

## Burkina Faso: Overcoming the Odds

**B**urkina Faso's political stability over the past 15 years, together with a country-led transition to a more open, market-driven economic model, has provided the foundation for growth and poverty reduction. Since 1994, the International Development Association (IDA), the World Bank's fund for the world's poorest countries, has supported sustained policy reform in Burkina's transition towards a market economy through financial assistance and strategic advice.

### **Challenge**

Burkina remains one of the poorest countries in the world, with per capita income around US\$460. Along with education and health challenges, and, in the wake of recent and ongoing climatic and financial crises, Burkina Faso will need to address a key set of constraints and vulnerabilities in order to sustain the steady economic and social gains made to date. The annual growth rate contracted from 5.2 percent in 2008 to 3.2 percent in 2009 as a result of a combination of climatic shocks, the energy crisis, fluctuating commodity prices, and global financial crisis. This decline resulted in an increase in vulnerability among the poor.

### **Approach**

Burkina Faso's development strategy is detailed in its new Strategy for Accelerated Growth and Sustainable Development, adopted in December 2010, whose four pillars are: (i) Development of accelerated growth pole pillars; (ii) Consolidation of human capital and safety net promotion; (iii) Governance reinforcement and; (iv) the problematic of including cross cutting issues into development politics and programs.

The strategy seeks to consolidate the multitude of national and sectoral strategies. On the economic front, the main emerging challenges are: (i) rural development; (ii) private sector development; (iii) financial sector development; (iv) infrastructure upgrading and development; and (v) economic governance. At the social level, the main challenges focus on: (i) the demographic transition; (ii) education system performance; (iii) access to electricity, water and sanitation services; (iv) employment creation; (v) social protection; (vi) promotion of human rights and of cultural and moral values; (vii) gender equality; and (viii) reinforcement of political, administrative and local governance. New themes, such as environmental protection regulation and government intervention in certain areas (oil price, food crisis) are also covered in the SCADD.

IDA's action in Burkina Faso is guided by the 2010 Country Assistance Strategy (CAS), which is aligned with the priorities of the government's Poverty Reduction Strategy Paper. Over the past 10 years, covering fiscal years 2000-2010, IDA has committed US\$1.5 billion to finance investment projects and budget support operations linked to the country's development priorities

## Results

Consistent with the World Bank's Assistance Strategy for Burkina Faso, IDA has worked to achieve tangible results in multiple sectors, promoting growth through economic transformation, minimizing economic vulnerability, and improving social service delivery.

## Bank Contribution

The International Development Association's current portfolio in Burkina Faso is composed of 14 national projects with a total commitment of US\$676 million, and 5 regional projects with a total commitment of US\$385 million. The major sectors of investment are Transport (27 percent), Agriculture (22 percent), Energy and Mines (16 percent), Education (12 percent), and Health (10 percent). The portfolio's overall implementation performance is satisfactory.

## Partners

Since 2000, IDA has helped forge a new aid compact based on poverty reduction strategies, debt relief, better-harmonized aid, and government leadership. Ten donors are signatories of a general framework for budget support. The PRSC series is firmly embedded in this process and the Bank has participated in 2009/2010 as leader of the troika of donors in charge of coordinating the joint performance assessment framework.

## Moving Forward

As demonstrated by the recent slow-down in economic growth, Burkina Faso's growth performance remains highly vulnerable to external shocks. A demonstrated commitment to reforms, political stability, and proven capacity to absorb aid effectively offer Burkina an opportunity to accelerate progress and achieve transformative results. The Strategy for Accelerated Growth and Sustainable Development (SCADD), adopted by the government in December 2010 and planned

Results	
<b>Private sector development:</b>	<p>Support of a reform in the telecom sector that led to an increased teledensity (number of telephone lines per 100 inhabitants) from 1.5 in 2003 to 31 in 2010.</p> <p>Creation of 6,670 formal new jobs as of June 30, 2010 and a total of 16,085 enterprises registered.</p> <p>Support of business environment reforms, which led to reducing the time required to create an enterprise to 3 days (from 45 in 2004) and the number of days to obtain a construction permit to 30 days (from 260 in 2006).</p>
<b>Health:</b>	<p>Decrease in child mortality (from 219 to 104 per 1,000 between 1999 and 2009).</p> <p>With support from debt relief and poverty reduction credits, child vaccination became free in 2002, as did prenatal care in 2003.</p> <p>Decrease of HIV rates in urban areas from a peak of over 7 percent in 1997 to about 1.9 percent today.</p>
<b>Water:</b>	<p>70 million USD IDA contributions to the Ouagadougou Water Project allowed an increase in access to piped water in urban areas covered by ONEA, the public water utility, from 57 percent in 2001 to an estimated 73 percent in 2008.</p> <p>In Ouagadougou, the number of people with direct access to piped water through household connection has more than tripled in six years from 300,000 in 2001 to 1,040,000 people in 2007.</p> <p>Water service, which was chronically intermittent in 2001, is now supplied 24/7 94 percent of the population of Ouagadougou.</p>
<b>Roads:</b>	<p>IDA is part of a consortium of donors that is assisting the government in rehabilitating and maintaining essential transport infrastructure. IDA financing has rehabilitated more than 1,100 kilometers of rural roads, connecting agricultural production zones to markets</p>
<b>Mining:</b>	<p>Technical and financial support over the past 10 years to eliminate the state monopoly on mining, opening it up to competition and facilitating private mining exploration and investment in gold, manganese, phosphates, and zinc.</p> <p>US\$700 million increase in investments in the sector between 2006 and 2009, with additional investments in the order of US\$250 million over the next two years.</p>
<b>Education:</b>	<p>Rise of Gross Enrollment Rate (GER) in primary education from 60 percent in 2006 to 85.9 percent in 2010</p> <p>Increased completion rate from 40 percent to 45.9 percent in the same period.</p>

for during the period of 2011 to 2015, will enable the country to update and advance its development agenda. The SCADD targets a level of economic growth that would assure a sharp increase in households' real income and reflect a surge in production of goods and services without hampering national wealth for future generations. IDA has a key role to play in supporting the government in laying out the analytical roadmap for development in the country.

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