990 onwards. Furthermore from 2001 onwards the "credits délégués" for the health districts and regional directorates were increased substantially. From 2003 onwards health districts and regional health directorates can also make use of the system of "régies d'avances" .

Presently the public health services are organised in 3 levels, which ensure respectively primary, secondary and tertiary health care:

- 1) *The health district level* has two echelons; the first echelon is the Centre de Santé et de Promotion Sociale (CSPS); the second echelon of district care is the Centre Médical with an Antenne chirurgicale (CMA). Districts where a regional hospital (CHR) is situated do not have a CMA. In those districts the CHR performs also the tasks of a CMA.
- 2) *The regional level* is represented by the Centre Hospitalier Régional (CHR). It ensures reference care and evacuation from CMAs.
- 3) *The national level* is the Centre Hospitalier Universitaire, which is the highest reference level for specialist treatment. It serves also as training centre for various categories of health and research personnel.

Until recently, the circumscription of some of the 55 health districts did not correspond with the administrative provinces, of which the total number is 45. This has been 'corrected' now, but 10 provinces do still have 2 health districts each, because of their large population size. The health districts are coordinated and supported by 13 regional health directorates (see also section 2.4).

In addition to these public structures, there is also a private and a traditional health care sector. The national health policy decided to facilitate the rapid development of the private sector, which until recently played only a marginal role, mostly restricted to Ouagadougou and Bobo Dioulasso. Since a few years indeed a rapid expansion of private health care structures is observed (today more than 300, all categories included).

3.4. Organisation of the Ministry of Health

The organisation of the MoH is composed of three levels:

- The central level, which is organised around the Cabinet du ministre and the Secrétariat général ;
- The intermediate level, which is composed of 13 Directions Régionales de la Santé (DRS) ; their mission is to implement the national health policy in the health regions;
- The peripheral level, which consists of 55 health districts, which constitute the most decentralised operational entities of the MoH.

The transition towards a SWAp is accompanied by a number of institutional reforms, aiming at (i) improving the effectiveness and efficiency of existing structures and the communication/coordination between them, and (ii) creating an institutional framework for a SWAp, such as the Secrétariat Technique of the PNDS (ST/PNDS) and the Comité de Suivi of the PNDS.

Furthermore there exists a 'Comité Directeur' and an 'Unité de Gestion' of the PADS (see also par. 4.2.2). It should be noted that the institutional frameworks of the PNDS and the PADS are in fact two parallel structures, which have to a large extent the same objectives and cover largely the same activities. In principle the PADS, being part of the PNDS, should be considered as a temporary structure. However the MoH has not yet a clear strategy how to resolve this dichotomy.

3.5. Donors

The WHO is the lead donor for the health sector. It co-ordinates, calls meetings, represents the donors, and serves as a link between the donors and the minister of health. As regards the introduction of a SWAp in the health sector the Netherlands can be considered as the pioneer. Not many donors are active in the health sector and only a few of them actively support the SWAp. The French Cooperation is pulling out of the health sector (except for AIDS), while the Belgium Cooperation is planning to wrap up its health sector activities in the next 3 years.

The participants of the Round Table Conference regarding the health sector, held in April 2003, signed a joint statement, which can be considered as a Code of Conduct. All parties agreed to accept the PNDS as the global framework for the development of the health sector and committed themselves to further this plan.

The World Bank, in other countries often an important driving force for a SWAp including for the development of harmonised resource management systems, is not supporting the SWAp in the health sector in Burkina Faso actively. In 2001 the World Bank decided to

focus its assistance on general budget support for the implementation of the PRSP. In that context it refrained from starting a second phase of the PDSN and decided to limit its direct support for the health sector to an AIDS control programme. Later on, when the AIDS control programme was formulated, and when the PADS had a successful start, the WB decided to channel its support for AIDS control through the PADS.

3.6. Civil society and the private sector

The formulation of the PNDS was clearly based on a participative approach. Nowadays, there is little effort to keep civil society engaged in a participatory process, which is continuing within the MoH, amongst the donors and between the government and the donors. At decentralised level, there is some civil society level participation in planning and monitoring through the Management Committees (COGES⁶⁷) of the health centres (CSPS), the Conseil de Santé du District (approving annual district health plans) and the 'Committees de Consultation Technique Provinciale' (CCTP). The mission of the CCTP is clearly established with respect to coordination of development actors in the province. However, not all government structures and NGOs participate actively in the CCTP.

Apart from some information gatherings, the MoH has not made a significant effort to involve the national NGOs and associations, nor the private sector (e.g. through a contract approach) in the implementation of the PNDS, this in spite of the 8th objective of the PNDS which is partnership development. Since the start of the PNDS, the private sector did not receive incentives to develop its position as service provider. To the contrary, the private sector did not even benefit from the same advantages as the public sector services.

3.7. HIV/AIDS control

The Government has adopted a 'Cadre Stratégique de la Lutte contre le SIDA et les IST' (CSLS) for the period 2001 – 2005⁶⁸. Each technical ministry has developed its own set of measures for combating SIDA/IST. The 'Conseil National de la Lutte contre le VIH/SIDA et IST (CNLS-IST) coordinates all those measures and activities. The CNLS is attached to the Presidency of Burkina Faso, and is equipped with a Permanent Secretariat. The CNLS focuses on programming and coordination, but does not implement programmes and has only a limited role as regards channelling money. A mid term review of the CSLS will be carried out in the second half of 2004

The World Bank funded PA/PMLS (Programme d'Appui aux Programmes Multisectoriels de la Lutte contre le SIDA) is the biggest project supporting the implementation of the CSLS. It is a multi sector programme with a budget of US\$ 12.5 million for 5 years. Organisationally the PA/PMLS falls under the Ministry of Economy and Development (MEDEV). Currently plans are being made to move PA/PMLS from MEDEV to the Secretariat Permanent of the CNLS.

⁶⁷ COGES: Comité de Gestion

⁶⁸ IST = Infections Sexuellement Transmissibles

Since AIDS control is attached to the Cabinet of the President, in order to make it more transversal/multisectoral and to give it the necessary political importance, the health sector is less involved in AIDS prevention and coordination than before the establishment of the CNLS.

Although the CNLS is not officially charged with donor coordination, indirectly the annual CNLS meetings contribute to donor coordination. Burkina Faso, which received also resources from the Global Fund, has a Country Coordination Mechanism (CCM⁶⁹), in which the Netherlands, France and Italy are the donor representatives. However, coordination of the many different resources with many actors is still poor. Output and impact is therefore sub optimal.

3.8. Pro-poor focus

Average household expenditure on health increased modestly from 1998 to 2003, particularly due to increased spending by the wealthier portion of the population. Per capita health expenditure for the poorest three-fifths of the population declined in nominal terms. Since it had been established that lack of money is an important barrier to health services for the poor, the government decided to provide certain services free of charge (for instance PNC⁷⁰). Furthermore sales prices of essential drugs have been reduced (CAMEG⁷¹ has steadily reduced its costs and margins). However, systems of fee exemption for poor people function hardly, while many patients, including the poor, are confronted with corruptive practices as regards the delivery of health services.

The health sector is one of the priority sectors in the PRSP (formulated in 1999-2000) and for using the HIPC funds (available since 2001). The availability of HIPC funds caused initially a re-centralisation of health expenditures, but later on the MoH increased the deconcentrated budgets (for goods and services) faster than the overall budget. District level financing doubled between 2001 and 2003, among others made possible (indirectly) by the availability of HPIC funds. This means that access of provinces to national resources has improved. Nevertheless difficulties regarding over-centralised planning and budget execution persist.

4. Netherlands support for the health sector.

4.1. Prior to 2000

In 1981, the Save the Children Fund Netherlands (SCF/NL) started a vaccination programme in three provinces in the region of Kaya. By 1991, the scope of activities had enlarged into a primary health care programme. In 1991 the "Programme d'Appui au Soins de Santé Primaires" (PASSP) was formulated, which started first on a pilot base in one of the provinces, co-financed by SCF/NL and DGIS. From 1995 onwards all three provinces in the region of Kaya, covering four health districts, were included, while the

⁶⁹ CCM: Country Coordination mechanism in countries that benefit from the Global Fund (UNAIDS)

⁷⁰ PNC: prenatal consultations

⁷¹ CAMEG: Centrale d'Achat de Médicaments Essentiels Génériques

co-financing formula was fixed at 50% for SCF/NL and 50% for DGIS. From 2000 onwards also the Health District of Manga was included in the programme, but for 100% funded by DGIS. From 2002 onwards the co-financing formula for the entire PASSP was fixed at 15% SCF/NL and 85% DGIS. The PASSP has been the Embassy's main support activity in the health sector prior to 2000.

4.2. Post- 2000

4.2.1. The 'Programme d'Appui au Soins de Santé Primaires' (PASSP)

In 2000/2001 the SCF/NL initiated the establishment of a local NGO for the implementation of the PASSP. Since the field team of the SCF/NL consisted exclusively of local staff, which clearly had the capacity to manage and implement the project, the idea was born that the local staff would create their own national NGO, which would implement the PASSP and undertake other activities. This resulted in the creation of the national NGO called AES/B: Action pour l'Enfance et la Santé, Burkina. AES/B was finally officially established in November 2003 and took over the implementation of the PASSP from 2004 onwards.

In 2001/2002 the RNE decided to phase out gradually the PASSP, and to develop the PADS formula (see hereafter), which is more in line with a SWAp than the PASSP. The final extension of the PASSP lasted until December 2003 (utilisation of funds up to July 2004).

The PASSP has always been implemented according to project modalities. Funds were channelled via SCF/NL in the Netherlands. The financing modalities have not been changed when the RNE decided in 1999/2000 to move to a SWAp. Health Districts continued to receive Dutch funding directly from the PASSP and to have access to national funding via the DAF/MoH and the MFB.

The main achievements of the PASSP in view of the health sector reform are (i) the increased planning, coordination and management capacity in the Kaya Health Region and the Health Districts concerned⁷², (ii) the development of consolidated, participative planning at regional and district level, and the development of the "approche communautaire", as an aspect of health district development. The experience of the project was used in the development of the approaches of the PDSN and later the PADS.

In PASSP districts much efforts were devoted to seeking harmonisation of procedures with two other major donors, but the results of these efforts were not very positive, mainly due to lack of response from the head quarters (one NGO and one bilateral donor).

An important advantage of the PASSP project modality was the high degree of flexibility, allowing for innovative activities. In the PADS fund (see hereafter), a pilot activity like for instance testing/developing a community health system is no longer possible, because such a strategy was not formally adopted by the MoH.

⁷² Because of the frequent staff changes at regional and district level, this capacity improvement goes to some extent beyond those districts and region.

4.2.2. The Programme d'Appui aux Districts Sanitaires (PADS)

The genesis of the PADS is related to the Projet de Développement Sanitaire et de la Nutrition (PDSN), which provided in the late nineties, in addition to resources from the national budget and the HIPC initiative, a major financial contribution towards the development of the Health Districts. Although this project, which was financed by the World Bank, functioned with a management system parallel to the standard organisational structure of the MoH (i.e. with a project implementation unit and specific project procedures), it was seen as an important experience on the road towards a SWAp. When this project closed in August 2001, it was felt that this type of "district fund" should be further developed for a SWAp and the decentralisation of the health services. Because the MoH and the donors intended starting a new district fund in 2002, and in order to avoid a resource gap between the closure of the PDSN and the start of a new district fund, the RNE agreed to finance a 6 months extension of the PDSN until February 2002.

However, due to various differences in view the start of the new district fund, called Programme d'Appui aux Districts Sanitaires (PADS), was delayed until the last trimester of 2002 (causing a funding gap for the health districts during most of 2002). Initially only the RNE financed the PADS. Since the health sector was still insufficiently prepared for a SWAp and the MoH central services were considered weak, the PDSN management and financing structure was maintained (specific PADS bank account; specific PADS financing line to districts). The only major change was that while the PNDS was directly connected to the office of the Secretary General of the MoH, which was also responsible for financial management of the PNDS, the financial management of the PADS was now brought under the control of the DEP⁷³ of the MoH.

The PADS is accessible for all 55 health districts and regional directorates. Support is based on consolidated annual plans and budgets. The RNE funding is non-earmarked within the PADS, but the use of the PADS funds is earmarked within the PNDS in the sense that they can be used for only 5 out of the 8 PNDS objectives. Furthermore, the funds could be used only at district level and for selected central level activities focussed on direct support to decentralised activities.

At the start of the next phase (2005-2008), the use of the funds of the PADS will be broadened. PADS funds can then be used for all 8 objectives of the PNDS, while regional and university hospitals (autonomous institutions linked to the SG/MoH) will also be eligible for PADS support. In line with that development the official name of the PADS will be changed into Programme d'Appui au Développement Sanitaire.

At the start of the PADS the RNE was the only donor. The PADS became actually a basket fund, when Sida started contributing in an equally non-earmarked way. Later, the RNE convinced the WB to integrate its AIDS control and prevention project PA/PMLS in the PADS. However, that contribution, which started in 2004, is thus highly earmarked: the money can be used only for aids control/prevention.

⁷³ Direction d'Etudes et de Planification.

4.2.3. The 'Projet d'Appui au Renforcement de la DEP' (PARDEP)

The Organisational Assessment of the MoH carried out in 2000/2001 concluded that the Direction D'études et de la Planification (DEP), the Direction de l'administration et des finances (DAF) and the Direction des Ressources Humaines (DRH) had to be strengthened for enabling the MoH to apply a SWAp. As a follow up of these conclusions a 'Plan de Renforcement de la DEP' and the 'Projet d'Appui au Renforcement de la DEP (PARDEP) were formulated in 2001. PARDEP, financed by the RNE, started in September 2003⁷⁴ for a duration of two years, and comprises funding of one technical assistant, equipment and some operational costs. PARDEP focuses on two of the three objectives of the 'Plan de Renforcement', namely (i) strengthening the implementation capacity of the DEP, and (ii) strengthening the DEP to support the implementation of the first three-year plan of the PNDS. The technical assistant of the PARDEP has also provided a major input for the formulation of the PADS. The MoH has committed itself, in the context of the PARDEP agreement, to reorganise the DEP and to recruit additional personnel.

4.2.4. AIDS control

Since the year 2000 the Netherlands supports aids control activities in Burkina Faso. From 2000 to 2003, the Netherlands funded the Centre Oasis for AIDS treatment operated by an NGO. In 2000, 2001 and 2003 the RNE financed also test material and medicines for prevention of infections linked to AIDS, while in 2001 a major contribution for the 'plan d'urgence'⁷⁵ of the CNLS was provided via a UNDP Trust Fund.

Since 2000/2001, the RNE finances an aids control programme in the region of Kaya, implemented by SCF/NL, later on taken over by AES/B (see also section 4.2.1). The reason why the RNE decided for this type of support, was that the national aids programme (coordinated by the CNLS) had not yet developed approaches for a multi-sectoral aids programme in rural areas.

In 2002, the RNE started funding NGO activities through the SP/CNLS (see section 3.7), while the accounts are managed by Deloitte & Touch. The total available budget for these activities is about € 3.8 million. Through an annual selection mechanism, activities of many NGOs and associations are funded. Various interesting and useful activities were financed, but the selection and monitoring was far from perfect causing many delays. Currently a project document is being prepared for a second phase.

The RNE provides also some financial support for the operational cost of the CNLS and its permanent secretariat.

The RNE is in favour of a multi-sector basket fund for the CSLS (see par. 3.7), managed by the SP/CNLS. But the SP/CNLS is still too weak for effective coordination and

⁷⁴ Technical assistance started already in April 2002 under a separate contract.

⁷⁵ The Plan d'Urgence consisted mainly of a number of activities, such as: the regional AIDS conference held in Ouagadougou end of 2001, an epidemiological study, voluntary counselling and treatment centres and school fees for orphans. The funding was provided by a number of donors through the UNDP Trust Fund.

management of such a basket fund. There are also fears that creating such a basket fund and strengthening the role of the SP/CNLS would create a new implementation structure, taking over roles and responsibilities of sector departments, which would harm the multi-sector approach of the CSLS.

4.2.5. Other projects and programmes

In the years 2000-2002 the RNE approved about 30 programmes, projects and activities related to the health sector, of which about 20 were related to the programmes discussed in the sections 3.2.1 to 3.2.4. Among the other 10 activities, there is only one major financing agreement regarding support for an anti-tuberculosis programme implemented by the MoH; a programme, which has been supported by the Netherlands since 1995. Dutch funding of that programme will end by the end of 2004. The other activities were small and ad hoc, such as studies, seminars, training materials, meningitis control, a pilot on community micro-insurance, etc). Since 2003, the RNE has substantially reduced the number of these small activities in order to reduce its workload and to focus more on the major programmes (PNDS, PADS, PARDEP, PASSP and AIDS control/prevention).

4.3. Some characteristics of the Dutch support to the health sector

4.3.1 Conditions for support to the PADS

Four conditions for a successful implementation of the PADS were mentioned in the PADS Bemo, namely: (i) strengthening of the DAF and other central agencies, (ii) stability of staff, (iii) continuation of training of district health teams and (iv) continued financial contributions by the MoH and other PTF for district level health services. These conditions for success were not considered as formal conditions for funding.

Continuation of funding of the PADS is conditioned by joint approval of annual plans and half yearly technical and financial reports, as well the submission of approved annual audit reports regarding the accounts of the 'Unité de Gestion' of the PADS and biannual audits of all decentralised structures involved in the PADS (health districts notably). Apart from monitoring these formal conditions, more informal monitoring and control is exercised by the RNE through its active participation in several technical committees of the PADS.

It should be noted that the biannual audits at district level, organised and funded by the PADS, could be seen as contradictory to a SWAp. According to a SWAp, government auditing and control systems should be used. However, the government systems are still too weak to carry out regularly audits at decentralised levels.

4.3.2. Long-term financial commitments

Although the RNE has expressed its intention to provide long term support to the reform of the health system in Burkina Faso, and although a general financial framework exists ('cadre financier' and first three-year plan of the PNDS exist; sector MTEF is being prepared), the RNE has not made any formal specific long term commitment, beyond the duration of the present financing agreements (PADS 2002-2004; PASSP up to mid 2004; PARDEP up to mid 2005). Within those financing agreements, the RNE has honoured its annual commitments. Furthermore, it should be noted that a second phase of the PADS (2005-2008) and institutional support for the SP/CNLS (2004-2006) are being prepared.

4.3.3. Levels of intervention

From 2005 onwards, the PADS provides will provide support to all levels of the system: national (directorates), regional (DRS) and district level (district medical teams, health centres and CSPS), in the whole country (see also par. 4.2.2). PARDEP deals with one national level structure (DEP) and the PASSP dealt with four health districts.

4.3.4. Technical assistance (TA)

The technical assistance component of the Dutch supported health programmes has always been rather small, and limited to the PASSP and PARDEP. The TA component of the PASSP consisted of some local consultants and, up to 2002, periodic short-term technical support from the SCF/NL. Since 2002 the PASSP operated with national TA only. The TA component (10-25%) was mainly focussed on organization development of and capacity building within the health districts concerned. As the PASSP has been phased out mid 2004, this TA has stopped as well.

The PARDEP TA (one expert) is a typical institutional capacity building initiative within the DEP, which started in 2002.

Thus, the shift towards a SWAp, which caused the phasing out of the PASSP and the start of PADS and PARDEP, reduced the Dutch financed TA in the sector to one person (who is a consultant from Benin).

4.3.5. Cross sector issues

Four of the five GAVIM issues (good governance, poverty alleviation, women, institutional strengthening) are on the sector agenda and fully integrated in the PNDS. Environment is considered being less relevant for the health sector.

4.3.6 Concentration on sub-sectors

The PASSP was focussed on strengthening health districts; the PADS (initially) as well, but it will broaden its focus from 2005 onwards (see par. 4.2.2). PARDEP concerns central level capacity building (DEP). Presently the PADS and the PARDEP can be considered as sector-wide activities. Besides these two activities the RNE supports a

number of activities regarding AIDS control, the vertically organised tuberculosis programme and a number of small ad hoc activities.

As a outcome of the RNE's strategy to streamline the activities and to align them within a comprehensive sector programme, and to decrease the workload of the RNE, the number of ongoing activities (budget lines) in the health sector financed by the RNE declined from 24 by the end of 2002 to 12 by the end of 2003.

The PADS and the multi-sector AIDS programme have several SWAp characteristics. Most of the other projects are or have been phased out. The PASSP stopped in July 2004, after a phasing out period of 2.5 years (1/2001-6/2004) aimed at consolidation. Direct funding of the TB programme will be phased out in December 2004. From then onwards Health Districts should use part of the PADS funds for financing TB control activities at district level.

The RNE and the BAD (African Development Bank) are the two largest donors in the health sector, when not taking into account the funding of the World Bank for the AIDS programme (the PA/PMLS). Besides the financial support, the RNE plays a leading role in policy development and promotion of the SWAp. The RNE's key role in this process is recognized at all levels.

5. Some SWAp issues

5.1. Financing modalities

5.1.1 PADS financing

Neither the MoH nor any of the donors believe that all the finances and supply system of the external support to the health sector can already be handled completely by the permanent structures of the MoH and the MFB. There are serious concerns about the slowness of channelling money through the standard MFB-MoH procedures, and about the lack of transparency of the standard budgeting processes. That is why it was decided in 2001 to continue for some more time the Health District Fund, which had been put in place by the PDSN. Later on, in 2002/03 it was decided to continue with the same set up under the PADS.

The DEP of the MoH is charged with financial and programmatic management of the PADS, including adequate and timely resource mobilisation, keeping the accounts, tendering and organizing external audits. District funding by the PADS is characterised by a flexible set of procedures, budgeting in accordance with annual plans, use of local bank accounts, availability of cash at district level, disbursement from central level to the districts twice a year, retention of acquittals at district level, monthly bank statements, biannual financial reports, control of accounts and external audits (From 2005 onwards the audits will be annual). This PADS system runs in parallel with the standard government system for channelling funds from the national government budget to the Health Districts and Regions.

Because of the parallel PADS system, and the biannual and annual audits, the fiduciary risk regarding the use of PADS funds is considered relatively low.

The overall conclusion of the PADS Review, carried out in March 2004, is that there are quite some similarities between the financial management system of the PADS and the governmental system. Therefore it would be not too difficult to integrate the two systems at district level. However, it seems that the Review underestimated the implications in terms of control procedures, accountability and audits. Furthermore integration at district level should ideally be accompanied by integration at national level, which implies actually a move towards sector budget support. One of the preconditions for sector budget support is a reinforcement of the DAF and the DRH, which has not yet been realised, and strengthening the MFB along the lines prescribed in the 'Programme de la Réforme de la Gestion Budgétaire'.

5.1.2. Government funds for the health sector

The MoH budget is presented in two ways: according to the economic classification and according to programmes. However, the programme-budget is primarily a summary of proposed activities, and not a costing of how to reach the sector objectives. Recently, in the context of the preparation of a sectoral MTEF and the second phase of the PNDS, an epidemiological model has been developed for estimating the minimal financial requirements for reaching the Millennium Development Goals. It is not clear whether that model can be of use for annual budgeting based on a 'bottom-up planning' approach (see also section 7.2).

A major part of the MOH recurrent budget is used for paying salaries. Very little money is left for other operational expenditures (supplies, transport, maintenance) and the operational costs of health programmes. Funding of specific health programmes depends on the availability of external resources, as far as they cannot be financed with funds from the government or the PADS, and hence does not necessarily correspond with health priorities. For instance, the malaria control programme, - mortality cause number one under children -, has been systematically under financed, partly due to lack of interest of donors for funding such a programme, and partly due to the lack of interest at district level to use PADS for that purpose.

Health Districts are funded by the Government, donors and cost recovery proceeds. The allocations of delegated credits for the health districts have doubled and for the frontline services (CSPS) increased with 50% since 2000. Donor funding for the Health Districts dropped significantly when the WB project PDSN closed in 2001. This caused also a deterioration of health indicators. With the start of the PADS in 2003 funding of Health Districts improved and there were signs of recovery of the indicators as well.

The Ministry of Finance and Budget (MFB) is in the process of deconcentrating the execution of the national budget for health through a system of 'crédits délégués' and 'régies d'avance'. A study is being prepared for developing proposals aimed at integrating and harmonising the financial, budget and procurement procedures of the PADS with the systems of the MFB. However, already beforehand, it can be said that the deconcentrated structures of the MoH, the DAF and the DRH from the MoH, and the MFB must be further strengthened, before external resources can be channelled through the governmental financial system.

5.2. Ownership

The decision to adopt a SWAp for the development of the health sector in Burkina Faso was triggered by (i) the fact that the PNS and the PNDS, to be implemented by the MoH, needed a sector wide and long term support from donors, (ii) the fact that some donors had developed the same ideas (Netherlands, WB, WHO), (iii) positive examples of health SWAps in the region (Mali, Senegal, Benin), (iv) pressure within the Government to decentralise the health department and, (v) the SWAp example of the primary education sector in Burkina Faso. Thus, the decision to adopt a SWAp was the combined result of external and internal (national) forces.

Since the decision to develop a SWAp in the health sector (in 1999), the process was strongly determined by a few energetic and committed key actors at central level of the MoH and at the level of some donors. After the replacement of both the Minister of Health and the Secretary General of the MoH in 2001, accompanied by an enormous turnover of key staff, the commitment and dynamics regarding developing a SWAp became less visible and outspoken. In fights within the MoH also threaten the SWAp and more in general the leadership capacity within the MOH. Nevertheless it should be acknowledged that leadership capacity within the MOH has improved since 1999, and particularly since the present Minister became in power mid 2002.

Factors that have positively influenced the degree of ownership are: (i) the improved, although still rather weak capacity to lead and manage the health sector and its services compared to the situation before 1999; (ii) the confidence of donors in the policy framework of Burkina Faso; (iii) the broad support for the reforms by the civil society.

At policy formulation level national ownership is quite strong. The MoH defines strategies, priorities, norms and standards, unit costs, budget allocation criteria and annual allocations. It tries to bring all health development activities under the umbrella of the PNDS. In this respect, the government and the MOH have shown their commitment to make this partnership work.

Ownership is also quite strong in terms of operational planning: Health Regions and Districts formulate their own annual plan. Political decentralization could have strengthened ownership at local level, but elections for local governments have been postponed several times, and presently no date is indicated for those elections. Civil society and the private sector are involved in the operational planning at district and regional level, but their involvement needs to be strengthened. NGOs play a more important role in the health sector than before, but their input is not coordinated by the MoH.

The Government's sense of responsibility for a SWAp should be visible above all in the courage with which essential (but often complex) reforms are implemented, such as: defining and using resource allocation criteria, implementing "performance contracts", etc. The MoH's commitment towards such reforms is not really convincing. This was already the case when the decision was taken to go for a health SWAP and it is still true.

When looking at the implementation of the PADS, it has to be concluded that ownership is still insufficiently developed. The MoH continues to feel dependant on donors and gives them often a free hand to do what they like.

Two of the MoH Technical Committees are particularly involved in paving the way for a SWAp: the SWAp Committee and the Committee for institutional reform⁷⁶. They assist the monitoring committee of the PNDS regarding the strategic development of the following six key themes: human resources, decentralisation, institutional reinforcement of the MOH, private sector involvement, sector approach and health sector financing, and health indicators. Each of these committees is chaired by a MOH directorate (DRH, DEP, DGS, ..) and composed of representatives from the MOH, donor organisations, other ministries and the private sector.

5.3. Institutional issues

5.3.1. The 'Département d'Etudes et de Planification (DEP)

Already in 2000, because of the move to adopt a SWAp, the DEP received additional new responsibilities: planification des activités de transition, élaboration d'un plan de renforcement des services centraux, élaboration d'un système de planification et de suivi dans le cadre du SWAP.

In view of the transition towards a SWAp and as part of the preparation of the PADS, an organisational assessment of the DEP was carried out in 2000/01 on the basis of the Checklist for Organisational Capacity Analysis (COCA)⁷⁷. Since then the Decret N° 2002-464/PRES/PM/MS has adopted a more comprehensive reorganisation of MOH, which describes amongst others the revised mission of the DEP. The Arrêté N° 2003-34/3/MS/SG/DEP concerns the revised attributions and internal organisation of the DEP. The adoption of these documents has led to the strengthening of the DEP, including the creation of a 'Secrétariat Technique du Comité de Suivi du PNDS'.

The DEP, with its attached project and programme units including the Management Unit of the PADS, has a huge responsibility not only in terms of planning, but also in coordination, monitoring of annual plans, budgeting and resource allocation, and running the Technical Secretariat of the PNDS. Based on proposals from the various levels within the MoH, the DEP prepares the 3-year operational plans and the annual plans of the PNDS for all levels and elaborates annual planning directives for the regions.

Clearly, the capacity of the DEP has improved in terms of staff numbers and qualifications. Nevertheless, just like all other structures at central level, the DEP is still confronted with capacity problems, as is illustrated by the fact that the Technical Secretariat of the PNDS needed six months to produce an annual sector report of 2003 of quite a low quality.

⁷⁶ These 'commissions' started as 'working groups' for the preparation of the Table Ronde (april 2003), and have been institutionalised as commissions of the PNDS monitoring committee in May 2003.

⁷⁷ According to the RNE, Page: 82
this document was not very relevant for the ministry of health. It was an obligation for project approval in the Dutch system. It has not served any other purpose.

The DEP is also chairing the Tender Committee for the health sector and running the secretariat for that Committee⁷⁸. A recent evaluation of the existing tender system (système de passation de marches) found that that system is very complex, bureaucratic and does not function well: lost files, non existing contracts, no price monitoring and control.

Apart from the question how well the DEP executes its present tasks, it is also important to consider the question whether the tasks of the specific project and programme units (and the technical assistance from PARDEP) assume responsibilities that should at some point be handed over to permanent structures.

Nevertheless the above mentioned capacity problems, the DEP is one of the few central level services of the MoH, whose performance has improved since the year 2000, due to (i) improved programming of its activities, (ii) the "plan de renforcement de la DEP" and (iii) the support provided by the RNE in the context of PARDEP.

5.3.2. The ‘Département de l’Administration et des Finances (DAF) and the ‘Département des Ressources Humaines’ (DRH)

The structural weaknesses of the DAF of the MoH were already well known when it was decided in 1999 to develop a SWAp. In 2001, the Belgium Cooperation offered to provide technical assistance to the DAF, but it took until 2004 before an agreement was signed.

The DRH was established in 2003, but this has had hardly any impact on human resource management so far. The old problems persist: inadequate recruitment procedures, salary levels based on seniority only, shortage of staff in certain categories, irrational and inequitable distribution of personnel, limited disciplinary action and rewarding systems, insufficient supervision, lack of incentives for working in remote areas, absence of career plans, poor working conditions, inadequate training curricula, etc. Solutions for many of these problems require changes of national legislation, for which a major input of other ministries is required, notably the Ministère de la Fonction Publique et de la Réforme de l’Etat” and the “Ministère des Finances et du Budget”.

Some time ago, the Swedish Cooperation (Sida) has informally offered to provide assistance to the DRH, but the MoH has not yet come forward with a request.

5.3.3. Political decentralisation

The plans of the government regarding political decentralisation are not clear. Local elections have been postponed a number of times, and presently no dates have been set. Demarcations of rural communes have not yet been finished. The legislation regarding political decentralisation is said to be still contradictory. The relation between political decentralisation and decentralised government services is not yet defined. The MoH does not sufficiently anticipate consequences of political decentralisation: for instance the possible devolution of health system responsibilities to local governments (communes and provinces).

⁷⁸ Within all ministries the DEP is responsible for the Tender Committee, and not the DAF, in order to separate the responsibility for the attribution of contracts (which is with the DEP) and the responsibility for supervising the execution of a contract (which is with the DAF).

6. Donor coordination and harmonisation

Coordination among donors

The WHO is the representative of the health sector donors. Coordination facilitating factors are: (i) increasing interest among donors in the SWAp, (ii) limited number of donors and (iii) the WHO recognized as donor representative. Coordination obstacles are: (i) difference among donors regarding SWAp vocabulary rhetorics, (ii) maintaining own projects, plans, procedures, and (iii) no strong leadership by the MoH regarding donor coordination. Regarding the last aspect it should be noted that most of the donors in the health sector are in favour of coordination between donors and not donors coordinated by the MoH

The RNE plays an active role in donor coordination regarding the health sector. The RNE participates in field visits ("sorties conjointes") and attends meetings of Comité de Suivi and technical committees of the PNDS and the Comité Directeur of the PADS.

The coordinating role of the WHO works quite well. Donor meetings are held quarterly and are mostly focussed on information exchange and to some extent defining common ground (strategic, management, ..). More basic 'design work' is usually done in small ad hoc working groups.

Coordination in the context of the PNDS

To some extent a platform for coordination of all donors and the MoH is in place in the context of the PNDS: a Monitoring Committee (comité de suivi), a number of technical committees and joint annual field missions. Furthermore, the WHO resident representative, who has been chosen as donor representative for the health sector, has weekly meetings with the Minister of Health.

However, the Monitoring Committee meets only annually and is not based on a well-structured annual review. Such annual reviews are necessary for keeping track of the process of change: of institutional reforms, of implementation of new strategies and of commonly defined sector priorities. The efficacy of the technical committees is seriously hampered by a weak follow up by the MoH of agreements reached in the committees.

In general the leadership of the MoH regarding these coordinative structures is not quite strong. It is the responsibility of the MoH to enhance the coordination and harmonisation by proposing elements for a Memorandum of Understanding (MoU; for instance, regarding harmonisation of planning cycles, per diem scales, approval of annual plans, etc.) and a Code of Conduct (for all partners). This is quite a challenge for the MoH, since most donors seem to prefer only coordination between donors (i.e. not led by the MoH). Up to now the MoH does not impose any cooperation framework or set of rules.

A MoU (joint financing agreement) regarding the second phase of the PADS (2005-2008) but its impact in terms of donor coordination will be limited because it concerns the PADS donors only.

The effective role of most health sector donors in development of the SWAp is limited to the monitoring of the transition process. The coordination does not lead to an increasing involvement in the sector reforms and more efforts to work towards harmonisation. The prime interest of donors to participate in coordination mechanisms is to be informed about developments in the health sector that may have an impact on their projects and programmes. The difficulty of getting the donors on one line is illustrated by the long negotiation process that was necessary for the organisation of the first field visit in the context of the PNDS in March 2004).

Furthermore coordination among the donors is hampered by the fact that the French cooperation is pulling out of the health sector (hospitals and medical drugs), while the Belgian Cooperation has decided to withdraw from the sector by 2007.

Coordination in the context of the PADS

Operational coordination is only taking place in relation to the PADS, between Burkina Faso, the Netherlands, the World Bank and Sweden. Now and then there is a broader (informal) exchange of information and views among donors and the MoH concerning the PADS procedures and their appropriateness for adoption at a larger scale. These issues are also raised during annual PADS planning sessions at regional and central level.

Beyond the PADS there is hardly any harmonization of financial management procedures, because of (1) lack of fiduciary confidence of donors, (2) weak institutional capacity, (3) reluctance of donors to discuss and negotiate conditionalities. Still, the majority of donors think that a certain degree of harmonization should be possible. There is however no plan for gradual harmonization of procedures.

Coordination with ministries

Over the last few years the contacts between on the MoH and the Ministry of Economy and Development regarding PRSP reporting and planning have been intensified notably, as well as the contacts between the MoH and the Ministry of Finance regarding the development of a MTEF for the health sector and the problems with the 'regies d'avance'.

On the other hand there seems to be no dialogue between the MoH, the Ministry of Finance (MFB) and the donors on the implications of decentralization on financial administration.

7. The sector and the PFM instruments

7.1 The Public Expenditure Review of the health sector of 2004

The second last Public Expenditure Review (PER) of the health sector dates from 2000 (covering the period 1996-1999), while the most recent one was carried out early 2004. One of the conclusions of that study is that the health budget of the government as a percentage of the total government budget (including HIPC funds) increased from 1998 to 2000, but decreased from 2000 to 2002 (see table B.2.1), partly because of the low execution rate of HIPC funded health activities. The latter was in contradiction with what

was agreed under the HIPC arrangement. It is said that there was no further decrease in 2003 (no figures available yet).

Table B.2.1 Government health expenditures as percentage of the total government budget (HIPC funds included in 2001 and 2002)

Year	Percentage
1998	8.7%
1999	10.8%
2000	11.0%
2001	10.7%
2002	10.3%

Source: PER health sector 2004

In nominal terms there was a substantial increase of spending in the health sector from 1998 to 2003. Households represent the largest source of health financing, followed by government financing and donor contributions (see table B.2.2).

Table B.2.2. Some indicators of health expenditures in 1998 and 2003.

Source	1998	2003
Government budget (millions of FCFA)	19,414	31,795
External finance recorded in PIP* (mill. of FCFA)	5,876	8,339
Total public financing health in millions of FCFA	25,290	49,858
Total public financing health in % of GDP	1,4	2,1
Total health expenditures per households per year in FCFA (public plus private expenditures)	46,035	61,775
Total health expenditures per capita per year (FCFA)	6,700	9,200
Of which private expenditures per capita:	4,300	5,100

Source: PER health sector 2004

* The estimations of external contributions represent an underestimate. They only reflect a portion of the donor funds that comes through the PIP. External finance includes the HIPC funds.

The PER document discusses persistence of various organisation and management problems in the areas of medical drug supply and handling, maintenance and human resources management. Yet, credits devoted to maintenance have increased considerably over the last 3 years (from 161 million FCFA in 1999 to 460 million in 2003).

The PER concludes that the MoH has made an effort to increase overall funding at district level (in nominal terms). At the same time spending for tertiary and regional hospitals increased also substantially, while spending of central directorates increased three-fold (primarily due to increased salaries). All in all, the percentage allocations between central en decentralised levels and between operational and non-operational services did not change substantially since 1998. The same is concluded regarding the percentage allocation of the Government health budget among economic expenditure categories (personnel, goods and services, current transfers and investments).

Some other interesting observations and conclusions of the PER are:

- The health sector budget presented in the 2004 PRSP action plan is not consistent with the 2004-2006 programme budget (plan triennial).

- Increased reliance on HPIC, which are centrally managed, resulted, at least initially, in a re-centralisation of health expenditures, and a reduction in availability of funds managed at district level.
- Nearly all activities of the central directorates of the MoH rely for funding of their programmes on international partners. (Moreover, available funding from the government (MFB) is difficult to access due to heavy procedures, managed by the DAF.)
- While public hospitals now enjoy a considerable degree of autonomy of administrative management of financial resources, this has not yet led to signing performance contracts. (This will happen in 2005 when they start making use of PADS funds).
- At district level, the malaria programme was hardly operational, due to systematic under financing.
- Resources vary considerably among districts; allocations and goods and services are allocated in an inequitable manner.
- Current financial information systems do not allow a systematic tracking at central level of overall resource availability at district level.
- At district level, cost recovery is the most important source of financing, followed by donor financing and finally funds from the national budget.
- Funds from the national budget arrive late due to cumbersome, centralised procedures.
- The financial management system of government funds is slow, complex and not. Furthermore there are some fiduciary risks. Sector budget support is therefore not a realistic option.

Finally the PER recommends:

- to establish a results-based budgeting and monitoring system;
- to improve resource allocation, particularly to ensure adequate funding of MDG priorities;
- to improve equity and financial accessibility for preventive and curative services;
- to improve timeliness, flexibility and reliability of sector funding;
- to strengthen accountability for funds at district and community level;
- to improve accountability and performance management of hospitals;
- to improve distribution and motivation of health personnel.

7.2. The Medium Term Expenditure Framework for the health sector

The health MTEF, which is now being drafted, is based on the general MTEF of the Ministry of Finance and an epidemiological model for estimating the minimal financial requirements for reaching the Millennium Development Goals (see also section 5.1.2). However, the general MTEF is not very accurate, due to absence of an institutional mechanism for systematically updating the list of programmes and annually updating their cost, and the fact that many external resources are not included.

Since the health MTEF has not yet been finalised and the resource needs for meeting the sector objectives are not yet fully known, it is not yet possible to estimate the finance gap.

The indicators for monitoring sector performance exist, but targets have not yet been set. For instance, the percentage of functional health posts may be one of the indicators, but the target value has not yet been fixed.

At first sight it is not clear whether the financial framework and targets of the PNDS, the triennial plan of the health sector, the PRSP targets regarding health expenditures and the MTEF for health are consistent.

8. Conclusions and lessons learned

Perceptions of a SWAp

Both the RNE and the MoH opted in 199/2000 for a SWAp, but the perception of this approach was not the same at both levels. The MoH focussed above all on taking over the driver's seat, while the RNE aimed in the first instance at both the reorganisation of the sector and the redefinition of its partnership with the MoH.

There have been also differences in perception about what is feasible and/or desirable between the RNE and the Ministry of Foreign Affairs (DGIS) in the Hague. The RNE felt that DGIS's ambitions were sometimes too high and did not sufficiently take into account the reality of the field and the fact that a SWAp cannot be construed by one or two donors only. Moreover, additional requirements related to Dutch policies and priorities regarding development cooperation (gender, environment, good governance, etc) were sometimes difficult to realise in a SWAp environment, in view of the need for local ownership, the MoH in the driver's seat, a joint donor approach and no micro-policy management.

For some time the RNE has had the impression that DGIS saw the SWAp as a logical step towards sector budget support and subsequently general budget support. The RNE did not have that view and opted for a mix of sector programmes based on a SWAp and macro budget support. Leaving apart the question whether such a difference in view has actually existed, or that it was a misperception about each other's views, nowadays both DGIS and the RNE share the view that the above-mentioned mix is the best approach in most countries.

The SWAp and reforms at other levels

Structural improvements of the performance of the health sector depend also on general reforms, such as implementation of the PRSP, the 'civil service reform programme', the 'programme of strengthening public finance management', decentralisation policies, initiatives to strengthen good governance, etc. General budget support could enable such broad reforms.

Dutch support for the health sector

Today the Dutch support for the health sector is not a general support for the entire programme of the MoH, but is focussed on a number of specific programmes and activities. The major components are:

- The PADS, which is the fruit of the SWAp in the health sector; funding mainly focussed on Health Districts, but gradually broadening towards regional and national level health activities; implementation entirely in the hand of the MoH;

Financial management still in parallel with the standard financial management systems of the government; in principle basket funding but in reality only the Netherlands and Sweden provide un-earmarked funding (while the World Bank provides funding earmarked for AIDS control activities only).

- The TB programme: a 'traditional' vertical programme, implemented by the MoH, but financed according to project modality principles. The financing agreement ends by the end of 2004.
- The AIDS programme: 'project type' financing of some activities of the CNLS and an AIDS control programme implemented by an NGO.
- The PASSP: a more 'traditional type' project, just been phased out in the context of the move towards a SWAp and building up support to the PADS.
- Some ad hoc activities, such as financing of epidemics (meningitis), a pilot on community micro-insurance, seminars, etc.

The RNE has also provided considerable support for strengthening the organization and management of the health system: diagnostic missions, identification of needs for institutional and organizational support, programming of the transitional phase from the PDSN to the PADS, etc. Capacities of the institutions and human resources were strengthened through technical assistance provided in the context of the PASSP and the PARDEP and financing study missions to countries with a SWAp. The PASSP has also contributed to developing an approach for strengthening the planning at regional and district level. The sector specialist of the RNE provided substantial support in the area of policy and strategy development, through participation in various forums (PADS, PNDS, CNLS, etc.). In general it can be said that the Dutch support contributes to defining and implementing a new health sector policy and developing a new approach regarding external support for health sector development, which is the SWAp. However, implementation of the SWAp is hindered by the fact (i) that the MoH has not yet invested much in institutional reform and capacity building at central level, and (ii) that many donors do not yet fully support the SWAp.

The volume of technical assistance provided by the RNE for the health sector has been and is still very small. There is one long-term external advisor in the context of the PARDEP, while the PASSP (now phased out) was supported by a few short-term external advisors (until 2002) and a few long term local technical assistants (until 2004). Furthermore, there have been some short missions financed by the RNE for helping the MoH to develop the SWAp.

Institutional strengthening

Institutional capacity has improved at decentralised level (health districts and regions), mostly in planning and implementation, thanks to support from the PASSP (for 5 health districts) and the PADS (for all 55 health districts). At central level, where the DEP benefited from the Dutch financed PARDEP, additional staff was allocated and an internal reorganisation was carried out, the national capacity was strengthened in terms of policy formulation and planning. The impact of these measures has however not yet been evaluated.

The national capacity in terms of budgeting, financial management and procurement/tendering has hardly improved, mainly because the DAF has not yet been strengthened.

Programme implementation, financial management and monitoring of the PADS improved at the level of the PADS management unit within the DEP. However it must be

noted that this is not an ideal set up because (i) the financial management of the PADS is parallel to the management of government funds, and (ii) the management structure of the PADS does not correspond with the normal division of tasks at the level of the MoH.

Regarding transaction costs:

In comparison with the bilateral project aid there is a considerable increase in transaction costs at the level of the RNE regarding policy and strategy issues, due to the intensive involvement of the Embassy in SWAp development and implementation of the PADS and the PNDS. Factors contributing to these high transaction costs are (i) the weak leadership by the MoH and (ii) insufficient involvement and commitment of other donors regarding a SWAp. The results of efforts towards the harmonisation of procedures and instruments for planning, monitoring and management are therefore meagre.

On the other hand, the number of health projects and activities financed by the RNE has decreased substantially, which has caused a decrease of transactions costs (relative to the aid volume) at both the level of the RNE and the MoH. Furthermore, the PADS could contribute to a further reduction of transaction costs, when more donors would channel their aid to the health sector via the basket fund of the PADS.

Poverty reduction

The PNDS objectives are in line with the PRSP strategies and objectives, such as (i) development of the district health system, (ii) improving accessibility and the quality of medical care, (iii) staff's consciousness of gender issues, etc.

The focus of the RNE on poverty reduction becomes visible in the share of the annual aid budget allocated to district health care, and the efforts to support the implementation of the PNDS in general and the PADS in particular.

The allocation of resources within the MoH budget has improved and is nowadays defined on the basis of clear priorities and criteria (including 'poverty'). It is the aim to focus the PADS spending on poor rural districts, but the distribution of PADS funds amongst the districts is not yet based on quantified criteria of performance and poverty. It is the responsibility of the regional and central health authorities to bring this focus in practice through the approval of annual plans/budgets, and a good system of expenditure monitoring.

Major achievements:

- Improved coordination and strategic planning on the basis of a commonly policy and strategy framework as defined in the PNDS and the related three-year operational plans;
- Better coordination of donors (though without real leadership of the MoH);
- Substantial steps forward as regards applying a SWAp through the PADS;
- Tools for control and reporting in the context of the PADS
- A consolidated and harmonised way of planning/programming, budgeting, and prioritising through the annual programme budgets;
- A more intensive and effective dialogue between the MoH and the donors.
- Strengthened capacity at the level of various Health Districts and the DEP at central level.

The major constraints:

- Insufficient leadership and management capacities and lack of a common vision at the level of the MoH;
- Insufficient active support from donors for a SWAp.

These two constraints explain why that the supportive base for an effective SWAp is still insufficient. The reform and development of the health sector in Burkina Faso is not based on a comprehensive vision and roadmap regarding a SWAp, shared by the MoH and all stakeholders.

Annexe B.3. Report on the education sector

1. Overview ⁷⁹

Mid 1990s the RNE started to develop a specific programme of support for the education sector in Burkina Faso. During the second half of the 1990s funding of the following activities was approved:

- Alphanetisation programmes implemented by the NGO called Tin Tua (1995 - still ongoing today);
- The construction and equipment of two teachers training colleges (1996-2002);
- The provincial directorates for basic education in the five provinces where the Dutch funded integrated development programmes were being implemented (1997-2003);
- A programme for satellite schools implemented by UNICEF (1997-2003);
- Bilingual education programmes implemented by the NGO called OESO (1999-ongoing)
- Construction of infrastructure for five provincial directorates of the Ministry of Basic Education and Alphanetisation (MEBA). This was a parallel co-financing arrangement with an EU-funded programme. Activities were implemented by MEBA (1999-2003).

Furthermore, during the second half of the 1990s up to 2001, the RNE financed three regional (West African) institutes of higher education and research specialised in hydraulics, rural engineering and applied economic research. This support was phased out in 2001, because of the decision of the RNE to focus the support for the education sector on basic education (for more details see annexe B.4). This decision was taken in the context of a general policy of DGIS to prioritise support to basic education.

When in 1998 the RNE decided to focus the cooperation programme on three sectors including basic education, followed by the initiative in 1999 to develop a SWAp, the RNE became strongly involved in the preparation of the Plan Décennal de Développement de l'Education de Base (PDDEB). A first version of the PDDEB was approved by the Government in 1999 and presented at a national conference early 2000. The RNE, at that time lead donor in the education sector, played an important role in the preparation of the conference, the thematic elaboration of the PDDEB and the preparations of two joint missions in 2000, which aimed at elaborating the strategic options taken by the government.

The institutional weakness of MEBA was considered a major problem. The World Bank and the RNE decided therefore to carry out a rapid institutional analysis in 1999 and offered support for a more detailed organisational analysis, which was done in 2000. At that time the RNE envisaged starting joint co-financing of the PDDEB with the World

⁷⁹ The content of this annex is mainly based on information obtained from: (i) the Burkina Faso country document of the joint evaluation of external support for basic education in developing countries⁷⁹, (ii) the appraisal document of the Dutch support for the PDDEB, (iii) the appraisal document of the World Bank support for the PDDEB, (iv) RNE's annual plans and reports, and (v) discussions with RNE staff.

Bank, as a stepping-stone for a basket funding system later on⁸⁰. In the mean time the RNE would continue the support to the five provincial directorates of MEBA, the funding of construction and equipment of teachers training colleges and the infrastructure programme co-funded with the EC. These activities were seen as preparatory activities for the launch of the PDDEB. Funding of alphabetisation programmes and bilingual education via NGO's would also be continued, because of their added value compared to the primary education offered by MEBA. The funding of the three regional institutes of higher education would be phased out because of the chosen focus in basic education.

In 2000 and particularly in 2001 MEBA received various financing lines from the Netherlands for strengthening the formulation and preparation of the PDDEB, and to prepare itself for receiving and using additional funds from the World Bank, the Netherlands and other bilateral donors. Total amount of this institutional support was close to € 1.7 million, of which one major commitment of € 1.36 million in 2001.

Implementation of the PDDEB 2001-2010⁸¹ started officially in 2002 with funding from the Government itself, the World Bank, the Netherlands and Canada. The financial contribution from the government is managed according to the standard rules and regulations of the Government, with a central role for the Ministry of Finance and Budget and the 'Direction de l'Administration et des Finances' (DAF) of MEBA. This national contribution (including HPIC funding) is used for financing salaries, materials, running costs of autonomous structures like teacher training schools and the national contribution for new investments.

The three donors of the PDDEB decided to use a separate financial management system, because an institutional analysis of MEBA, financed by the RNE, and an evaluation mission of the WB came to the conclusion that the DAF did not yet have the necessary capacities to take care of the management of external financial resources for the PDDEB. Until the DAF would have acquired the necessary capacities, the 'Bureau des Projets d'Education (BPE)⁸², already existing within the MEBA and attached to the Secretary General's office of the ministry, would ensure the financial management of the donor contributions to the PDDEB⁸³. The BPE is staffed with civil servants and contract staff selected on the basis of their capacities and experience. BPE's capacity in the field of procurement was further strengthened to facilitate implementation of the PDDEB. Recently, MEBA has taken the decision to phase out the BPE in 2005 and to transfer its tasks and responsibilities to the central directorates of MEBA, notably the DAF and the DEP.

At the level of the BPE there is not an actual basket fund. There are separate bank accounts for the contributions of each donor, and the use of the money of each donor can theoretically be traced (audited) up to the level of final expenditure. Financial programming is done jointly on the basis of an annual plan, without predetermined earmarking (within the PDDEB) of the use of the funds of each donor. External auditing of the use of the donor contributions is done jointly (half yearly at central level and quarterly in the field). Management of the accounts is based on a joint implementation

⁸⁰ See annual plan 2000 of the RNE.

⁸¹ The original PDDEB of 1999 had been improved and updated. The final version referred to the period 2001-2010.

⁸² The Implementation Unit of a former World Bank funded project.

⁸³ The BPE was established in the 1990s for managing a Basic Education Sector Project financed by the World Bank.

manual. Thus, it is presently a kind of 'virtual' basket fund, but there are intentions to move to a real basket fund in the second phase of the PDDEB.

The PDDEB is a kind of forerunner as regards decentralisation of (financial) management (*gestion décentralisée*). Part of the PDDEB funds is transferred to accounts at provincial level managed by the respective provincial directorates of MEBA. However, according to the 'Joint evaluation of external support for basic education' very little responsibilities regarding expenditures were actually decentralised in 1999/2000. In 1999 14% of the recurrent budget was actually decentralised to the regional level.⁸⁴ Presently, there is a successful decentralised financial facility called 'sous-projets communautaires'. Each provincial directorate of MEBA has annually a budget line of about US\$ 100,000 from which it can subsidise small school building repairs and improvements executed by school committees (up to a maximum of US\$ 10,000 per project).

In December 2003 Sweden started also funding the PDDEB directly, while Denmark and France (AFD and the French Ministry of Foreign Affairs) joined in the first half of 2004, and Belgium may join later on in 2004. The arrival of new donor agencies financing the PDDEB, and the decision to phase out the BPE (see above) has renewed the discussion about setting up a real basket fund. It is likely that a joint PDDEB bank account will be opened for all donors, except the World Bank, possibly at the Central Bank.

Management of the PDDEB is largely organised according to SWAp principles: jointly approved consolidated annual plans and budgets based on a comprehensive sector policy, a joint financing framework, joint annual reviews to assess progress, joint audits, procedure manuals for all aspects and components of the PDDEB and a common monitoring, evaluation and reporting mechanism. On the other hand there are also a number of weaknesses of the PDDEB as regards SWAp characteristics, such as:

- The joint financing framework does not yet include a common basket fund, it might be created in 2005.
- Not all donors participate in the joint financing framework of the PDDEB, although the group of donors has recently been extended from four to six. Presently, the World Bank, the Netherlands, Canada, Denmark and France participate, while Belgium intends to participate soon. Some others are however interested, such as the UN organisations, the African and Islamic Development Banks and Japan.
- The financial system of the PDDEB still operates in parallel with the standard government system. Integrating the financial management system in the standard government procedures requires first the strengthening of the DAF, the DEP and the DRH and elaborating a system for decentralised funding through the government system.
- Little progress has been made with institutional strengthening of central directorates (DAF, DEP, DRH), while it is envisaged that the DAF should take over the responsibilities of the BPE in 2005 (start of the second phase of the DPPEB).
- Absence of a formal commitment of donors to support the PDDEB for the full duration (until 2010).

⁸⁴ Evaluation conjointe du soutien à l'éducation de base; Etude relative au Burkina Faso, p.77.

Early 2002, the "Fonds pour l'Alphabétisation et l'Education Non Formelle"⁸⁵ (FONAENF) was created for funding of non-formal education and adult literacy training. The FONAENF is an autonomous association, which uses public, private and HIPC funds for financing literacy programs implemented by NGOs and associations. The Fund is managed by a Steering Committee, - consisting of MEBA, other relevant ministries and representatives of donor agencies, the private sector and civil society -, and an executive secretariat, staffed by contracted persons. The rules for project selection and financing are defined in a procedures manual. Contributing donor agencies are the Netherlands, Canada, France, Sweden, Denmark, Switzerland, African Development Bank and the government (a yearly contribution of €600.000 from HIPC resources). The Dutch, Canadian, Swedish and Danish contributions are channelled through the BPE. Other donors finance the FONAENF directly. The Fund produces comprehensive integrated progress reports and audits, so far to the satisfaction of all donors.

In summary, the Dutch support for basic education consists presently of three major components (i) a financing line managed by the BPE of € 10.8 million for the years 2002-2005, of which 75% is meant for the PDDEB itself and 25% for the FONAENF, (ii) support to the NGO Tin Tua with an amount of € 1.34 million for the years 2002-2006 for literacy programmes and (iii) funding of bilingual education via the NGO OESO with an amount of € 4 million for the years 1999-2004. These two NGOs have proved to be particularly valuable in developing and testing innovative approaches and methods and in focussing on specific target groups, and they have a major share in providing literacy training and non-formal education in the country. Furthermore, the Embassy has started preparatory work for the development of a joint program on post-primary education, with a focus on technical-vocational training, with a group of interested donors (Austria, Denmark, France, GTZ, Switzerland, AfDB).

2. Sector description

2.1. Sector policies

In 1995, during a round table conference, the Government of Burkina Faso presented the "lettre d'intention de politique de développement humain durable", which included the broad objectives of the development of the social sectors and stressed the importance of long term planning. In 1996, the Government adopted the 'loi de l'orientation de l'éducation' (a law defining the basic policy and strategy principles regarding education). Subsequently the Ministère de l'Education de Base et de l'Alphabétisation (MEBA) started formulating the 'Plan Décennal de Développement de l'Education de Base' (PDDEB), which was approved by the Council of Ministers in 1999. The Plan was further elaborated during two joint MEBA-donor missions in 2000, evaluated in 2001 and finally officially launched in September 2002. The PDDEB covers the period 2001-2010 and focuses on 3 main issues: (i) access to education, (ii) improving quality, relevance and efficiency, and (iii) developing institutional capacities. The PDDEB consists of three phases, of which the first one covers the period 2001-05.

⁸⁵ Fund for literacy and Non-Formal Education

Several strategies have been developed to improve access to primary education and the capacity of the education systems, such as: construction and rehabilitation of primary schools, girls' education, classes à double cohorte⁸⁶ and multi-level classes (in areas with low population density) and satellite schools. For non-formal education and literacy programmes, MEBA follows the strategy of "faire-faire" (stimulate and support others to do it). This strategy was put forward when MEBA, donors and NGOs realised that the capacity of MEBA to implement literacy programs was grossly insufficient for attaining the ambitious goals regarding literacy rates. In the context of the 'faire faire' strategy, non-governmental organizations and private associations are encouraged and supported to carry out adult literacy programmes.

It is generally acknowledged that the PDDEB is in line with the Poverty Reduction Strategy Paper (PRSP), adopted by the Government in 2000, which attributes a high priority to basic education as one of the means to reduce poverty. A revised/updated PRSP has been formulated for the period 2004-2006 which again puts an emphasis on the role of education in poverty reduction.

Burkina Faso's score on the education indicators and the relatively slow speed of improving the scores, make clear that the country will be unable to reach the Millennium Development Goal (MDG) of Universal Primary Education by the year 2015. That is why Burkina Faso has been selected as one of the seven pilot countries for the Fast Track Initiative (FTI)⁸⁷. The FTI aims at accelerating existing education plans with the aim to attain universal primary education by 2015 in line with the MDGs. As part of the FTI, the PDDEB has been evaluated against the benchmarks of the Indicative Framework, which confirmed that both the strategy and the financial framework are sound.

The share of the total government budget spent on education increased from 22.8% in 1995 to 25% in 2001, or 3.9% of GDP, which is comparable to that of other African countries. The share of basic education in the total education budget went up from 58% in 1995 to 60% in 2001. More than 90% of government spending in the education sector concerns recurrent expenditures. Most investment expenditures are financed from external resources.⁸⁸

2.2. The " Plan Décennal de Développement de l'Education de Base" (PDDEB) 2001-2010

The PDDEB was elaborated in a participatory way by MEBA with active involvement of donors, civil society and teacher unions. It was envisaged to incorporate all national and external financing in the PDDEB on the basis of a SWAp. The PDDEB targets are consistent with the PRSP and, to a lesser extent, also with the FTI.

The PDDEB is based on the acknowledgement that profound reforms would be required in order to improve the education indicators, like re-organisation of the central directorates and improvement of human resource management of MEBA. It was also

⁸⁶ (different groups for morning classes and afternoon classes)

⁸⁷ Burkina Faso was amongst the first countries that had fulfilled the two preconditions for the FTI funding, which were (i) a comprehensive sector plan, accepted by the donors, and being implemented, and (ii) a PRSP endorsed by the World Bank and the IMF.

⁸⁸ World Bank, *appraisal document Basic Education Sector Project*, 2001, p.5.

decided that salaries of starting teachers would have to be reviewed and that the duration of the pre-service teacher training would have to be shortened (while meanwhile improving the quality of training!), in order to be able to mobilize more teachers with the existing capacity of the teacher training institutes.

Implementation of the PDDEB started in 2002 with specific additional funding from the Government itself, the World Bank, the Netherlands and Canada. Of course many on-going projects fitted also in the PDDEB and would contribute to attainment of its objectives. The financial contribution from the government is managed according to the standard rules and regulations of the Government, with a central role of the Ministry of Finance and Budget and the 'Direction de l'Administration et des Finances' (DAF) of MEBA. This national contribution, including HPIC funding, is used for financing salaries, materials, running costs of autonomous structures like teacher training schools, and the national contribution to new investments.

The three donors decided to use a separate financial management system, because an institutional analysis of MEBA, financed by the RNE, and an evaluation mission of the WB came to the conclusion that the DAF did not have the necessary capacities to ensure proper management of the external financial resources for the PDDEB. Until the DAF would have acquired the necessary capacities, the 'Bureau des Projets d'Education (BPE) attached to the Secretary General's office of the ministry, would ensure the financial management of the donor contributions to the PDDEB. The BPE was the, still existing, implementation unit of a former World Bank funded project. The BPE is staffed with civil servants and contract staff, selected on the basis of their capacities and experience. BPE's capacity in the field of procurement was further strengthened to facilitate implementation of the PDDEB.

At the level of the BPE there is no actual basket fund. There are separate bank accounts for the contributions of each donor, and the use of the money of each donor can theoretically be traced (audited) up to the level of final expenditure. Financial programming is done jointly on the basis of an annual plan, without a predetermined earmarking (within the PDDEB) of the use of the funds of each donor. External auditing of the use of the donor contributions is done jointly (half yearly at central level and quarterly in the field). The accounts are kept on the basis of a joint implementation manual. Thus, it is a kind of 'virtual' basket fund. There are plans to transform this system into a real basket fund in 2005 (when starting the second phase of the program).

The PDDEB is a kind of forerunner as regards decentralisation of (financial) management (*gestion décentralisée*). Part of the PDDEB funds is transferred to accounts at provincial level managed by the respective provincial directorates of MEBA. However, according to the 'Joint evaluation of external support for basic education' very little responsibilities regarding expenditures were actually decentralised in 1999/2000. In 1999 14% of the recurrent budget was actually decentralised to the regional level.⁸⁹ Presently, there is a successful decentralised financial facility called 'sous-projets communautaires'. Each provincial directorate of MEBA has annually a budget line of about US\$ 100,000 from which it can subsidise small school building repairs and improvements executed by school committees (up to a maximum of US\$ 10,000 per project).

⁸⁹ Evaluation conjointe du soutien à l'éducation de base; Etude relative au Burkina Faso, p.77.

In December 2003 Sweden started also funding the PDDEB directly, while Denmark and France (AFD and the French Ministry of Foreign Affairs) joined in the first half of 2004, and Belgium may join later on in 2004. The arrival of new donor agencies financing the PDDEB, and the decision to phase out the BPE (see above) has renewed the discussion about setting up a real basket fund. It is likely that a joint PDDEB bank account will be opened for all donors, except the World Bank, possibly at the Central Bank. Perhaps a 'compte spécial du trésor', will be used which will imply that the use of the money should be entirely based on national procedures.

Thus, management of the PDDEB is largely organised according to SWAp principles: jointly approved consolidated annual plans and budgets and joint annual reviews to assess progress. Procedure manuals for all aspects and components of the PDDEB have been elaborated. There is a common monitoring, evaluation and reporting mechanism. The Ministry developed, with external assistance, a practical Monitoring and Evaluation (M&E) guide, which sets out clearly defined targets and indicators to measure progress.

The total cost of the first phase of the PDDEB (2002-2005) were estimated at about € 106 million, of which 17% would be financed by the Government, 34% by the World Bank, 12.3% by Canada, 11.5% by the Netherlands, 9.2% by HIPC funds and 15.5% by other sources.

2.3. "Fond pour l'Alphabétisation et l'Education Non Formelle" (FONAENF)

Early 2002, the "Fonds pour l'Alphabétisation et l'Education Non Formelle"⁹⁰ (FONAENF) was created for the funding of non-formal education and adult literacy training. The FONAENF is an autonomous association, which uses public, private and HIPC funds for financing literacy programs of NGOs and associations. The Steering Committee is composed of representatives of MEBA, Ministry of Finance and Budget, the Mayors' Association, donor agencies, the private sector and the civil society. The executive body of FONAENF is a small unit that works on contract basis with clearly defined responsibilities. The management of the Fund is flexible and accessible. The rules for project selection and financing are defined in a procedures manual. Contributing donor agencies are the Netherlands, Canada, France, Switzerland, Denmark, Sweden and the AfDB. The Dutch, Canadian, Danish and Swedish contributions are channelled through the BPE. Other donors finance the FONAENF directly. The Fund produces general progress reports and audits that so far have been accepted by all donors.

2.4. Administrative organisation

Within MEBA three structures are involved in coordination and management of the external support: the Direction d'Etudes et de la Planification (DEP), the Permanent Secretariat of the PDDEB and the BPE. The DEP's main responsibilities are the development of policies and strategies, and planning and coordination of the implementation of programmes and projects. The Permanent Secretariat of PDDEB is

⁹⁰ Fund for literacy and Non-Formal Education

responsible for the coordination, monitoring and evaluation of the implementation of the PDDEB. The BPE is responsible for financial management and administration of the donor funded basket fund of the PDDEB.

It is envisaged that the responsibilities and tasks of the BPE will be handed over to the DAF at the start of the second phase of the PDDEB, once its capacities have been strengthened. Strengthening measures are part of Phase I of PDDEB and include: an internal re-organisation of the DAF and establishment of a system of consolidated annual programme-budgets.

MEBA is represented at regional level by the DREBA⁹¹ and at provincial level by the DPEBA⁹², but so far few responsibilities have been delegated from the ministry to those levels, although a start has been made. At the same time these deconcentrated levels do not have yet the means and capacity to take up greater responsibilities (see also section 4.2 hereafter).

2.5. Donor support

During the last decade, the BE sector has received support from many partners, namely:

- Bilateral donors: Belgium, China, Denmark, France, Germany, Japan, Switzerland, Canada, the Netherlands and Sweden.
- Multilateral donors: AfDB, BID, EC, UNICEF, UNESCO, WB and WFP.
- Various NGOs such as Catholic Relief Services (Cathwell), Oxfam International and Plan International. Some of the bilateral and international donors provide (also) support through NGOs, namely Belgium, Canada, France, the Netherlands, Switzerland and UNICEF.

Apart from financial support, about eight of the donors mentioned above provide also technical assistance (TA), including the Netherlands. In terms of costs, the share of TA in the total amount of external financing dropped during the nineties from an average of 23% between 1990-1995 to 14% between 1996 and 1998. Most likely it has dropped further since then because of the move towards a SWAp with limited external TA.

The group of major donors, particularly the World Bank, the Netherlands and Canada, has been very active in helping MEBA to formulate the PDDEB and to elaborate a SWAp. Since the start of the PDDEB, MEBA organizes, in principle, monthly meetings with all donors supporting the education sector, and weekly meetings with the donors supporting the PDDEB through the common financial framework. The Netherlands was lead donor until 2001. Since then, Canada has been chairing the group of donors supporting the education sector.

UN organisations (UNESCO, UNICEF) are not inclined to join a basket fund of the PDDEB. This is partly the result of their procedures, which make it very difficult to join a basket fund, and partly because they prefer to stick to the project approach. Their projects are often quite innovative (satellite schools, early childhood centres, programmes for out-of-school youth).

⁹¹ DREBA: Direction Régional de l'Éducation de Base

⁹² DPEB: Direction Provinciale d'Éducation de Base

The education sector takes up 40% of total HPIC funds (US\$ 8.8 million for the period 2002-05). Funding from HIPC resources started in 2001. That money is mainly used for teacher salaries and construction of schools.

2.6. Civil society and the private sector

The civil society has been involved in the formulation of the PDDEB through various meetings and consultations. Regarding adult literacy and other specific issues such as school health, the Government has adopted the strategy of 'faire faire', conferring a central role to NGOs, associations and parents organisations.

Since the start of the formulation of the PDDEB, contacts between MEBA and civil society have intensified, as can be seen from the presence of MEBA staff at meetings of civil society, and the involvement of representatives of NGOs, associations and trade unions in the half-yearly PDDEB Review Missions. At the same time, teacher unions keep on expressing their concerns about the critical measures proposed or taken in the framework of the PDDEB (reduction of salaries and teacher training, recruitment of new teachers at the regional level).

Recently, a start has been made with decentralised planning, decision-making and financial management. This could be extended up to the level of individual schools, but most of the school managers and parents associations are insufficiently prepared for managing a school in all its aspects. Some support is available at the school level such as subsidies for the parent-teacher association and for learning materials (in 5 provinces).

3. Netherlands support for the education sector.

In financial terms, 1996 can be considered as the year when the RNE started a specific programme of support for the education sector (see section 3.2.1 of the main report). Before 1996 the Netherlands financed only some education activities through the integrated rural development programmes. The major components of the Netherlands support for the education sector are mentioned hereafter.

In the second half of the nineties up to 2001, the Netherlands financed three regional (west African) institutes of higher education specialised in hydraulics (ETSHER), rural engineering (EIER) and applied economic research (CIEREA)⁹³. Total funding amounted to about € 2.3 million. Support was phased out in 2001, because of the decision of the RNE to focus the support on basic education.

In 1995 the Netherlands started financing the non-governmental organisation Tin Tua, which carries out a broad programme of rural development, of which adult literacy programmes are (by far) the most important ones. Total commitments from 1995 including the ongoing commitment till 2006 amount to about € 3 million. The Dutch aid is meant as a general support for Tin Tua's four-year programme.

⁹³ ETSHER = Ecole pour les Techniciens Supérieurs en Hydraulique et Equipement Rural. EIER = Ecole Interétat de l'Equipement Rural. CIEREA = Centre Inter Etat de la Recherche Economique Appliquée.

Support from the Netherlands for bilingual education programmes (mother tongue education) implemented by the NGO called OESO started in 1999. Total commitments since then, including the ongoing contract, amount to € 4 million.

From 1997 to 2003 the Netherlands provided funds for developing and implementing a programme for satellite schools. UNICEF implemented the programme. Total Dutch funding amounted to about € 5.5 million.

From 1996 to 2002 the Netherlands provided funding for the construction and equipment of two teachers training colleges in Fada N'Gourma and Gaoua (total costs € 7 million) and much smaller amounts for another college in Loumbila. These activities were seen as preparatory activities for the actual start of the PDDEB: expanding the teachers training capacities before expanding the primary education system. The same can be said about a financing line of € 1.1 million for the construction of 160 staff houses (implementation 2000-2002).

From 1997 to 2003 the Netherlands provided an amount of € 2.4 million to the provincial directorates for basic education in the five provinces where the Dutch funded integrated development programmes were being implemented. Furthermore an amount of € 3.6 million was provided for the construction of buildings for five provincial directorates of MEBA (parallel co-financing with an EU programme; implementation by MEBA during 1999-2003). These financing lines have now been phased out, because all provinces receive funding through the PDDEB now.

In 2000 and particularly in 2001 MEBA received various financing lines from the Netherlands for the preparation of the PDDEB. Total amount was close to € 1.7 million, of which one major commitment of € 1.36 million in 2001. The main commitment for the implementation of the PDDEB was made in 2002 amounting to € 10.8 million for the years 2002-2005, of which 75% is meant for the regular primary education programme of MEBA and 25% for literacy programs financed via the FONAEF.

Thus, presently the Dutch support for basic education consists of three major components (i) a financing line managed by the BPE of € 10.8 million for the years 2002-2005, of which 75% is meant for the PDDEB itself and 25% for the FONAEF, (ii) support to the NGO Tin Tua with an amount of about € 1.34 million for the years 2002-2006 for literacy programmes and (iii) funding of bilingual education via the NGO OESO with an amount of € 4 million for the years 1999-2004. These two NGOs have proved to be particularly valuable in developing and testing innovative approaches and methods and in focussing on specific target groups, and they have a major share in providing literacy training and non-formal education in the country. In addition, the Embassy has started working in the field of post-primary education with a focus on technical-vocational training, with a group of interested donors (AfDB, Austria, Denmark, France, GTZ, and Switzerland)

As regards monitoring the implementation of the PDDEB, the RNE pays special attention to the following issues: gender and girls' education, literacy and non-formal education, and institutional development. Within the PDDEB there is a special program for girls. The RNE is member of the subject group on girls' education, which unfortunately does not function very well. As regards environmental concerns, the Netherlands and Canada co-financed in 2002 an Environmental and Social Impact Assessment of the PDDEB and

special efforts are being made to mainstream environment in the curriculum reform programme.

4. Capacities of sector institutions

4.1. General observations

RNE's appraisal document (BEMO) of 2001 regarding funding the PDDEB pointed at the low efficiency of the basic education system in Burkina Faso as is witnessed by the following two indicators: (i) for 'producing' one child with a primary education certificate, 12 years of schooling has been provided instead of the official duration of 6 years (this indicator takes into account the schooling of the pupils who never get a certificate), and (ii) the percentage of the age group of 12 which has reached grade 6 at that age is only 29.7%.

MEBA is still characterised by a number of weaknesses. It functions in a very hierarchical way, with little delegation of authority to decentralised levels for taking decisions. At central level confusion persists about the division of responsibilities among the directorates. Staff transfers are often sudden and unexplained and many staff members have too little competence in administration and management. Most of the staff at MEBA have a teaching background, and have not been specifically recruited for planning, financial management, human resources management, statistics, etc.

The transfer of BPE's responsibilities to the DAF is contingent upon strengthening the capacity of the latter structure. However, little progress seems to have been made in this respect. Still, the government pushes for the transfer in 2005, which is accepted by the donors given the weak performance of the BPE.

In 2001/2002, the BPE received external assistance to strengthen its financial management capacity, among others by writing manuals and setting up an info system.

4.2. Administrative decentralisation

The education sector is a pilot sector for administrative decentralisation. Regional authorities are to recruit teachers, while provincial authorities can manage construction work, organise in-service training, etc. In order to enable provincial authorities to carry out their (new) responsibilities, staff has received additional training, and the provincial teams have been reinforced by accountants and civil works specialists (see also section 2.2 of this annex). The effects of the deconcentration and decentralisation process are now becoming visible and have led to some cautious optimism at regional and provincial level.

4.3. Human resource management

Between 1992 and 2002, the number of teachers has more than doubled (from 9,409 to 20,676). Despite the facts that the education sector employs the single largest group of civil servants and that it manages the largest complex of real estate, serious capacity

constraints for implementing the PDDEB persist. Implementation rates are low, which is partly caused by the fact that most of the staff members at central level within MEBA are teachers by profession, and have little experience regarding planning, management and coordination.

The teacher training is not sufficiently tuned to the teaching environment and challenges in the field. Their training does not adequately prepare them for their job. Due to the bureaucratic system and administrative culture, they do not receive sufficient guidance and supervision (by school principals and inspectors). Moreover, they have to work under difficult circumstances (e.g. lack of adequate housing facilities). All these factors have eroded their morale and lead to frequent absenteeism.

In a more general way, the lack of organisational reforms and strengthening of human resources management have tended to undermine the implementation of the PDDEB. This problem, which is not specific for the BE sector, is being addressed through a general civil service reform, but results of these reforms are still scarce.

There is a tense relation between MEBA and the teachers unions about the reforms, which include the reduction of salaries of starting teachers and the reduction of the duration of pre-service training. However, a teacher's salary in Burkina Faso is equivalent to 6.0 times the average income per capita, while the indicative framework, which forms the basis for the Fast Track Initiative, recommends a ratio of 3.5 to ensure sustainability in the long run.

5. Donor coordination and harmonisation

In 2002, MEBA and 12 agencies (bilateral, multilateral and NGO) signed the 'Cadre partenarial'. This is a Memorandum of Understanding that obliges all signatories to consider the PDDEB as "l'unique cadre d'intervention dans le secteur d'éducation de base". A number of new partners have also been asked to sign the MoU. In addition, the partners of the joint financing framework of the PDDEB are considering the development of a "Lettre d'entente" that regulates their collaboration and the procedures of the framework. So far, the collaboration between the World Bank, Canada and the Netherlands has been open and quite informal, but the enlargement of the group has created the need for codification of informal agreements.

Thus support to the PDDEB has increased rapidly and the PDDEB is now the focal point for donor coordination and harmonisation (see also section 2.5 of this annex). However, a few agencies have not yet signed the Memorandum of Understanding and remain outside the scope of the PDDEB (e.g. African Development Bank, Islamic Development Bank, JICA), though they are increasingly willing to inform the donors about their plans and missions. Although all donors formally accept the PDDEB as the guiding principle, many donors maintain special areas of interest and specific administrative requirements.

The donors not using the central financing mechanism of the PDDEB have the tendency to target certain aspects in certain regions of the country. This may cause inefficiencies and fragmentation of the development of the educational system, all the more because MEBA does not have the capacities and the power to coordinate these relatively isolated

interventions. But through the annual PDDEB plan, MEBA has now a better overview than in the past.

6. The sector and the PFM instruments

In November 2003, MEBA produced a very first draft of a Medium Term Expenditure Framework (MTEF) for the education sector regarding the years 2004-2006. However, that document is still far from being finalised and cannot yet be called a real CDMT. It contains only narrative analyses of the sector and a summary of the sector objectives. No budgets are attached to the objectives and no annual projections are presented of required levels of funding and/or funding that can be mobilised. The document refers to an existing general MTEF of the Ministry of Finance, but a link is made neither with financial figures from that general MTEF nor with a planning of external funding.

In 1999/2000 the Ministry of Economics and Finance carried out Public Expenditure Reviews regarding a number of sectors, including the basic education sector (separate education sector document dates from January 2000). Recently a new PER of the education sector was carried out but the draft report could not be traced and has never been discussed with the donors.

7. Progress with implementation of the PDDEB

The joint PDDEB Review Mission of March 2003 concluded that important progress was made regarding school enrolments, teacher recruitment, staffing at provincial levels and literacy rates.

The joint evaluation of support to basic education in developing countries (fieldwork done in Burkina Faso from April 2002 till January 2003; report published in September 2003) observed that good progress was made regarding adult literacy, which was on track with the PDDEB objectives. The first literacy campaign funded by the FONAENF played an important role. Formal primary education had also expanded, but at a much slower rate than anticipated, which will make it difficult to obtain the set objectives. The mission highlighted also two key weaknesses: (i) low capacity for planning and (ii) delays in the implementation of the organizational change process within MEBA. The organizational reform will require staff redeployment, reduction of staff turnover, training of staff and recruitment of specialists

The joint PDDEB Review Mission of March 2004 observed significant progress regarding 'access to education'. MEBA presented data showing important increases in enrolments, both for primary education and adult literacy. These data need to be confirmed by the official statistics. On the negative side, the mission noted little progress in the components 'quality' and 'capacity development', and too little attention for developing pre-schooling activities.

In terms of Primary Net Enrolment (PNE), the objective of 100% coverage by 2015 appears over-ambitious, when compared with the progress and trend so far in Burkina Faso and with achievements in other countries. The current trend in Burkina Faso indicates that a PNE rate of 60% by 2015 is a more realistic goal. The availability of

additional resources from the Fast Track Initiative (FTI) renders the initial goal of 70% gross enrolment in 2011 feasible.

The Review Mission concluded that there is still a delay in the process of organizational change, which impedes a smooth implementation of the PDDEB. The donors expressed concern about the apparent lack of commitment to carry out sensitive measures such as staff redeployment, recruitment of specialists and reduced staff turnover. One of the biggest obstacles is that teachers object (obviously) to a salary decrease. They also fear a downgrading of their profession in relations to other professions. Negotiations about these issues have damaged the trust of the work force in the Government.

The Review Mission observed also that the national budget and treasury procedures, as well as the available management and administrative capacity, might hamper the implementation of the PDDEB, in particular as regards procurement and payments to decentralized units (DPEBA).

There has been much attention over the last months for the infrastructure component due to important delays in the construction of the first batch of 129 schools. This has led to discussions at the highest political level (Prime Minister) and to a strategy to accelerate the implementation of PDDEB by involving other Ministries: Finance and Budget, Civil Service and Public Works. These discussions may lead to changes in the implementation structure and modalities (e.g. closure of the BPE; funds channelled via Treasury).

On the basis of an update of the FTI's financial simulation model, carried out in March 2004, concern has been raised on the long-term financial sustainability of the primary education system in Burkina Faso, in particular regarding financing the teacher salaries and construction and maintenance costs. It should be noted that the constraint of teachers' salaries was already known at the outset of the PDDEB. It took the Government up to 2003 to adopt a policy that aims at a revision of salary levels, but up to April 2004 nothing has changed yet. To 'circumvent' the problem, the government recruits, since 2002, 'contractuels de l'état' who earn less than the average teacher, but still above the ratio of 3.5 times GDP per capita from the Indicative Framework.

According to the RNE, the achievements of the first Phase of the PDDEB so far can be summarised as follows:

- Access to primary education has improved. Most indicators like total primary school enrolment, percentage of new pupils living in rural areas and admission rates (also specific for girls and priority provinces) have improved. The evolution of the net enrolment rates is less obvious, hinting at high repetition rates.
- There is growth in the number of adults taking part in literacy programs, though not sufficient to reach the target of 40% literacy in 2011. (Note: it is difficult to measure adult literacy. It is an indicator that cannot really be measured easily on a yearly basis).
- Whether or not the quality of basic education has improved is less clear. The indicators regarding (i) effective teaching hours for primary education and literacy courses, (ii) repetition rates, (iii) availability of textbooks, and (iv) acquired competencies of students, do not show a clear improvement. Other indicators show a positive trend, such as: the repetition rate, the dropout rate and the percentage of pupils passing the CEP.

- The share of the Government budget allocated to primary education has been maintained, resulting in an increase of the budget in nominal and real terms.
- Every six months the Government and the donors carry out a joint sector review.
- The comprehensive annual programmes are approved by all partners.
- However, a system of medium term consolidated programme-budgets has not yet been adopted and the institutional reform of the DAF, the DEP and the DRH has not yet taken place.

8. Conclusions and lessons learned

Funding basic education

Funding of the education sector had already increased substantially since 1996. The share of the total government budget spent on education increased from 22.8% in 1995 to 25% in 2001, while MEBA's share of the total external support to Burkina Faso increased from 3.7% in 1996 to 10.5% in 2000. Funding of the education sector increased further when HIPC resources became available from 2001 onwards and when implementation of the PDDEB started in 2002. The number of donors prepared to invest in the basic education sector has increased in the course of the last decade, and particularly since the start of the PDDEB and the acceptance of the PDDEB as a "credible plan" in the framework of the Fast Track Initiative. Various donors are now moving away from project modalities towards financing the sector wide programme PDDEB implemented by MEBA.

Financial Sustainability

Regarding financial sustainability of the education system, RNE's appraisal document of the PDDEB, dating from mid 2002, refers to the financial commitment of the Government shown in the PDDEB document, and to political statements regarding the envisaged rationalisation of recurrent and salary costs, the expected improvement of infrastructure maintenance, etc⁹⁴. However, very little of this has been realised so far. The Government's efforts to rationalise payroll costs have met with fierce resistance from the teachers' syndicates, though salaries for newly recruited teachers have been reduced. The report of the joint PDDEB review of 2004 states that: "The donors expressed concern about a perceived lack of commitment to carry out sensitive measures such as staff redeployment, recruitment of specialists and reduced staff turnover."

Institutional sustainability

As regards institutional sustainability, RNE's appraisal document referred to various planned institutional strengthening measures. In hindsight, the assumption that (i) real leadership for carrying through the necessary reforms and (ii) increased administrative and managerial capacity would be forthcoming in the course of the transitional phase, was not justified. The DEP, the DAF and the DRH have not yet been strengthened, while at the same time the position of the BPE has become stronger and stronger. The complaint can even be heard now that the BPE has become more and more independent from MEBA and that its role needs to be reviewed. The strengthened position of the BPE and the absence of strengthening the capacities of the other

⁹⁴ In the BEMO it is stated that: "The plan has been approved at the highest political level (Council of Ministers). The Government has adopted politically sensitive measures, such as the reduction of teacher salaries, and is prepared to defend such policies vis-à-vis the trade unions."

directorates of MEBA lead automatically towards the continuation of a parallel management system for the PDDEB.

However, this does not mean that the BPE functions smoothly. This former World Bank Implementation Unit of the Basic Education Sector Project (in the 1990s) was maintained to guarantee efficient and transparent use of external funds, but so far it has been unable to provide meaningful reports, while audit reports are highly critical. According to some, it is not unlikely that donors may consider suspending disbursements until the BPE fulfils minimum requirements regarding adequate and transparent management. This is exactly what has happened in the third quarter of 2003. The government has decided to close the BPE in 2005, with the approval of the donors. Discussions are underway regarding alternative modalities, probably a 'compte spécial du trésor'.

Joint procedures

Harmonizing donor procedures and aligning them with the national procedures in the context of a SWAp will result in efficiency gains, but in the short term inefficiencies may occur, due to 'getting acquainted with the new system' and lack of management and coordinative capacity within MEBA.

Quantity and quality

Good progress has been made regarding the quantitative indicators, but improving the quality of education has proved to be much more difficult, among others, because of limited capacity within MEBA to tackle a wider curriculum reform. A start has been made with revising outdated teaching methods and curricula and to focus the curriculum more on preparing children for the challenges of life after school.

As regards offering more opportunities for children who have finalized primary school, the option of expanding formal secondary education is not very realistic at this point in time, since it would require considerable additional resources. The Joint Evaluation of Basic Education recommended therefore to strengthen and expand the Centres Permanents d'Alphabétisation et de Formation (CPAFs) by making them community education centres, although this option requires also a lot of additional funds. Presently, discussions are underway to revamp post-primary education, with a strong focus on technical-vocational training.

Alphabetisation

The creation of FONAENF has been an important step for bringing non-formal alphabetisation to the top of the agenda. Good progress has been made with increasing the number of literacy centres.

Objectives too ambitious

The Millennium Development Goal of universal primary education in 2015 will be beyond reach for Burkina Faso, in view of the realised improvement of the net enrolment rate during the last 5 years and in view of experience elsewhere⁹⁵. The objectives of the PDDEB of a 70% gross enrolment rate and a 40% literacy rate by 2011 may also be difficult to attain. The targets are especially not realistic in view of budget constraints and

⁹⁵ The typical situation post 1950 and the experience of typical rich countries in the 19th century show that when the net primary enrolment has reached 70-80%, the additional coverage up to 100% is far more difficult to attain and takes many years.

the population growth, and are likely to result in general frustration when these targets are not met.

Ownership

Too much influence and pressure by donors and too little leadership by MEBA, two negative indicators, reinforce each other. Donor pressure is (partly) caused by the lack of vision, initiative, leadership and implementation capacity within MEBA. On the other hand MEBA cannot take leadership when donors dominate too much. The overwhelming feeling is that MEBA is not in the driver's seat and that limited capacity within MEBA will likely remain an issue in the near future.

Sector ratings

The various education sector ratings of the RNE reflect increasing concerns of the donors. As a result, some ratings were downgraded over time. In hindsight, the earlier sector ratings were probably too positive, and were too much based on declared intentions to reform and not on actual ongoing reforms. In 2003, the RNE noted that MEBA was "fairly slow in implementing activities under the PDDEB's institutional strengthening component, and the report of the Joint Evaluation Mission of September 2003 was quoted pointing at the "low capacity for planning" within MEBA. Still, the RNE's rating for "Capacity of government" was B, which was too positive. In April 2004, the rating was downgraded to "C".

Second phase of the PDDEB

The end of the first phase of the PDDEB was foreseen for December 2005, after which a second phase would be started. However, for starting a second phase, a comprehensive framework of common procedures for planning, etc, designed under the leadership of MEBA, should be in place and the necessary organisational and institutional reforms should have been finalised. In view of the meagre progress in these fields, it did not seem realistic to assume that the second phase could start in January 2006. However, due to the dissatisfaction about the performance of the BPE and the entry of new donors joining the common financing framework of the PDDEB, it is likely that the PDDEB modalities will be significantly revised in 2005. This might give cause to a review of the objectives as well, which might result in the formulation of the 'second phase' starting earlier than January 2006.

PDDEB and the SWAp

There is no doubt that the PDDEB has some important characteristics of a SWAp, such as:

- a comprehensive sector policy;
- joint annual programming and review;
- a joint financing framework;
- joint audit arrangements.

Weaknesses of the PDDEB as regards SWAp characteristics are:

- The joint financing framework does not yet include a common basket fund (which might be created in 2005).
- Not all donors participate in the joint financing framework of the PDDEB, although the group of donors has recently been extended from four to six. Presently, the World Bank, the Netherlands, Canada, Denmark and France participate, while

Belgium intends to participate soon. Some others are however interested, such as the UN organisations, the African and Islamic Development Banks and Japan.

- The financial system of the PDDEB still operates in parallel with the standard government system. Integrating the financial management system in the standard government procedures requires first the strengthening of the DAF, the DEP and the DRH and elaborating a system for decentralised funding through the government system.
- Little progress has been made with institutional strengthening of central directorates (DAF, DEP, DRH), while it is envisaged that the DAF should take over the responsibilities of the BPE at the start of the second phase of the DPPEB in January 2006.
- Absence of a formal commitment of donors to support the PDDEB for the full duration up to 2010. (In the framework of the Fast Track Initiative, donors have committed themselves to do everything possible for reaching the MDGs in 2015, including universal primary education.)

Annexe C.1. List of references

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Annexe C.2. List of persons met

Netherlands Embassy Ouagadougou

Mr. Maurits Schaapveld, Ambassador of the Netherlands
 Mr. Hendrix, Huub, Head Development Cooperation
 Mrs. Marian Klokkers, Deputy Head Development Cooperation
 Mr. Vincent Snijders, First Secretary for education
 Mrs. Ini Huyts, First Secretary for health
 Mr. Leendert Noort, First Secretary for rural development
 Mr. Hijman van Praag, Head Financial and Operational Affairs
 Mr. Adama Ouédraogo, Education Advisor
 Mrs. Pascaline Sebgo, Health Advisor (ex-staff member)
 Mr. Zinso Boué, Rural Development and Decentralisation Advisor
 Mr. Louis W.M. Piët, ex-Head Development Cooperation RNE Ouagadougou

Ministry of Economy and Development and Dutch funded Local Development Programme

His excellence, Mr. Seydou Bouda, Minister
 Mr. Karmadji Bassirou Ly, Secretary General
 Mr. Augustin T. Siniaré, Director PDL Oudalan
 Mr. Hans Schoolkate, Chief Technical Advisor PDL
 Mr. Vincent Paul Sawadogo, Director PDL Sanmatenga
 Mr. Albert Brolsma, Chief Technical Advisor PDL Sanguié and Boulkiemdé provinces
 Mr. Eric Hugo Hoogland, Chief Technical Advisor PDL Sanmatenga province
 Mrs. Wilma Frouke Baas, Chief Technical Advisor PDL Zoundwéogo province

Ministry of Agriculture

Mr. Jean-Martin Kambiré, Permanent Secretary for the coordination of agricultural sector policies.
 Mrs. Geke Apeldoorn, Advisor Gender and Development
 Mr. Moussa Ouédraogo, interim National Coordinator PNGT
 Mr. Ousmane Ouédraogo, Service Appui Technique PNGT

Ministry of Health

His excellence Mr. Bédouma Alain Yoda, Minister
 Prof. J.G. Ouango, Secretary General
 Dr Sosten Sombré, Director General DGS
 Mr E. Lalsomdé, Director DAF
 Dr B. Ouedraogo, Director DEP
 Dr A. Alhassane, Technical Assistant of PARDEP
 Mr T. Zounghana, CADDs
 Mr R. Kabore, Coordinator PDSN
 Mr Zacharia Balima, Coordinator PADS
 Mr Mathias Somé, ex-Secretary General of the ministry
 Dr S. Dipama, DRS Kaya
 Médecin Chefs and District Health Teams in the region of Kaya
 Mr. B. Salam, Gestionnaire

Ministry of Basic education and Alphabetisation

His excellence Mr. Mathieu R. Ouédraogo, Minister

Ministry of Finance and Budget

His excellence Mr. Jean-Baptiste Compaoré, Minister

Mr. Léné Sebgo, Director General for cooperation

Mr. Alexis Koudnoaga Yanogo, Director Bilateral Cooperation

Donor agencies

Mr. Jean-Pierre Dekens, Agricultural Advisor, EC Delegation

Mr. Thierry Bertouille, Rural Development Advisor, EC Delegation

Mr. Erwin van den Eede, Cooperation Advisor, Embassy of Denmark.

Mr L Provot, Belgium Embassy

Dr F. Monet and Mr D. Kielem, OMS (WHO)

Mr. Jaques Gérard, SCAC/AFD

Tim Johnston and Celestine Bado, World Bank

Mr L. Karlsson, Conseiller, SIDA/ASDI

Mrs J. Björk, Programme Manager, SIDA/ASDI

Others

Jarl Chabot: Crystal/ETC consultants

Dr Zina, SCF/BF

Mrs. S. Dohoo Faure, member of the study team of the "Joint Evaluation of External Support to Basic Education in Developing Countries".

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