



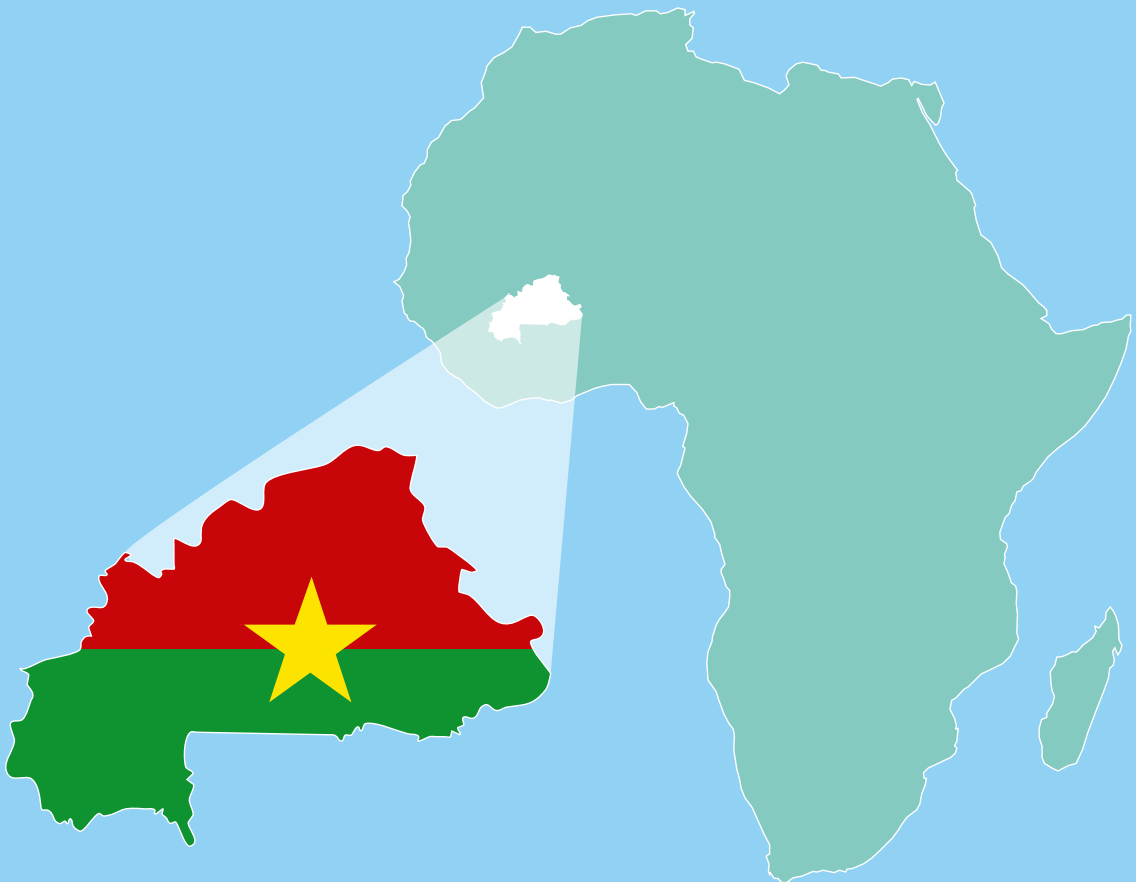
Ministry of Foreign Affairs

# IOB Evaluation

## Impact of Ending Aid

Burkina Faso country study

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# *IOB Evaluation*

## **Impact of Ending Aid** Burkina Faso country study

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# Table of contents

<b>List of figures and tables</b>	<b>5</b>
<b>List of abbreviations</b>	<b>6</b>
<b>1 Introduction</b>	<b>8</b>
<b>2 Country context</b>	<b>10</b>
2.1 Introduction	11
2.2 Political development	11
2.3 Socio-economic development	12
2.4 The changing aid relationship	15
2.5 Challenges	17
<b>3 The process of phasing out</b>	<b>18</b>
3.1 Introduction	19
3.2 Background: the Dutch role before phasing out	19
3.3 The exit process	21
3.4 Conclusion	26
<b>4 General budget support</b>	<b>28</b>
4.1 Introduction	29
4.2 GBS in Burkina Faso	29
4.3 GBS provided by the Netherlands	31
4.4 The impact of ending budget support	33
4.5 Conclusions	35
<b>5 Education</b>	<b>38</b>
5.1 Introduction	39
5.2 Development	39
5.3 Dutch support to the education sector	43
5.4 Impact of the Dutch exit	45
5.5 Conclusions	48
<b>6 Health and SRHR sector</b>	<b>50</b>
6.1 Introduction	51
6.2 Development of the sector	51
6.3 The role of the Netherlands in the sector	55
6.4 The impact of the Dutch withdrawal	56
6.5 Conclusions	59

<b>7</b>	<b>Good governance</b>	<b>60</b>
7.1	Introduction	61
7.2	Laboratoire Citoyennetés	61
7.3	Centre de Gouvernance Démocratique (CGD)	63
7.4	Centre National de Presse Norbert Zongo	64
7.5	Réseau National de Lutte Anti-corruption	65
7.6	National Democratic Institute (NDI)	67
7.7	Summary and conclusions	68
<b>8</b>	<b>Summary and conclusions</b>	<b>70</b>
	<b>References</b>	<b>76</b>
	<b>Annexes</b>	<b>80</b>
	Annex I Additional tables	81
	Annex II Interviews	85

## List of figures and tables

### Figures

Figure 4.1	General budget support disbursements 2008-2015	30
Figure 5.1	External support to education (2008-2014)	46

### Tables

Table 2.1	Macro-economic indicators (2008-2015)	13
Table 2.2	Socio-economic indicators	14
Table 2.3	Distribution of ODA (2008-2014)	16
Table 2.4	Government revenue and expenditure (2008-2015)	16
Table 3.1	Sectoral distribution of Dutch ODA (2006-2013)	20
Table 3.2	ODA of the Netherlands and Denmark to Burkina Faso and Benin (2008-2014)	24
Table 4.1	GBS disbursements provided by the Netherlands to Burkina Faso (2008-2013)	32
Table 4.2	Impact of continued GBS by the Netherlands in 2014 and 2015	34
Table 5.1	Expenditure education and donor support 2008-2014	40
Table 5.2	Key indicators basic education 2001-2021	42
Table 5.3	Dutch support to the education sector in Burkina Faso 2008-2013	44
Table 5.4	Support to FOANAENF (2010-2014)	48
Table 6.1	Financial support for the PADS and total health expenditure (2008-2014)	53
Table 6.2	Health indicators	54
Table 6.3	Dutch support to the health sector in Burkina Faso 2008-2013	56
Table 6.4	Donor support to the health sector in Burkina Faso 2008-2014	57
Table 6.5	Health expenditure 2008-2014	58
Table 7.1	Promotion of good governance: support to CSOs (2008-2013)	61
Table 7.2	External support to CNP-NZ (2005-2014)	65
Table 7.3	REN-LAC's budget and expenditures 2009-2016	66
Table I.1	External balance 2008-2015	81
Table I.2	Disbursements of general budget support 2008-2015	82
Table I.3	Support to CAST 2008-2014	83
Table I.4	External support to the heat sector 2008-2014	84

## List of abbreviations

AfDB	African Development Bank
AIDS	Acquired Immune Deficiency Syndrome
ASCE	Autorité supérieure de contrôle d'Etat
CAST	Compte d'affectation spéciale du Trésor
CDP	Congrès pour la Démocratie et le Progrès
CDR	Committee for the Defense of the Revolution
CGD	Centre de Gouvernance Démocratique
CFE	Contribution financière en matière d'Eau
CGAB	Cadre général d'organisation des appuis budgétaires
CIT	Corporate Income Tax
CNP-NZ	Centre National de Presse Norbert Zongo
CNR	Conseil national de la Révolution (National Council for the Revolution)
CONFEMEN	Conférence des Ministres de l'Education des pays ayant le Français en Partage
CSO	Civil society organisation
CSP	Conseil de Salut du Peuple (Council of Popular Salvation)
CSLP	Cadre stratégique de la lutte contre la pauvreté
EC	European Commission
EFA	Education For All
EKN	Embassy of the Kingdom of the Netherlands
EUR	Euro
FCFA	Franc CFA
FONAENF	Fonds pour l'Alphabétisation et l'Education Non Formelle
FTI	Fast Track Initiative
GBS	General budget support
GDP	Gross domestic product
GER	Gross enrolment rate
GNP	Gross national product
GPE	Global Partnership for Education
HDI	Human Development Index
HIPC	Heavily indebted poor countries
HIV	Human Immunodeficiency Virus
IMF	International Monetary Fund
INSD	Institut national de la statistique et de la démographie
LC	Laboratoire Citoyennetés
MASP	Multi-Annual Strategic Plan
MEBA	Ministère de l'Éducation de Base et de l'Alphabétisation
MENA	Ministère de l'Éducation Nationale et d'Alphabétisation
MFA	Ministry of Foreign Affairs
MDRI	Multilateral Debt Relief Initiative
NDI	National Democratic Institute
ODA	Official development assistance
PADS	Programme d'appui au développement sanitaire

## List of abbreviations

PASEC	Programme d'Analyse des Systèmes Educatifs de la CONFEMEN
PASSP	Programme d'Appui au Soins de Santé Primaires
PDDEB	Plan Décennal de Développement de l'Education de Base
PDSEB	Plan de Développement Stratégique de l'Education de Base
PFM	Public financial management
PNDS	Plan national de Développement sanitaire
POSEF	Politique sectorielle de l'Economie et des Finances
REN-LAC	Réseau National de Lutte Anti-corruption
SBS	Sector budget support
SCADD	Stratégie de Croissance accélérée et de Développement durable
SRHR	Sexual and reproductive health and rights
SWAp	Sector-wide approach
TA	Technical assistance
TVET	Technical vocational education and training
UDV	Union démocratique voltaïque
UEMOA	Union économique et monétaire ouest-africaine
UNICEF	United Nations Children's Fund
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
USD	US dollar
WAEMU	West African Economic and Monetary Union
WDI	World Development Indicators



1

# Introduction

In 2010, the government of the Netherlands decided to reduce the number of partner countries from 33 to 15. An argument was the conviction that decreasing fragmentation and specialisation would enhance the efficiency and effectiveness of Dutch bilateral aid. It would give the Netherlands a better position for gaining more in-depth knowledge of the political, economic, social and cultural structures in the (remaining) countries and would help to reduce the costs of operational management. The government also curtailed support to the social sectors (education and health), focusing more on the economic sectors as it believed that the value added of the Netherlands in the latter would be higher. Both policy changes were also instrumental for introducing budget cuts, as the government had decided to lower Dutch ODA from 0.8% to 0.7% of the GDP. Budget cuts also hit the Netherlands Ministry of Foreign Affairs, forcing it to cut down the Dutch presence abroad. The embassies in five countries where the Netherlands had decided to phase out bilateral development cooperation were closed as well.

Burkina Faso is one of the countries where the Netherlands has ended its bilateral aid relationship, after having provided support for more than 40 years. One of the main justifications was that the existing programme did not dovetail with most of the new priorities (food security, water and sanitation, and security and the rule of law).<sup>1</sup> Burkina Faso is also one of the countries where the Netherlands closed its embassy, though it has opened an honorary consulate.

The House of Representatives in the Netherlands has requested an evaluation of the impact of the budget cuts in bilateral aid on recipient countries. The Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs has conducted this evaluation. IOB assessed the impact:

- at the macro level, focusing on the Dutch decision to phase out and the effect on total aid and the policy dialogue;
- at the micro level, concentrating on specific programmes and projects that were previously supported by the Netherlands.

IOB conducted six country case studies: Nicaragua, Guatemala, Bolivia, Zambia, Burkina Faso and Tanzania. The evaluation department selected these countries on the basis of income level and the relative importance of Dutch development assistance for the country. In each of the six country studies, the evaluation analyses the impact on key sectors that received Dutch support.

This report outlines the results of the Burkina Faso case study. It presents the findings that assess the impact of ending general budget support and exiting from the health and education sectors. The report is based on the analysis of information obtained through interviews with various stakeholders, the review of documentation and existing evaluation reports, and the analysis of financial and other statistical information (part of which was provided by ministries and beneficiary organisations in Burkina Faso). Chapter 2 presents the country context. Chapter 3 discusses the phasing-out process. Chapter 4 describes the macro-impact of the Dutch exit, including budget support. Chapters 5, 6 and 7 discuss the impact on the education and health sectors, and on good governance. Chapter 8 presents the main conclusions.

<sup>1</sup> Burkina Faso was considered a good candidate for the fourth priority, sexual and reproductive health and rights (SRHR).



2

## Country context

## 2.1 Introduction

In 1960, a landlocked country in Western Africa called Upper Volta gained independence. Twenty-five years later, President Thomas Sankara gave it the name of Burkina Faso. It is a relatively stable country in a region that is plagued by frequent violent conflict. Nevertheless, since its independence the country has had several coups d'état, a socio-political crisis between 2011 and 2014, and a new coup in 2015. Burkina Faso is not endowed with many natural resources, though recently gold has become the main export product. The country has an agrarian economy and is vulnerable to changing weather conditions and fallout from civil strife in neighbouring countries. As a young and poor country, Burkina Faso faces many challenges, despite favourable growth rates since the mid-1990s.

This chapter sketches the recent political and socio-economic development of Burkina Faso as a background to the analysis of the Dutch exit decision. The chapter signals the economic progress and discusses the role of aid in the context of existing challenges.

## 2.2 Political development

The political history of the country is interwoven with threats to its stability. Since its independence, the country has had six coups d'état. The first coup, in 1966, followed a confrontation between the government and labour unions, caused by austerity measures that the first president Maurice Yaméogo deemed necessary when France cut development cooperation (Koussoube, 2014). Lt. Col. Sangoulé Lamizana implemented democratic reforms, including a new constitution, while he remained president of military and mixed civil-military governments (International Crisis Group, 2013). New military coups followed in 1980 and 1983, the latter bringing the leader of the left wing of the military, Captain Thomas Sankara, to power. Sankara nationalised the country's land and mineral wealth and launched major social programmes and infrastructure projects and supported the emancipation of women. Internationally, he improved relations with the Soviet Union and Cuba. In 1987, Sankara and 12 other officials were assassinated in a coup d'état organised by his former ally, Blaise Compaoré, who became the new president (International Crisis Group, 2013).

Under Compaoré, Burkina Faso entered a period of relative stability (BTI, 2014). The president built a semi-authoritarian regime, combining a military government with moves towards democracy and compromise. The fact that the opposition remained divided, with as many as 70-150 political parties, helped Compaoré to stay in power (International Crisis Group, 2013). In 1991, the country adopted a new constitution, and the first multiparty elections followed the year after. Compaoré won four presidential elections. In 2010, he received more than 80% of the votes, though the turnout was poor (23% of the eligible voting population).

However, even during the years Compaoré was president, several socio-political crises challenged the stability of the country. In 1998, the assassination of Norbert Zongo, the publisher and editor of the Burkina Faso newspaper *L'Indépendant*, provoked a wave of

protests, organised by the opposition and civil society organisations (CSOs). These protests shook the foundations of power in the country. It meant a turning point in Compaoré's regime. Civil society became better organised and it became more difficult for the government to attack the press (International Crisis group, 2013). During the first months of 2011, Compaoré's regime was again confronted with a new crisis when violent protests erupted throughout the country about high food prices. The protests started in reaction to the death of a student in police custody, but soon people from various professional backgrounds followed. Rank-and-file soldiers protested about unpaid housing allowances and started to revolt and loot. However, the opposition was fragmented and Compaoré managed to restore order until October 2014, when a youth upheaval and massive protest by the population forced him to resign. The protests were a reaction to his attempts to change the constitution in order to stay in power. A transitional government, also challenged by an attempted coup, paved the way for new elections in November 2015. Roch Marc Christian Kaboré and the People's Movement for Progress (MPP), won the elections, making Kaboré the first newly elected president since 1966.

## 2.3 Socio-economic development

### Economic development

Economically, the country has been doing better than many other countries in the region. Since its independence, GDP per capita annual growth was volatile and modest, but almost always positive (on average about 1.1% per capita per year between 1966 and 1994). In the 1970s, the government promoted industrialisation and industrial exports to neighbouring countries, but the attempts were not very successful (Koussoube et al., 2014). Economic growth accelerated after the devaluation of the West African Franc (CFA) in 1994. Since then, the country has maintained a real GDP growth rate averaging over 6% per year, aided by favourable cotton prices on the world market and, later on, from 2007 onwards, a booming mining sector. Growth became more robust and less volatile (IMF, 2014). Between 2000 and 2014, per capita growth was significantly higher than in other countries in the West African Economic and Monetary Union. According to the IMF (2014), this was caused by improved macro-economic management, stronger institutions, increased aid, and higher investment in human and physical capital.

Overall, economic growth was mainly driven by two sources: 1) migration from the rural agricultural sector to the urban informal sector, and 2) the increase of agricultural production of food crops and cotton through a massive expansion of cultivable land (SCADD, 2009; Grimm et al., 2014). The primary sector accounts for about 34% of the GDP and 70% of employment, which points to low productivity. Cotton is the main source of livelihood for the rural population: it comprises 3.5% of GDP, but employs 15% to 20% of the labour force (Kaminski, 2011). Grimm et al. conclude that economic growth is not sustainable as structural changes that allow workers to move from low to high productivity jobs are virtually absent. Further growth is fragile, as it depends on climatic conditions and the world market price for cotton (Grimm et al., 2014). Nevertheless, the resilience against weather shocks is improving as a result of investments in irrigation and the increased use

of genetically modified cotton seeds (IMF, 2014). Also, the share of the primary sector in the economy has declined from 34% in 1995 to 28% in 2013 (IMF, 2014). About 80% of non-agricultural employment consists of informal jobs (BTI, 2014).

Since about 2005, with the opening of new mines, gold mining and gold exports have become more important to the Burkinabe economy. The share of the mining sector in GDP increased from 0.5% in 1995 to 4.3% in 2013. In 2007, gold exports amounted to about 5% of total exports; in 2009, this had increased to 42%, making it the country's most important export earner. Its share further increased to 70% in 2013. That year, it accounted for 16% of fiscal revenue (IMF, 2014). Within a few years, Burkina Faso has become the fourth largest gold producer in Africa (IMF, 2014).<sup>2</sup>

Economic growth slowed down to 4% in 2014, due to falling gold and cotton prices, political unrest, the political situation in Mali and the impact of the Ebola crisis (IMF, 2015; AfDB, 2015). The external balance showed a large deficit, and international reserves declined sharply. Low revenue and delayed budget support disbursements have forced the government to reduce spending, with a negative impact on public investment. This had an impact on public finances, reflected in declining revenue and investment.

	2008	2009	2010	2011	2012	2013	2014	2015
GDP nominal (USD billion)	8,370	8,369	8,980	10,724	11,166	12,197	12,463	11,007
Real GDP growth (%)	7.3%	3.0%	8.4%	6.5%	6.5%	6.6%	4.0%	4.0%
Inflation	7.6%	2.4%	3.8%	6.8%	5.8%	1.3%	-0.4%	1.8%
Population (million)	14.7	15.2	15.6	16.1	16.6	17.1	17.6	18.1
GDP per capita	569	552	574	666	673	709	713	613
GDP per capita growth	4.0%	-0.1%	5.2%	3.4%	3.3%	3.8%	1.0%	1%
<i>External indicators expressed as % of GDP:</i>								
Exports of goods	8%	11%	18%	23%	27%	22%	22%	22%
Imports of goods	-19%	-17%	-20%	-23%	-25%	-27%	-24%	-23%
Trade balance	-11%	-6%	-2%	0%	2%	-5%	-2%	-2%
Services net	-6%	-5%	-6%	-7%	-7%	-8%	-7%	-7%
Current transfers	5%	6%	5%	5%	5%	4%	4%	4%
Project grants	2%	2%	2%	1%	2%	3%	3%	2%
FDI	1%	1%	0%	0%	-1%	4%	2%	2%
Overall balance	-1%	5%	2%	1%	0%	-2%	-2%	-2%

Source: IMF, International Financial Statistics; World Development Indicators (GDP and GDP per capita).

<sup>2</sup> A new mining code, adopted by parliament in July 2015 abolished a previous 10% tax exemption on mining company profits, has increased corporate income tax (CIT) from 17.5% to 27.5% and includes provisions for the creation of development funds for the rehabilitation of artisanal mining sites, the prohibition of the use of harmful chemicals, the promotion of geological research and education in earth sciences.

## Social development

Despite two decades of economic growth, Burkina Faso is still one of the poorest African countries. While the percentage of poor is going down, the total number of people living in extreme poverty is still increasing, due to high population growth, which absorbs about 50% of economic growth. On a more positive note, income inequality is decreasing. The income share of the wealthiest 10% of the population has decreased from 42% in the early 1990s to 32% between 2006 and 2010. Moreover, the country has vastly improved on MDG targets, despite not achieving them. Life expectancy improved thanks to better health care (see chapter 6), access to improved drinking water facilities and sanitation. Mortality rates remain high, however, and improving the education system (see chapter 5) still faces challenges. Enrolment and literacy rates are low compared to other sub-Saharan countries. Indeed, Burkina Faso still has one of the lowest scores on the Human Development Index (HDI). It ranks 183rd out of 188 countries, below Dutch partner countries such as Benin, Ethiopia, Ghana, Kenya, Mali, Mozambique, Rwanda and Uganda. Almost 83% of the population are multi-dimensional poor (with multiple deprivations) and another 8% live near the threshold (UNDP, 2015). Social exclusion is widespread, especially in rural areas and for women. Women and vulnerable social groups have limited access to social services, education and public office (BTI, 2014).

	1998	2003	2009	2014
<i>National poverty line:</i>				
Rural poverty (%)	51	52	51	48
Urban poverty (%)	17	20	20	14
Total (%)	45	46	44	40
<i>International poverty line (World Bank):</i>				
Extreme poverty (%; USD 1.90)	82	57	55	
Moderate poverty (%; USD 3.10)	91	79	80	
Human Development Index (HDI)		0.31	0.36	0.40
GINI index (World Bank estimate)	50	43	40	
Population growth (%)	2.8	2.9	3.1	2.9
Rural population (%)	83	80	75	71
Life expectancy at birth, total (years)	50	52	57	59
Population with access to improved water (%)	56	65	76	82

Source: INSD; IMF (2014); WDI, WB and UNDP.

There are several reasons why the poorest groups have not benefited more from economic growth. First of all, the mining sector appears to be an enclave industry, with less than 10,000 Burkinabe directly working in the sector, usually in low-wage jobs, and another 27,000 people indirectly (IMF, 2014). Another 700,000 people, including many women and children, work in artisanal mining (IMF, 2014). Second, the modern economic infrastructure is concentrated in the capital Ouagadougou, while the countryside, where more than

70% of the population live, has little economic infrastructure (AfDB, 2015). While Burkina Faso has a large rural population, urbanisation is becoming a more important phenomenon. In a period of ten years, from 2003 to 2014, the percentage of the population living in rural areas has dropped from 80% to 71% (see table 2.2).

In 2000, Burkina Faso adopted its first Poverty Reduction Strategy Paper (PRSP), the Cadre stratégique de Lutte contre la Pauvreté (CSLP). This was necessary to qualify for the Heavily Indebted Poor Countries (HIPC) Debt Relief initiative.<sup>3</sup> This PRSP, revised in 2003, aimed to (1) accelerate growth and promote equity; (2) guarantee access to basic social services for the poor; (3) create more employment and income opportunities for the poor; and (4) promote good governance (Chiche et al., 2010). In 2010, the government adopted a new PRSP, the Stratégie de Croissance Accélérée et de Développement Durable (SCADD, Strategy for Accelerated Growth and Sustainable Development), the country's PRSP for the years 2011-2015. This strategy aimed to promote growth, environmental sustainability and social equity to induce a qualitative and sustainable change in Burkina's production system. The SCADD anticipated an annual economic growth of more than 10% in real terms through structural reform, support to agribusiness and small and medium-sized enterprises, and enhancement of economic participation of the poor.

About 38% of the SCADD budget was to be funded externally (8% through GBS and 30% through other programme and project support). Despite all the aid, the new strategy showed a large deficit of EUR 90-190 million a year. In that respect, the Dutch decision in early 2011 to phase out its support came at an inconvenient moment. The Netherlands was one of the largest bilateral donors. Between 2006 and 2010, Dutch bilateral aid was about EUR 45-50 million a year, provided mainly in the form of general budget support and support to the education and health sectors. The external contribution to SCADD decreased from 33% in 2011 to 24% in 2013. This was caused by the increase in domestic resources.

| 15 |

## 2.4 The changing aid relationship

As one of the poorest countries in the world, Burkina Faso has received relatively much aid. ODA per capita (in constant prices) peaked in the early 1980s, and then gradually decreased as a result of population growth and, continuing from the mid-1990s onwards as a result of reduced aid budgets. From 2000 onwards, ODA per capita increased again until 2006. Since then, it has tended to decrease slightly, though the total ODA budget reached a historically high level in 2012, thanks to a USD 75 million dollar loan from the IMF.

The country still depends heavily on external support, though the role of aid is decreasing as a result of the economic growth. ODA went down as a percentage of GDP from more than 10% in 2009 to 8.2% in 2014. In 2012, there was an increase in loans from the IMF (see table 2.3).

<sup>3</sup> Later on, the country also qualified for the Multilateral Debt Relief Initiative (MDRI). In total, the country received more than USD 1.1 billion debt relief (MDRI fact sheet . See: <https://www.imf.org/external/np/exr/facts/mdri.htm>).



Table 2.3 Distribution of ODA (2008-2014; USD million)							
	2008	2009	2010	2011	2012	2013	2014
Budget support	197	245	216	208	249	144	114
Social infrastructure and services	432	447	435	432	459	439	441
Economic infrastructure and services	85	131	127	68	116	159	243
Production sectors	91	88	104	181	169	172	179
Food aid	32	43	24	27	33	36	42
Humanitarian aid	20	27	42	30	76	67	46
Debt relief	24	15	13	13	21	10	10
Other	101	80	91	75	80	76	103
<b>Total</b>	<b>981</b>	<b>1,075</b>	<b>1,052</b>	<b>1,035</b>	<b>1,204</b>	<b>1,103</b>	<b>1,177</b>
ODA as % of GDP:							
Grants	8.7	10	9.8	8.0	8.8	8.3	8.2
Loans and equity	3.0	2.9	2.0	1.6	1.9	0.8	1.1
<b>Total</b>	<b>11.7</b>	<b>12.9</b>	<b>11.7</b>	<b>9.6</b>	<b>10.8</b>	<b>9.1</b>	<b>9.4</b>

Source: Author's calculations based on OECD/DAC and World Bank data.

Table 2.4 Government revenue and expenditure (2008-2015)								
	2008	2009	2010	2011	2012	2013	2014	2015
Total revenue excluding grants	1,080	1,142	1,376	1,682	1,957	2,262	2,153	1,772
Grants	328	492	402	538	544	657	519	389
Project	131	184	103	155	219	415	319	178
Programme	197	308	298	383	325	241	200	211
Total revenue and grants	1,408	1,634	1,777	2,219	2,500	2,918	2,672	2,161
Expenditure and net lending	1,776	2,032	2,175	2,471	2,846	3,345	2,901	2,387
Overall balance	-368	-398	-397	-252	-345	-427	-229	-226
Financing	320	209	394	223	294	329	85	373
Project loans	155	232	309	274	207	122	118	78
Programme loans	102	31	25	0	4	0	49	128
Domestic revenue as % of government expenditure	61	56	63	68	69	68	74	74
Grants as % of government expenditure	18	24	18	22	19	20	18	16
Balance after grants as % of government expenditure	-21	-20	-18	-10	-12	-13	-8	-9
Domestic revenue as % of GDP	13	14	16	16	18	19	17	16
Balance after grants as % of GDP	-4.5	-4.8	-4.5	-2.4	-3.1	-3.5	-1.8	-2.1

Source: IMF.

ODA also plays an important role in funding the government budget. In 2009, 24% of the government expenditure was financed by external grants and another 13% by project and programme loans. That year, not more than 56% was financed by domestic revenue. The share of domestic revenue in funding total government expenditure is increasing. In 2014, this contributed to 74% of total government expenditure. Domestic revenue (as % of GDP) is low, but increased to 19% in 2013. Because of economic growth and the increase in domestic revenue, the share of aid is going down slowly, though about 25% of the government budget is still funded through grants and programme and project loans.

## 2.5 Challenges

As one of the poorest countries in the world, Burkina Faso faces many challenges. A first challenge is regaining political stability. The Compaoré government did not act on repeated promises of change, and this contributed to social unrest. The fall of President Compaoré's regime has not solved the root causes of the social turbulence.

A next challenge is the young and rapidly growing population. At current fertility rates, the overall population is doubling with each generation, which has negative repercussions for poverty reduction, and the education and health sectors (World Bank, 2015). The rapid population growth is making it imperative to create jobs. About 70% of the population is under the age of 30 and approximately 50% under the age of 15. The government must ensure that economic growth will be inclusive and has a significant impact on the high poverty levels. The high level of predominantly rural poverty is threatening to undermine development (World Bank, 2015). Gender disparities and considerable differences in public service delivery continue to exist in the areas of health and education. The inferior performance of these sectors contributes to the country's low HDI score. The influx of refugees from neighbouring countries, mainly Mali, is putting pressure on public resources and food security (World Bank, 2015).

| 17 |

In order to achieve sustainable growth, Burkina Faso needs to diversify its economy and enhance competitiveness (World Bank, 2015). In order to realise this, the government has to develop a favourable institutional framework for private sector growth, while at the same time ensuring that the poorest groups will benefit from the results. The IMF (2014) mentions the following constraints for inclusive growth:

- unreliable and expensive electricity supply;
- the economic and social infrastructure gap (especially education);
- limited access to financial services;
- prevalence of (youth) unemployment or underemployment; and
- the need for a stronger judiciary.



3

## The process of phasing out

### 3.1 Introduction

The Netherlands has had a long bilateral aid relationship with Burkina Faso, for almost 40 years. The Dutch embassy in Ouagadougou played a key role in the aid harmonisation process and the implementation of the Paris Agenda in the country. Nevertheless, in 2011 the Netherlands decided to end its bilateral support to the country, despite its role as a main donor.

The embassy in Ouagadougou tried to minimise the negative impact within the limits of a quick exit. This chapter concludes that this approach had advantages as well as disadvantages. The Netherlands did not succeed in providing convincing arguments for its exit, and therefore it was never understood by other stakeholders.

### 3.2 Background: the Dutch role before phasing out

Dutch aid to Burkina Faso started in the 1970s mainly as emergency relief in response to the food crisis in the Sahel region. Later on it focused on agriculture, the environment, water supply and, increasingly, rural development (Van der Linde and Terwindt, 2005). During the 1980s and 1990s, the Netherlands also provided macro-economic programme aid (balance of payments support). Dutch support accelerated after 2000, when the country became one of the 22 partner countries where the Netherlands wanted to implement the sector-wide approach (SWAp). Arguments for selecting Burkina Faso included (Van der Linde and Terwindt, 2005):

- it was one of the least developed countries in the world, and there was an urgent need to find external financing for development programmes. Support from the Netherlands would have a high value added;
- IMF and the World Bank were positive about the financial and economic policies of the country: good implementation of the structural adjustment programmes, prudent fiscal policy, low inflation rate and a stable balance of payments;
- measures were taken to reform the civil service and strengthen public finance management, and corruption was relatively low compared to other African countries; and
- the decentralisation process and the democratisation of the political processes contributed to a positive score on good governance.

Project aid would be progressively replaced by less earmarked sector-wide approaches, and, from 2001 onwards, general budget support. At first the Netherlands prioritised education, health, agriculture and local government; in 2003 the sector choice was limited to education, health and local government. From 2001 onwards, the Netherlands provided general budget support. Dutch support peaked in 2008, when the Netherlands provided extra support to the education sector.

Between 2003 and 2013, the last year of bilateral development cooperation, Dutch bilateral support to Burkina Faso totalled USD 600 million (on average USD 55 million annually),

of which more than 40% was provided as general budget support, almost 30% as support to the education sector and 18% to the health sector (including HIV/AIDS and SRHR). With GBS, the Netherlands contributed to the funding of Burkina Faso's Cadre stratégique de lutte contre la pauvreté (CSLP). The Netherlands was the largest bilateral GBS donor in Burkina Faso during those years.

	2006	2007	2008	2009	2010	2011	2012	2013
General budget support	23	26	29	29	24	29	23	24
Education	18	26	43	21	16	13	10	11
Health, HIV/AIDS and SRHR	8	12	13	13	13	10	8	8
Good governance and human rights		1	3	4	1	1	1	
Other	6	1	1		1	1		
<b>Total</b>	<b>55</b>	<b>65</b>	<b>89</b>	<b>66</b>	<b>55</b>	<b>54</b>	<b>41</b>	<b>43</b>

Note: Figures may not add up exactly to the totals due to rounding off.

Source: Netherlands Ministry of Foreign Affairs.

Together with other European donors, the embassy aimed to enhance the division of labour by implementing the EU Code of Conduct on Complementarity and Division of Labour (2007). This code of conduct urges member countries to focus on a limited number of priority countries, to operate in no more than three sectors per partner country, to limit the number of active donors per sector to a maximum of five, and to ensure the involvement of at least one donor with appropriate competence in every sector relevant for poverty reduction. The Netherlands collaborated with Denmark and Sweden with a stronger role for the Netherlands in the social sectors (education and health), enabling the other two countries to focus more on other sectors (including rural development, water and the environment).

For 2008-2011, Dutch bilateral support was based on several (related) strategic focus areas (MASP, 2008-2011):

- *aid effectiveness, the policy dialogue and the fight against poverty*, through a mix of modalities, including general budget support, thereby enabling the embassy to promote harmonisation and alignment, transparency and accountability, inclusive growth and (gender) equality and improvement of public finance management (PFM);
- *good governance and human rights*, through support to civil society organisations (CSOs) and decentralisation processes, contributing to improved public services (including health and education) and enhanced transparency and local accountability;
- *control of corruption*, through the embassy's role as a catalyst to strengthen, reform and ensure the independence of organisations for internal and external control and support to CSOs;
- *gender*, the promotion of women's rights, gender equality and the fight to stop abuse and violence against women. A main gender programme to integrate women into the army;

- *education, focusing on basic education*, through support to the (basic education) sector plan (Plan Décennal de Développement de l'Éducation de Base, PDDB), supported by donors through the *Cadre Partenarial*, as well as support to non-formal education; and
- *health, SRHR and HIV/AIDS*. The embassy had been supporting the national health sector plan, the Plan National de Développement Sanitaire (PNDS) since 2002. Continued support to help further reduce disease and mortality rates, including mother, infant and child mortality. In addition, the embassy promoted SRHR.

The embassy envisaged supporting and promoting *good governance and human rights* via two instruments: (i) by providing general budget support, accompanied by an active policy dialogue that focused, among other things, on good governance issues, and (ii) by providing support to civil society organisations (CSOs) that promote good governance. The organisations included Laboratoire Citoyennetés, the Centre de Gouvernance Démocratique, the Centre de Presse Norbert Zongo, the Réseau National de Lutte Anti-corruption (REN-LAC) and Carrefour International de Théâtre.

In the *education* sector, the Netherlands chaired the Development Partner Group between 2007 and 2009. The embassy wanted to strengthen harmonisation and alignment, ensure a more effective and efficient division of labour among donors, and encourage developments towards sector budget support, to be achieved by 2011 (see chapter 5).

| 21 |

In the *health sector*, the Netherlands was the only major bilateral donor, also acting on behalf of silent partner Sweden. The embassy was *chef de file* (leader) of a small donor group that supported the basket fund (see chapter 6). It aimed to enhance a harmonised and aligned approach, strengthen the health infrastructure and institutional capacity and promote SRHR issues.

### 3.3 The exit process

In 2010, a new government in the Netherlands decided to reduce the number of partner countries to 15. This meant that the Netherlands would phase out its bilateral development relationship with 18 countries. The country selection was based on seven criteria: the prospects of achieving development objectives, also as a result of the perceived Dutch value added;

- income and poverty levels in the partner countries concerned;
- a 'quick scan', showing in which countries the Netherlands would have something to offer on the prioritised themes;
- Dutch interests;
- the financial scope of the existing aid programme and possibilities of reducing it;
- the quality of governance, including democratisation, respect for human rights and combating corruption in partner countries; and
- the potential to help reduce the number of missions abroad.

The selection was not, and could not be, a mathematical exercise. Political arguments played a role and several criteria had the potential to conflict in practice. For instance, the Netherlands intended to continue providing support to fragile countries, but almost by definition the quality of governance in these countries is low.

The decision to phase out bilateral support to Burkina Faso would prove to be one of the most debated decisions. The main argument was that the country programme (budget support, education and health) did not fit in with the Dutch government's new priorities (focusing more on productive sectors). In addition, the Netherlands wanted to close two embassies in sub-Saharan Africa, and the Netherlands already had a strong presence in West Africa. Dutch interests played a role as well. Benin (with its harbour in Cotonou) was more important for Dutch foreign trade than landlocked Burkina Faso. In 2010, Dutch exports to Benin were almost nine times as high as exports to Burkina Faso.<sup>4</sup>

In order to ensure a smooth and sound exit, the ministry in The Hague had asked the embassies in question to develop an exit strategy, including a timetable and an assessment of the possibilities for ending or handing over Dutch funding of development cooperation programmes and projects to other partners. The exit strategy should adhere to the recommendations of the joint exit evaluation of 2008 (Slob and Jerve, 2008) and the Dutch reaction on this evaluation (TK, 2008-2009, 31 250, no. 56). Specifically, the recommendations demanded:

1. timely communication at a political level with the countries in question;
2. involvement of stakeholders in the process;
3. development of a realistic timetable with input from the countries in question;
4. flexibility in the allocation of budgets;
5. respecting existing obligations and political commitments;
6. to take into account the existing institutional capacity of recipient countries, in order to prevent the loss of capital and to ensure the sustainability of results.

### Timely communication

The embassy communicated its decision to phase out to the Burkinabe government in a timely fashion. When it became apparent that the State Secretary for Foreign Affairs might decide to end the bilateral development cooperation relationship with the country, the embassy urged the Burkinabe government to take action. However, the Burkinabe ambassador in Brussels, who wanted to have a meeting with the Minister of Foreign Affairs, was received by the deputy director of the Africa Department. When the Burkinabe government was eventually officially informed about the Dutch intention to phase out the bilateral aid relationship, it faced other challenges as well, especially the social unrest and protests that were taking place in the country at the time. Moreover, in June 2011 there was a change of government in Burkina Faso.

<sup>4</sup> Since then, exports to Benin have gone down, while exports to Burkina Faso have increased. In 2014, Dutch exports to Benin were 2.6 times as high as Dutch exports to Burkina Faso.

In March 2011, the ministry informed the embassy that the Netherlands would end the bilateral development relationship with Burkina Faso. The *note verbale* for the Burkinabe government stressed that the Dutch government intended to fulfil its commitment to spend 0.7% of its GNP on development cooperation in accordance with the internationally agreed norm. However, the note also mentioned the desire to enhance the effectiveness of development cooperation by focusing bilateral aid on a smaller number of countries. The decision to also close the embassy in Ouagadougou was taken in May 2011.

The Netherlands ambassador explained the Dutch decision in meetings with the Burkinabe Minister of Foreign Affairs and the Prime Minister. The former was taken by surprise; the latter, who had been briefed by the Minister of Foreign Affairs, reacted more diplomatically. Nevertheless, it was difficult to understand the Dutch decision in the context of the instability in the region and the decision to keep stronger countries (such as Ghana) on the list. Moreover, the Burkinabe government feared that the Dutch decision would trigger the exit of other donors as well.

After having discussed the Dutch exit with the Ministry of Foreign Affairs and the Prime Minister, the embassy also informed other ministers and other partners. For the sector ministers (health and education), the Dutch decision came as a big surprise and a nasty blow. The Netherlands promised Burkina Faso that it would remain eligible for Dutch central funding, but this was not very realistic given the closure of the embassy.

| 23 |

One of the embassy's priorities was to avoid the perception that the Dutch exit decision was linked to the political situation in Burkina Faso in the first half of 2011. In 2012, the ambassador gave an interview in a local newspaper to explain the background of the decision. However, as much as the embassy has tried to justify the Dutch exit, these reasons have never been understood. The exit decision also had an impact on the relations between the two countries. The Dutch ambassador in Mali was not able to present his credentials to the president of Burkina Faso.

The embassy's management showed no interest in conducting a study on the results of 40 years of bilateral development cooperation in Burkina Faso. This limited the possibility of propagating the role of the Netherlands in Burkina Faso, which could have alleviated the disappointment about the (quick) exit. Second, the embassy underestimated the potential role of such a report in the discussion in the Netherlands. One of the main criticisms of some observers of Dutch development cooperation is that the ministry does not show results. Third, such a study could have provided more insight in the dynamics of providing aid over a long period, such as the 40-year relationship with Burkina Faso. It could also be of value for future exit decisions (or even for defining a time horizon of on-going support in other countries).



### Involvement of stakeholders in the process

The embassy developed its exit strategy in consultation with other donors and its Burkinabe partners. Nevertheless, the strategy, written in Dutch, did not mention the results of these consultations, but only the embassy's proposals. The embassy consulted with the EU on the health sector, with UNICEF on health and education, and with Luxembourg on education to redress the negative effects of the Dutch exit. UNICEF agreed to take over the management of the Dutch programmes in the education and health sectors for 2012 and 2013, thereby enabling the embassy to disburse as much as possible until 2013. UNICEF acted as an implementing organisation for the Netherlands during the exit period. Furthermore, UNICEF agreed to engage in the policy dialogue.<sup>5</sup> For the education sector, the Netherlands managed to persuade Luxembourg to support the (basic) education sector in 2014 and 2015. It was a rather lucky coincidence that Luxembourg had just decided to increase its support to Burkina Faso for these two years.

In other cases, consultations were limited. For instance, while there was a kind of agreement that Denmark would stay in Burkina Faso and the Netherlands in Benin, the exit strategy does not mention what this would mean for the division of labour between the two donor countries. In practice it appears that this coordination was limited (see table 3.2). For instance, the Netherlands had not discussed the Dutch exit in the education sector with Denmark. The latter had already decided to withdraw from the education sector, though Denmark's exit would take longer than the Netherlands' (IS July 2011, p. 32).

	2008	2009	2010	2011	2012	2013	2014
<i>Burkina Faso:</i>							
The Netherlands	89	66	54	54	41	43	
Denmark	36	25	34	43	44	47	70
<b>Total Burkina Faso</b>	<b>124</b>	<b>91</b>	<b>89</b>	<b>97</b>	<b>85</b>	<b>89</b>	<b>70</b>
<i>Benin:</i>							
Netherlands	35	42	31	28	21	38	43
Denmark	44	49	39	37	32	17	1
<b>Total Benin</b>	<b>80</b>	<b>91</b>	<b>71</b>	<b>65</b>	<b>53</b>	<b>55</b>	<b>43</b>
<b>Total</b>							
Total Netherlands	124	108	86	82	62	81	43
Total Denmark	80	73	74	80	76	64	71

Source: OECD/DAC (CRS data).

<sup>5</sup> UNICEF had been a partner in the education and health sectors for many years, had a good track record managing donor funds and had the capacity to support the development of innovative strategies. In addition, it was assumed that this procedure would enhance UNICEF's leverage in the policy discussions with the government.

The two countries did not take over the other partner's sectors. Denmark is hardly active in Burkina Faso's education and health sectors, and it has hardly increased general budget support. The budget increase in 2014 was for support to the telecommunications sector. In Benin, the Netherlands did take over the Danish role in the water sector, but not in the education sector. Overall, the two donors' support to the two recipient countries has decreased (by 30% in comparison with 2010). Danish support was stable, but the Netherlands halved its budget for the two countries.

### Respecting existing obligations

In general, the Netherlands respected existing obligations. While the embassy aimed to exit quickly, it also intended to provide funding for as long as possible until the closure of the embassy in order to give the Ministry of Health and Ministry of National Education and Literacy more time to fill the emerging gap. In order to allow the continuation of funding despite the dwindling number of embassy staff, in 2012 it transferred the management of Dutch support to the education sector to UNICEF, with which it had a close working relationship. This had the advantage of allowing a quick exit while giving the two ministries (and FONAENE, see chapter 5) time to find alternative funding. Through UNICEF, the Netherlands was able to continue its support to the education sector until the end of 2013, even though it had no legal obligations after 2011. For general budget support, however, the Netherlands had cancelled the performance tranches of 2012 and 2013. Moreover, less attention was devoted to the impact of the withdrawal of one of the major bilateral donors that had been operating in the country for 40 years. While the exit strategy outlined the challenges that would arise in several sectors, there was no strategy for reducing the commensurate risks.

| 25 |

### Development of a realistic timetable and flexibility

When the exit decision had been taken, the embassy opted for a quick phasing out (within two years). The argument was that as soon as other partners know that you intend to leave the country, you have no influence anymore. However, the limited timeline of the exit limited the possibilities for consultation and reduced the possibility to take into account the interests of the recipient partners in a flexible way. In the health sector, for instance, the Netherlands was the only remaining donor providing un-earmarked sector support. Because 80% of the un-earmarked funds were used for SRHR-related expenses, the collapse of the pooled donor fund put increasing pressure on this subsector. The Netherlands extended contributions by an additional year (2013), but the State Secretary for Foreign Affairs did not allow an extension beyond 2013.

Sweden also decided to phase out its support to Burkina Faso in 2012. Although Sweden is not one of the largest donors, it took much more time for its exit. In its exit strategy, Sweden intended to end bilateral development cooperation by the end of June 2016. The Swedish exit strategy was based on two key principles:

- honouring existing agreements; and
- providing complementary support with a focus on sustainability by safeguarding previous investments and achieved results.

Unlike the Dutch embassy, Sweden opted for a gradual exit.

### Taking into account the institutional capacity of the recipient

For many people, including the embassy, the Dutch intention, and later on the decision to phase out its bilateral aid relationship with Burkina Faso, came as a surprise. Initially, the embassy in Ouagadougou had the impression that Dutch bilateral support to Burkina Faso was not in danger. In 2010, the embassy had become a member of the donor troika, which coordinates all donors providing support to Burkina Faso and acts as the main interlocutor with the government on behalf of the donors. Moreover, given the indicators that would be used for the selection, it was rather unlikely that the ministry would select Burkina Faso as one of the exit countries. According to an internal analysis of the ministry, Burkina Faso had a considerably positive score in terms of progress on the MDGs (Millennium Development Goals), macro-economic discipline, the business environment, and increasing domestic revenue collection to finance the government budget. The Dutch Scientific Council for Government Policy, which had advised the government to reduce its number of partner countries, pinpointed Burkina Faso as an example (in fact the only one) of a country where the presence of the Netherlands had value added. The embassy reiterated this conclusion in its 2010 annual report. In December 2010, in an appraisal of the government of Burkina Faso's budget, the embassy concluded that the budget still depended – to the tune of 40% – on donor support and that budget support was important for maintaining macro-economic stability and achieving the new PRSP (SCADD). In its exit strategy (drafted in 2011; see below), the embassy warned that the Dutch exit would not be without consequences. The country still depended a great deal on foreign aid, while foreign direct investment was too low to achieve the necessary investments in infrastructure and the strategic sectors. The new development strategy (SCADD) would inevitably face a sizeable deficit. Nevertheless, in spite of all reservations, the management of the Dutch embassy also assumed that the Burkinabe government should be able to accommodate the exit.

| 26 |

## 3.4 Conclusion

It is interesting to confront the Dutch exit decision with the original arguments for selecting Burkina Faso as one of the 22 partner countries in the first place in the late 1990s:

- Burkina Faso was one of the least developed countries in the world and there was an urgent need to provide external financing for development programmes. Although several donors were operating in the country, (additional) support from the Netherlands would have a high value added;
- IMF and the World Bank were positive about Burkina Faso's financial and economic policies: good implementation of the structural adjustment programmes, prudent fiscal policy, low inflation rate and a stable balance of payments;
- measures were taken to reform the civil service and strengthen public finance management, and corruption was relatively low compared to other African countries; and
- the decentralisation process and the democratisation of the political processes contributed to a positive score on good governance.

These arguments were still valid in 2010, maybe with the exception of corruption and democratisation. Nevertheless, despite a lack of progress, corruption is still relatively low compared to other African countries, and political events after 2010 showed a relatively peaceful political transition with the election of a new president. The relative stability of the country, in the past an argument for providing support, had become an argument for ending aid.

Moreover, the way the exit was linked to the decision to close the embassy is remarkable, as the closure of the embassy actually drove the decision to end bilateral development cooperation rather than the other way round.

One of the official arguments was that there were many donors operating in Burkina Faso. However, this argument ignores the fact that most of these donors were much smaller. In a process that aims to improve the efficiency of aid delivery, it would make more sense if a smaller donor would phase out rather than one of the major bilateral donors. Had the Netherlands taken the argument of aid effectiveness seriously, there would have been more coordination with other donors, especially with Denmark. But at this point the process was focusing on the exit, rather than on a more effective division of labour.



4

## General budget support

## 4.1 Introduction

This chapter sketches the background of the provision of general budget support (GBS) in Burkina Faso, the Dutch role and the consequences of the Dutch exit. The share of GBS in financing government expenditures has decreased as a result of economic growth (and increased domestic revenue) as well as lower disbursements. Nevertheless, the modality remains relevant for maintaining macro-economic stability and providing support to social sectors. GBS provided by the Netherlands amounted to 0.2%-0.3% of the Burkina Faso GDP and 1%-2% of the government revenue. Had the Netherlands continued to provide GBS, the 2014-2015 budget deficit would have been 20% lower.

Overall, ending bilateral Dutch aid (on average about USD 50 million) equated to 0.4% of Burkina Faso's GDP and 2%-3% of the government's revenue. Had the Netherlands continued bilateral support in 2014, it could have reduced the deficit by 45%. Both GBS and total bilateral support (of which about 90% was provided through the public sector) may not have been used to reduce the deficit, though the government had to fill the gap left behind. In the past, about 45% was provided as GBS, 33% as support to the education sector and 18% for health. Research shows that in practice about 80% of GBS was used for education and health. Therefore, the ending of bilateral support in Burkina Faso had an especially strong impact on these sectors.

| 29 |

## 4.2 GBS in Burkina Faso

In 2001 various donors, including the Netherlands, started providing general budget support (GBS) to Burkina Faso to help fund the government's poverty reduction strategy, the *Cadre stratégique de la lutte contre la pauvreté* (CSLP).<sup>6</sup> Donors and the government signed a Memorandum of Understanding in order to coordinate and harmonise the provision of GBS. That memorandum was further elaborated in the *Cadre Général d'organisation des Appuis Budgétaires* (CGAB) signed in 2005.<sup>7</sup>

Up to 2010, the performance and results of GBS were monitored and reviewed on the basis of a set of indicators put together in a performance assessment framework (PAF), which was updated and revised every year. Most of the PAF indicators were derived from the CSLP and the programme for strengthening public finance management (PFM). In 2010-2011 it was decided to assess the GBS performance and results on the basis of the performance matrices of the SCADD, the sector development programmes and the PFM reform programme.

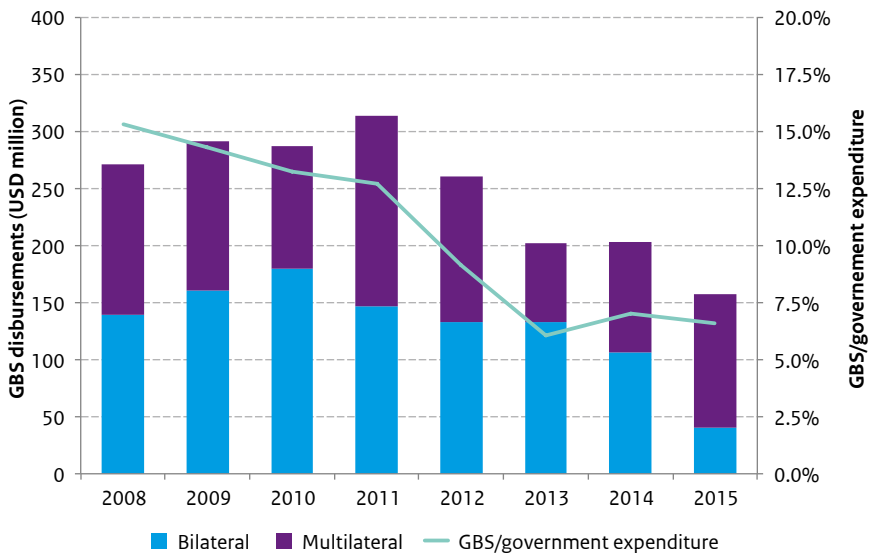
Figure 4.1 provides an overview of the GBS provided to the government of Burkina Faso during the years 2010-2015. During those years, nine donors provided GBS, including the Netherlands (up to 2013). The total amount of GBS decreased from about USD 300 million per year in 2010-2011 to about 200 million per year in 2013-2014. GBS as a percentage of total

<sup>6</sup> The first donors providing GBS were: the EU, the Netherlands, Sweden, Switzerland and the World Bank, followed in 2002 by France and the African Development Bank.

<sup>7</sup> The CGAB is still operating today, after having undergone a revision in 2012.

government expenditures dropped from 14% in 2010 to 7% in 2014. The reduction of GBS disbursements was caused by the Dutch and Swedish exits, as well as lower contributions from other donors. In addition, the substantial increase of government expenditures made possible by improved tax collection, increased revenues from the gold mining sector and a higher level of development aid grants had an impact on the ratio.

**Figure 4.1** General budget support disbursements 2008-2015 (in USD million)



Sources of GBS data: DGCOOP/DSPF; European Delegation; OECD/DAC CRS data (2008-2009).  
Source of total government expenditure: IMF reviews.

GBS has helped to improve the indicators of the country's PRSPs by giving the government additional means to implement them (Particip, 2016). An evaluation of the first three years of the SCADD (2011-2013) (ESSOR, 2014) concluded that progress had been made on economic growth and poverty reduction. In addition, the targets for reducing the number of underweight children below the age of five years, reducing child mortality, increasing vaccination rates and reducing gender disparity in primary schools had been achieved, while access to safe drinking water in urban areas and mother and child health care had improved significantly. An in-depth evaluation of GBS provided to Burkina Faso during the years 2009-2014 (Particip, 2016) concluded that budget support:

- had made an important contribution to macro-economic stability and was essential in helping the country to cope with external shocks and ensure significant economic growth;
- had a limited impact on reducing (income) poverty, because the country's model of economic growth was not inclusive;



- contributed, together with the policy dialogue, to preserving and increasing sector budget allocations, especially in education and health, and made significant progress in service provision; and
- has helped to strengthen the role of civil society in its demand to strengthen oversight functions and fight corruption. Budget support was less effective in getting gender issues on the agenda.

Nevertheless, serious challenges remain, especially in rural areas. The SCADD evaluation noted that insufficient progress had been made in primary school enrolment rates, access to safe drinking water in rural areas, expanding sanitation facilities and strengthening the role of women in politics. There is a long way to go to eradicate income and non-income poverty. Sanitation also remains a serious challenge (Particip, 2016).

### 4.3 GBS provided by the Netherlands

The Netherlands provided GBS to Burkina Faso from 2001 onwards (IOB, 2012). During the years 2008-2013, the Netherlands was the fourth largest GBS provider, after the World Bank, the EU and the AfDB, and by far the largest among the bilateral GBS donors. During those years it funded about 10% of all GBS disbursed in Burkina Faso. The provision of GBS was subject to three preconditions:

- maintenance of macro-economic stability, including satisfactory implementation of the macro-economic programme agreed with the IMF in the context of the Poverty Reduction and Growth Facility (in 2010 superseded by the Extended Credit Facility);
- satisfactory implementation of the strategy to strengthen public finance management, as defined in the SRFP up to 2010 and the POSEF from 2011 onwards;<sup>8</sup> and
- satisfactory implementation of the poverty reduction strategy as defined in the CSLP up to 2010 and the SCADD from 2011 onwards.

Furthermore, Burkina Faso had to comply with the ‘underlying principles’ of development cooperation in general and the provision of GBS in particular. These underlying principles were: (i) respect for human rights and democratic principles, (ii) maintain the rule of law, and (iii) good governance, including the fight against corruption.

Up to 2010, the EKN played a prominent role in the GBS donor group and the policy dialogues with the government of Burkina Faso regarding the provision of GBS, the design and monitoring of the poverty reduction strategy and PFM reform. The EKN chaired the GBS donor group in 2007 and the PFM donor group in 2009. It has provided a major contribution to the design and effective functioning of the CGAB and the PFM support coordinating mechanisms and has helped to promote the principles of the Paris Declaration (strengthening alignment, donor harmonisation and partner country’s ownership). These contributions were highly appreciated by all interviewed stakeholders

<sup>8</sup> SRFP = Stratégie de Renforcement de la gestion des Finances Publiques; POSEF = Politique Sectorielle de l’Economie et des Finances.



and were made possible because of the expertise and capacity of the EKN staff and the amount of GBS provided by the Netherlands.

The last Dutch-funded GBS programme was approved in March 2009 with a total budget of EUR 110 million (about USD 148 million) for the years 2009-2013 (see table 4.1). The 2009-2013 GBS programme was composed of fixed and performance tranches. The fixed tranches could be disbursed annually as long as the three main preconditions were met and the underlying principles respected. Disbursement of the performance tranches was also subject to meeting those three preconditions and underlying principles, but also to meeting a few<sup>9</sup> additional conditions aimed at strengthening certain aspects of the government's policies and strategies. These additional conditions were meant (i) to provide additional incentives to the government to improve the issues in question, (ii) to signal issues to which the Netherlands gave high priority, and (iii) to deepen the policy dialogue about these issues. These additional conditions would be chosen each year by the EKN (two years in advance of the year of disbursement). The issues selected for the disbursement of the first performance tranche in 2011 were: (i) introduction of the programme budgeting system in at least three ministries, (ii) at least 45% of the procurement contracts must be signed within the validity period of the tenders, and (iii) physical inspection by the internal auditor of the Ministry of Finance of more than 20% of the value of procured goods and services.

	2008	2009	2010	2011	2012	2013
Fixed tranche	28.8	28.5	27.1	25.0	23.1	23.9
Variable tranche				7.0	6.5	6.6
<b>Total budget</b>	<b>28.8</b>	<b>28.5</b>	<b>27.1</b>	<b>32.0</b>	<b>29.6</b>	<b>30.5</b>
Actual disbursements	28.8	28.5	23.8	28.5	23.1	23.9

Source: Netherlands Ministry of Foreign Affairs.

Because the three GBS preconditions and the underlying principles received a satisfactory assessment, the fixed tranche of 2009 was disbursed as planned – but in 2010 only USD 27.1 million was disbursed because of budget constraints in the Netherlands. The shortfall was disbursed in 2011. However, the performance targets outlined in the disbursement conditions for the 2011 performance tranche were not met and the performance tranche was not disbursed. In the indicative financial framework of the exit strategy, issued in May 2011 by the Dutch Ministry of Foreign Affairs, it was announced that the Netherlands would uphold (most of) its commitments in the ongoing GBS agreement until 2013, but that the GBS performance tranches of 2012 and 2013 had to be cancelled because of budget constraints in the Netherlands. The embassy informed the Ministry of Economy and Finance in July 2011 that one of the targets of the four disbursement criteria of the performance

<sup>9</sup> Four at most. The targets of all indicators had to be met before the performance tranche could be disbursed. Partial payment of the performance tranche would not be considered.

tranche of 2012 had not been met and that thus only the fixed tranche of USD 23.1 million would be disbursed in 2012.<sup>10</sup>

## 4.4 The impact of ending budget support

In 2008 Dutch bilateral ODA peaked at USD 89 million, 18% of total bilateral ODA to Burkina Faso (and 9% of total ODA) and comparable with 6% of government expenditure. Three years later, bilateral support returned to a level of about USD 54 million, about 3% of the government budget. In 2014, this amount would have been enough to fund 2% of the government expenditure or to reduce the budget deficit by 45% (see table 4.2).<sup>11</sup>

General budget support was an important instrument in the Dutch bilateral development cooperation with Burkina Faso. The Netherlands was one of the main GBS providers, the largest among bilateral GBS donors. Between 2008 and 2013, the Netherlands provided 10% of all GBS disbursed in Burkina Faso (and 40% of the GBS provided by bilateral donors). Total GBS dropped considerably in 2013 – the last year of Dutch support – due to (i) the ending of Swedish GBS, (ii) the decrease of GBS provided by the World Bank, and (iii) the temporary discontinuation of GBS provided by the African Development Bank. Had the Netherlands continued providing GBS in 2014 at the 2011 level, this would have increased total GBS by 13% and government revenues by 1%. It would have been comparable to 0.2% of Burkina Faso's GDP, and it would have enabled the Burkinabe government to reduce the deficit (after grants) by about 20% (assuming that the money would not have been used to increase spending).

<sup>10</sup> The four criteria were: (i) elaboration and approval of a strategy for the introduction of programme budgeting, (ii) realisation of an audit of public procurement in 2008 and 2009, (iii) at least 30% of the procurement contracts signed within the validity period of the tenders, and (iv) at least 85% of the public procurement contracts should be based on open public tendering, while restricted tendering should be less than 10% and direct contracting less than 5%. The target of the first criterion was not met.

<sup>11</sup> About 90% of bilateral support was provided through the public sector.

	2008	2009	2010	2011	2012	2013	2014*	2015*
NL GBS (USD million)	29	29	24	29	23	24	27	25
NL GBS as % of total GBS	11%	10%	8%	9%	9%	12%	12%	11%
NL GBS as % of the deficit before grants	9%	7%	6%	8%	5%	4%		
NL GBS as % of deficit after grants							24%	18%
NL GBS as % of government revenue	2.0%	1.7%	1.3%	1.3%	0.9%	0.8%	1.0%	1.1%
NL GBS as % of GDP	0.3%	0.3%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%
NL total ODA (bilateral support)	89	66	55	54	41	43	51	47
NL ODA / Total bilateral ODA	18%	14%	12%	11%	8%	8%	8%	
NL / Total ODA	9%	6%	5%	5%	3%	4%	4%	
NL ODA as % of the deficit before grants	29%	16%	14%	14%	9%	8%		
NL ODA as % of deficit after grants							45%	35%
NL ODA as % of government revenue	6%	4%	3%	2%	2%	1%	2%	2%
NL ODA as % of GDP	1.1%	0.8%	0.6%	0.5%	0.4%	0.4%	0.4%	0.4%

\* For 2014 and 2015, had the Netherlands continued bilateral support, including GBS, at 2011 levels.

Source: Netherlands Ministry of Foreign Affairs; OECD/DAC CRS data; IMF.

While it is instructive to make a connection between Dutch support and the Burkina deficit, it is more likely that the deficit had an impact on expenditures. In 2014, the government had to reduce expenditure due to a lower economic growth rate and disappointing revenue, including aid. The assumption that other donors would take over the Dutch role and funding levels proved to be overly optimistic.

GBS helped to fund the implementation of the national development programmes that aimed to reduce poverty and promote economic growth. The government of Burkina Faso lost one of its funding sources for the implementation of the SCADD when the Dutch contribution was ended, which implies that it will be more difficult to reach the economic and social goals of that national development programme. Other evaluations confirm this conclusion (Lawson, 2014). In 2012, IOB concluded, based on an extensive literature review as well as econometric research, that in general governments have used budget support to increase budgets for the social sectors (see also De Kemp and Dijkstra, 2016). In this way, ending Dutch GBS has had a negative impact on the speed and level of achievement of the overall objectives of the national strategy for promoting economic growth and poverty

reduction. On average about 70%-80% of the provided budget support goes directly to the social sectors (with 1/3 going to the health sector and 2/3 to the education sector). Therefore, had the Netherlands continued to provide GBS at the level of 2011 (about USD 25 million), there would have been additional resources available for the health sector of about USD 6 million and for the education sector about USD 13 million. Chapters 5 and 6 discuss the impact on these sectors.

The EKN's withdrawal from the policy dialogue and coordination processes notably weakened the capacity of the entire donor group to carry on with these processes. This was further exacerbated in 2012 by Sweden's announcement to phase out its bilateral aid programme as well (and it stopped providing GBS from 2013 onwards). For many years, the Netherlands, Denmark and Sweden were the strongest promoters of the Paris Declaration principles and were the custodians of the cohesion within the GBS and PFM donor groups. The departure of the Netherlands and Sweden implied that the donors had less capacity to contribute constructively and effectively to the design, improvement and monitoring of the government's poverty reduction and economic growth policies. However, there are also signs that the appetite for general budget support is waning on both sides of the funding line. On the donor side, this is visible in the shift from programme support to project aid. However, there are also signs suggesting that for the government the policy dialogue and conditionalities attached to the provision of budget support have become too demanding in terms of conditions and efforts required. One of the signs is the government's reluctance to accept one of the recommendations of the GBS evaluation (Particip, 2016), namely to intensify the dialogue. As in other countries, it seems that the heyday of budget support is over. Donors have not been able to improve governance substantially through this modality, while for the recipients the instrument has become too cumbersome and they have become fed up with the (perceived) interference in internal affairs. Donors wanted the government to be in the driver's seat, but several GBS recipients felt they were just the taxi driver.

## 4.5 Conclusions

While the share of budget support in government expenditure has decreased as a result of economic growth (and increased domestic revenue) and decreasing disbursements, the modality remains relevant for maintaining macro-economic stability and providing support to the social sectors. Overall, had the Netherlands continued to support Burkina Faso, the Dutch contribution to total ODA would have been 4% and to total bilateral aid 8%. In 2014, this would have been equal to 0.4% of the GDP of the country and 2% of the government expenditure.

General budget support was one of the main instruments of the Dutch ODA for Burkina Faso. Between 2008 and 2013 the Netherlands supported Burkina Faso with USD 185 million through this modality. That was 10% of the total GBS and 40% of the GBS provided by bilateral donors (not including the EU). The Dutch exit contributed to the downward trend in general budget support disbursements. It reduced government revenue by 1%.

The decision directly affected total government expenditure, which was contracting in 2014 by 13%, due to lower revenues, including aid. Evaluations show that this has had a particular impact on funding in the social sectors, especially health and education. In spite of all the progress, these sectors remain heavily underfunded. As long as Burkina Faso remains a poor country and does not have the means to provide public services to the whole population at an adequate level on its own, then aid, including general budget support, will contribute to the achievement of development targets. The assumption that other donors would take over the Dutch role and funding levels proved to be overly optimistic.





5

## Education

## 5.1 Introduction

This chapter analyses the impact of the Dutch exit on the education sector. The Netherlands was one of the main donors and promoters of the sector-wide approach in Burkina Faso. Between 2008 and 2013, the Netherlands supported the sector with more than USD 100 million. As a result of a well-managed, though quick exit, as well as some luck, the Netherlands succeeded in limiting the negative impact of the withdrawal in the short term. A negative impact in the long run is unavoidable given the huge challenges in the sector and the large gap between the sector's needs and available funding.

## 5.2 Development

By the end of the 1990s, Burkina Faso had one of the weakest education systems in the world: only one of two children was enrolled in primary education, and of those enrolled only 60% completed the sixth year (Josselin et al., 2006; Chiche et al., 2010). Eighty per cent of the population was illiterate. In order to change this situation, the Ministère de l'Éducation de Base et de l'Alphabétisation (MEBA, Ministry of Basic Education and Literacy) in Burkina Faso launched a development plan for the basic education sector in 2002, the *Plan Décennal de Développement de l'Éducation de Base* (PDDEB, 10-Year Basic Education Development Plan). With this plan in hand, the country aimed to achieve the MDGs by 2015. The PDDEB focused on four components: (i) improving access to education and reducing socio-economic, regional and gender disparities, (ii) improving quality, relevance and efficiency, (iii) promoting literacy teaching and non-formal education; and (iv) developing institutional capacities (Van der Linde and Terwindt, 2005; Chiche et al., 2010). Several donors, including the Netherlands, contributed to the funding of the implementation of the plan through a special treasury account, the *Compte d'Affectation Spéciale du Trésor* (CAST) (Chiche et al., 2010). By 2006, 40% of the Ministry of Education's budget was externally funded. This had a particular impact on investment, 83% of which was externally funded (ACID, 2012).

Despite the progress, it became clear by the end of the plan's implementation phase that Burkina Faso would not achieve the MDGs on education by 2015. In 2012 the government adopted the *Programme de Développement Stratégique de l'Éducation de Base* (PDSEB, Basic Education Strategic Development Plan) for 2012-2021 (MENA, 2012).<sup>12</sup> This plan sought to achieve the MDGs by 2021. The plan aimed to:

1. increase enrolment in pre-primary education from 3% in 2010 to 11% in 2015 and at least 25% in 2021;
2. achieve universal primary education by 2021 with 75% of all boys and girls passing the examination (with gender parity);
3. remove bottlenecks between primary and post-primary education with a transition rate of 93% in 2015, 95% in 2021, and 100% in 2025 (with gender parity); and

<sup>12</sup> In 2010, the ministry was renamed *Ministère de l'Éducation Nationale et d'Alphabétisation* (MENA).



4. promote higher literacy rates through the support of all adolescents aged 9-14 years and literacy training for 15 years and over with special attention to at least 60% of young people aged 15-24 in 2015 and 75% in 2021, of which 60% of women.

The programme focused on further developing access to basic education, including pre-primary education and non-formal education and improving the quality of basic education and the governance structure and management of the sector.

Overall, Burkina Faso spends about 20% of the government budget on education and 16% on basic education (see table 5.1). External support to education is decreasing. In 2009, Burkina Faso received about USD 153 million external support for the education sector.<sup>13</sup> This fell to 75 million in 2012. External support for the basic education sector plan decreased from 31% in 2010 to 10% in 2013. This was partly caused by increased domestic resources, but mainly by reduced external support.

	2008	2009	2010	2011	2012	2013	2014
MENA:							
Personnel	125	132	145	171	187	206	236
Investments	22	19	54	37	46	53	63
Other	38	37	33	36	47	79	80
Total MENA (domestic, incl. FTI)	184	188	232	245	280	337	379
FTI/GPE	0	22	44	36	0	0	28
CAST	53	32	28	35	30	37	24
Externally funded projects	44	41	67	39	16	14	50
Total external to PDDEB/PDSEB	97	97	140	111	46	52	102
Total PDDEB/PDSEB	335	304	445	442	433	498	491
Total education	527	452	516	524	575	645	731
Total external support to education*	111	153	136	142	75	77	94
Basic education as % of government expenditure	15%	16%	16%	14%	16%	16%	16%
Domestic expenditure on education as % of total government expenditure	19%	20%	20%	20%	20%	20%	21%
External as % of PDDEB/PDSEB	29%	32%	31%	25%	11%	10%	21%

\* OECD/DAC plus FTI and GPE (not included in OECD/DAC data).

Source: Ministry of National Education and Literacy (MENA); OECD/DAC (CRS database); authors' calculations.

<sup>13</sup> From 2009 to 2011, Burkina Faso received support from the EFA-FTI Catalytic Fund (USD 102 million). This was provided as sector budget support with the World Bank as the supervising entity.

In 2013, the Global Partnership for Education pledged an amount of USD 78.2 million to support five priority areas: development of basic education from preschool to post-primary; reduction of disparities; improvement of the quality of education services; decentralisation of the management of the education system; and development of literacy and non-formal education. This support has been provided through CAST. In 2015, the World Bank also pledged a four-year grant of USD 50 million for an Education Access and Quality Improvement Project to support the government of Burkina Faso to increase access to pre-school education in the two poorest regions and secondary education in the five poorest regions, and to improve teaching and learning (Beegle et al., 2015).

### Impact

Even though Burkina Faso did not succeed in achieving all of the targets, the country had demonstrated great progress on education indicators, especially on access (see table 5.2). In 2010, the FTI Mid-Term Evaluation concluded that the strong focus on primary education by government and donors had helped to vastly improve primary school enrolment rates and reduce gender inequalities (Chiche et al., 2010). Donor support helped to raise the budget per pupil. In addition, the quality of budget preparation and execution had improved significantly. The evaluation of the Plan Décennal de Développement de l'Éducation de Base came to the same conclusion in 2012. The main objectives of the plan had been achieved and results exceeded expectations, including the targets on enrolment and (gender) equity (Ilbouda et al., 2012). The number of schools, teachers and classrooms had doubled. Book shortages were much lower than in other African countries, and book-pupil ratios were relatively high. Social mobilisation and better availability generated higher demand, thereby creating new challenges, as it proved to be difficult to cope with the rapidly increasing demand. Nevertheless, pupil-teacher ratios and pupil-classroom ratios did not deteriorate much and has even started to improve more recently, partly because of a large increase in the number of private schools (about 18% of the education is private).

| 41 |

Table 5.2 shows how most indicators improved between 2001 and 2014. The gross enrolment rate in primary education improved to 84% in 2014, and the primary completion rate had almost doubled in comparison with 2001: at the time, only 30% of children completed primary education; in 2014 that was almost 60%. Examination pass rates are improving as well. For the lower secondary level, results are still modest, but improving.<sup>14</sup>

<sup>14</sup> The education system in Burkina Faso resembles the French system. The formal education structure consists of three years of pre-primary, six years of primary education and four years of post-primary education. Primary education starts at the age of six. Secondary school consists of two cycles: lower secondary (grades 7-10) and upper secondary (grades 11-13). Basic education, which includes primary and lower secondary levels, is free and compulsory. Students sit for the Certificat d'Études Primaires (CEP) at the end of grade 6, the Brevet d'Études du Premier Cycle (BEPC) at the end of grade 10, and the Baccalauréat de l'Enseignement Secondaire Général at the end of grade 13.

Table 5.2 Key indicators basic education 2001-2021						
	2001	2009	2009	2014	2015	2021
	Achieved	Target	Achieved	Achieved	Target	Target
<i>Primary:</i>						
Gross enrolment rate	47%	70%	75%	84%		100%
Gross enrolment rate girls	39%	65%	71%	84%		100%
Gender parity*	0.72	0.90	0.88	0.94		1.00
Examination pass rate	63%		66%	77%		
Examination pass rate girls	59%		62%	71%		
Primary completion rate	28%		46%	58%	75%	100%
Primary completion rate girls	24%		43%	60%	75%	100%
Schools	5,400		10,200	13,831		
Teachers (x 1,000)	18.2		37.8	64.2		
Classrooms (x 1,000)	19.3		38.3	55.1		
Pupils (million)	0.94		2.05	2.71	3.20	
Pupil-teacher ratio	52		54	42		
Pupil-classroom ratio	49		54	49		
Transition rate					93%	95%
<i>Post primary (lower secondary):</i>						
Gross intake rate	15%	40%	31%	42%		
Gross intake rate girls			28%	40%		
Gross enrolment rate	14%		30%	40%		
Gross enrolment rate girls		28%	26%	38%		
Gender parity lower secondary			0.87	0.94		
<i>Adults:</i>						
Literacy rate	21%	40%	30%			

\* Based on the number of boys and girls enrolled in primary education.

Source: Ministry of Education and Literacy; ACID (2012).

## Challenges

Despite all these improvements, and partly as a result of the increased access, the country still faces many challenges. While enrolment and completion rates have improved significantly, they remain too low. Inadequate school infrastructure and overcrowded schools negatively impact access and quality (Beegle et al., 2015). The long distances to school on isolated roads are an obstacle to girls' education in rural areas. The costs of textbooks and other teaching materials, the fees schools impose on parents as well as the high opportunity costs of allowing a child to go to school make primary education unaffordable for many poor families and undermine the demand for education (World Bank, 2015).

In addition, learning achievements are below standard. In 2005 and 2007, Burkina Faso was one of the countries where less than 50% of the pupils scored less than 40% on the PASEC test (together with Benin, Congo and Chad) (ACID, 2012). The 2007 PASEC survey showed that the performance of Burkinabe pupils in literacy and numeracy had deteriorated compared to 1996. It must be noted, however, that the rapid increase in access, which made the education system less elitist and more universal, had a negative impact on overall results (Chiche et al., 2010). In 2014, Burkina Faso's scores were above average among participating (Francophone) countries, but the overall level was still rather low (PASEC, 2015).

The quality of education is low, due to an inappropriate curriculum, a lack of teachers, limited teacher-pupil contact time (less than 600 hours per year), poor teaching practices, the low education levels of teachers, and overcrowded classrooms and an inadequate learning environment (SCADD 2011; Ilbouda et al., 2012; Ginolin and Robert, 2013; Beegle, 2015). The school grants provided by the government are too low to cover the costs of good quality education. Moreover, even though the budget grew, the share of investments in the total education budget went down. The condition of schools has deteriorated despite the investments (SCADD, 2014).

Enrolment in secondary education remains low due to the concentration of secondary schools in urban areas and poor examination results in primary education (SCADD, 2014). Many children do not acquire the knowledge and skills needed for secondary education, which has resulted in high, though decreasing, repetition and dropout rates. Due to limited training capacity, many teachers are not qualified and some schools operate without maths and/or science teachers. Enrolment in institutions for technical and vocational education and training (TVET) lags far behind the targets, partly caused by high training costs and an inadequate supply. Only 6 of the 45 provinces have technical schools (SCADD, 2014).

| 43 |

The results of non-formal education are also unsatisfactory. Burkina Faso has not achieved the literacy rate target of 40% and the number of training centres and people learning to read and write was much lower than anticipated. Literacy rates are especially low for women. In 2007, 37% of the Burkinabe male adults were literate compared to 21% of the women (ACID, 2012). There is no connection between formal and non-formal education, and illiteracy rates remain much higher than in other countries in sub-Saharan Africa (SCADD, 2010). In rural areas, 90% of the youth is illiterate compared to the sub-Saharan African average of 70%. Access to TVET is minimal in both rural and urban areas (World Bank, 2015).

### 5.3 Dutch support to the education sector

In Burkina Faso, the Netherlands had been active in the education sector since the mid-1990s, supporting literacy programmes, the construction and equipping of two teacher training colleges, a programme for satellite schools, bilingual education programmes, school infrastructure, and three regional (West African) institutes of higher education and research (Van der Linde and Terwindt, 2005). By the end of the decade, the embassy became

involved in the development of the ten-year plan for the education sector, the Plan Décennal de Développement de l'Éducation de Base (PDDEB). At that point, the Netherlands became one of the lead donors in the sector, together with the World Bank and Canada.

The Netherlands was a strong supporter and promotor of harmonisation and alignment in the education sector, for example by supporting the introduction of earmarked on-budget funding through CAST and the establishment of a technical donor secretariat. It contributed to the development of the Protocole de Financement Commun to support the PDDEB and the Compte d'Affectation Spéciale du Trésor as a funding modality. As part of the harmonisation, the Netherlands entered into a partnership arrangement with Sweden and the World Bank, in which the embassy of the Netherlands was the active partner for primary education. From 2007–2009, the embassy was *chef de file* (lead donor) in the sector. In that role, the embassy helped to improve financial management, the planning system, the observance of procurement procedures and capacity building at the local level and, in 2008, and it also helped Burkina Faso prepare its application to obtain support from the EFA-FTI Catalytic Fund. It also promoted a pilot for the introduction and inclusion of mother tongue education and HIV/AIDS and SRHR in the second phase of the PDDEB. In addition the embassy helped to improve the dialogue between the government and civil society, for instance on the principle of 'faire-faire' (and the involvement of representatives of parents in the annual reviews of PDDEB). Together with like-minded donors, such as Denmark and Sweden, the embassy aimed to move towards sector budget support and integrate the separate Post-Primary Education Project in the PDDEB, resulting in a plan for the whole education sector (Van der Linde and Kouraogo, 2010). This would help to develop a more effective division of labour among donors.

	2008	2009	2010	2011	2012	2013
CAST*	18.7	9.8	9.4	9.3		
FOANENF	6.6	4.2	4.0	2.8		
UNICEF	2.8	2.6	3.0	1.4		
Post-primary education (PEPP2)**	14.4	4.3				
UNICEF (CAST/FONAENF)					9.5	11.2
<b>Total</b>	<b>42.6</b>	<b>20.8</b>	<b>16.3</b>	<b>13.5</b>	<b>9.5</b>	<b>11.2</b>

\* For 2012 and 2013 through UNICEF.

\*\* *Projet Enseignement Post-Primaire*.

Source: Netherlands Ministry of Foreign Affairs.

In addition to contributing to the funding and implementation of the national development plans, the Netherlands has funded, together with the government and other donors, the Fonds pour l'Alphabétisation et l'Éducation Non Formelle (FONAENF), the national fund for adult literacy training, created in 2002. FONAENF is an autonomous association, using public, private and external funds to finance literacy programmes of NGOs and other organisations. Non-governmental organisations may apply for funding to

implement the government approach to literacy training (including basic and further training, basic and functional French, and specific and technical skills training), or develop their own programmes. The fund has helped substantially to improve literacy programmes both qualitatively and quantitatively (Ilbouda et al., 2012). The Dutch support to FONAENF was not earmarked for specific activities.

A partnership with UNICEF aimed to improve the enrolment of girls and early childhood education, as well as capacity building within the ministry through the integration of the specific expertise of UNICEF in the areas of girls' education and management development in early childhood. The project used the CAST as funding mechanism.

From 2006-2009, the Netherlands supported a World Bank project for secondary education and vocational training, which included the expansion of both public and private service provision, and promoted increased participation of girls and children from low-income families in secondary education and vocational training.

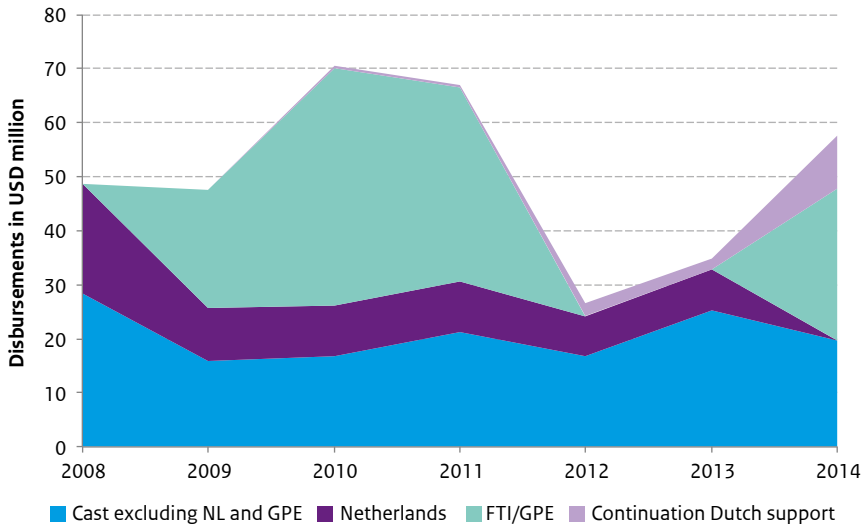
## 5.4 Impact of the Dutch exit

With the Dutch exit, the basic education subsector lost an important (bilateral) donor. Between 2008 and 2013, the Netherlands provided 34% of all external support to basic education through CAST. Only the support from the Global Partnership for Education (GPE) (including FTI) was higher, but the Netherlands was also a main funder of the GPE. A large part of the support of UNICEF to PDSEB was also funded by the Netherlands. In addition, the Netherlands funded 50% of FONAENF's resources.

| 45 |

During the years that the Netherlands phased out its support, total external support to the education sector in Burkina Faso was also decreasing. As mentioned before, the estimated total external support halved between 2009 and 2013, the final year of Dutch support. As part of the agreed division of labour, Sweden had already ended its support to the education sector in 2010. Denmark had announced that it would withdraw as well from the sector in 2014. Thanks to funding from the GPE and support from Luxembourg (for two years), total ODA recovered again in 2014.<sup>15</sup> Nevertheless, in that year total ODA to the education sector was still more than 40% lower than in 2009. Support from the GPE (USD 82 million for 2014-2017) was meant to help funding the PDSEB, rather than cushion the Dutch exit. In addition, there is a risk that after 2015, CAST's total budget (excluding GPE) will go down to a level of about USD 10 million.

<sup>15</sup> The embassy and the Ministry of Education managed to persuade Luxembourg to invest more in education in the years 2014-2015. Luxembourg supported secondary education and TVET in Burkina Faso and decided to increase its support to Burkina Faso to EUR 30 million during the years 2014-2015. In consultation with the government of Burkina Faso and the Netherlands embassy, Luxembourg decided to spend half of that amount (USD 19 million) on education through CAST.

**Figure 5.1** External support to education (2008-2014)

Source: Ministry of Education and Literacy (statistics Primary Education and Secondary Education); PDSEB; authors' calculations

| 46 |

The reduction of external funds has had a major impact on the ministry's investments. In 2008, donors funded 70% of the Ministry of National Education and Literacy's investments; in 2013 this was less than 10%; for these years the share of investments in the total budget has gone down from 35% to 20% (MENA, 2015). In spite of the GPE's support, there is a danger that the Ministry of Education and Literacy's investment budget will continue to decrease in the coming years. Until 2015, the costs of the education sector plan were estimated at USD 720 million annually, increasing to USD 1.1 billion per year for the second phase. In 2014, expenditure for basic education totalled USD 490 million, including external funds. Thus, there was already a large gap between ambition and reality. Even if Burkina Faso manages to maintain the anticipated GDP growth levels (of 7% per year), the growth of domestic resources will not be high enough to fully implement the sector plan.

While the negative impact of the Dutch exit was redressed in the short term, in particular because of Luxembourg's coincidental increase in funding for two years, the impact is negative compared to the counterfactual situation of prolonged funding. In that situation, investments in school infrastructure would have been higher. In 2010, Dutch support to the education sector in Burkina Faso totalled USD 16 million. In addition, research shows that on average about 54% of GBS (in total USD 24 million in 2010) probably would have been spent on education. Taking into account changes in the EUR-USD exchange rate, this would have equalled USD 26 million in 2013/2014. This amount is comparable with the costs of enrolling 180,000 pupils.<sup>16</sup> In the exit strategy, the embassy concluded that Burkina Faso

<sup>16</sup> In 2013, public expenditure on primary education was about USD 142 per pupil (UNESCO, 2016). The synthesis report of this evaluation also mentions a total of 150,000 pupils. This estimate is based on 2009 financial data (USD 20 million), not including the impact of GBS.

cannot keep up with the growing demand for education on its own and that ‘every school built before our departure is a bonus with Dutch funds’. Given the challenges of the sector, this is a fair conclusion. But if this conclusion is correct, this would also be true for the coming years: given the huge shortages and the discrepancy between supply and demand, the marginal benefits of extra investments would not differ much from average benefits. Continuation of the Dutch support could have made it possible, for instance, to fund the construction of 2,600 new classrooms annually. There are no calculations for the impact of improving educational resources for Burkina Faso. De Kemp and Ndakala (2011) calculated for Zambia that the construction of 2,600 classrooms would lead to an extra enrolment of 3,200 pupils. Moreover, more classrooms are needed to make effective use of a larger number of teachers. And 2,600 more teachers would attract 30,000 pupils (in addition to reducing pupil-teacher ratios).

The investments would have had a modest but positive effect on student learning outcomes. Extra investments would not only attract new pupils (or increase school attendance), but would also make it possible to reduce pupil-teacher and pupil-classroom ratios. This would have had an impact on educational results. In 2008, IOB showed that the relationship between pupil-teacher ratios in Uganda and Zambia is convex and that a large reduction of pupil-teacher ratios is needed to improve results. Other studies also demonstrate a causal link between investment in school infrastructure in developing countries and increased quality of education, as measured by test scores in primary and secondary education. Investments in school infrastructure, such as the construction or upgrading of school facilities, have a tangible effect on student learning outcomes (White, 2004; Glewwe et al., 2011; De Kemp and Ndakala, 2011; IOB, 2011a). At higher development levels, the international PISA results (OECD, 2013) show a log-linear correlation between per-pupil expenditure and results on mathematics tests. Baker (2016) revisited the literature on the relation between financial inputs and learning achievements in developed countries. The author concluded that money does matter and that average, aggregate measures of per-pupil spending are positively associated with improved or higher learning outcomes. Interventions such as smaller class sizes, early childhood programmes and better teacher qualifications are positively associated with learning outcomes.

Another impact of the Dutch exit is the loss of expertise in managing donor support programmes for the education sector, though this may be set off by an increased role for UNICEF and the World Bank. There is a danger, however, that CAST will eventually disintegrate. With the exit of Sweden, the Netherlands and eventually Denmark, the sector has lost important promoters of harmonisation and alignment.

### **FONAENF**

The Dutch exit had a major impact on FONAENF. The organisation’s budget has gone down from USD 21 million in 2011 to USD 7 million in 2014, not only because of the Dutch exit but also less funding via CAST (to which the Netherlands contributed as well) and the loss of funding from Sweden and Luxembourg. Support from the FTI has ended as well, while the government has also reduced its support. FONAENF has not been able to find alternative resources. The reduction in funds has had an impact on the number of training centres



being supported by FONAEF and this will have a negative impact on the number of people being trained. In 2013, there were more than 13,000 centres; this number had been reduced to 6,000 in 2015. Between 2003 and 2013, 850,000 people were successfully trained with support from FONAEF at an average price of USD 140 per trainee.

The reduction in resources has a negative impact on the training of adults, especially to the detriment of women and younger adults. An evaluation in 2008 concluded that literacy rates have a significant impact on life and work. In the agricultural sector, literacy training had a positive effect on the techniques being used by family farmers, which also had an impact on agricultural and pastoral production. In the tertiary sector, training had an impact on marketing and management. Literacy changed the social life and participation of people in local communities. It helped them to manage their income-generating activities and access microfinance.

	2008	2009	2010	2011	2012	2013	2014
Government			1.8	2.3	5.2	6.0	2.7
The Netherlands	6.7	4.2	4.0	2.8	1.5	1.6	
Sweden			2.8	3.1			
Denmark			0.5	1.5	0.9	0.5	0.5
Switzerland			2.0	1.1	1.7	1.2	1.1
AfDB				1.9			
Luxembourg			0.3	0.3	0.3	0.3	
CAST			3.7	6.0	4.3	4.3	2.6
FTI			1.2	1.7			
Interest and other income					0.2	0.1	
<b>Total</b>	<b>11.9</b>	<b>9.5</b>	<b>16.4</b>	<b>20.6</b>	<b>14.1</b>	<b>13.8</b>	<b>6.9</b>
Dutch share	57%	44%	24%	13%	11%	11%	

\* For 2008 and 2009 only data for the Netherlands and the total budget.

Source: FONAEF.

## 5.5 Conclusions

At the beginning of the millennium, Burkina Faso had one of the weakest education systems in the world. Since the introduction of the basic education development plans (the first in 2002 and the second in 2012) indicators have improved considerably. While the country was unable to achieve the MDGs on education, the improvements to access are impressive.

For years, the Netherlands has been one of the main donors in the (basic) education sector. It has supported the two development plans as one of the largest bilateral donors, contributing more than USD 100 million to the sector between 2008 and 2013. As an active and lead donor, the embassy promoted harmonisation and alignment and supported the development of the basket fund. It helped the Ministry of National Education and Literacy (MENA) to improve planning and financial management. Specific Dutch successes are the promotion of bilingual education and the inclusion of HIV/AIDS and SRHR in the sector plan. The embassy also helped to improve the dialogue between the government and civil society.

The Dutch exit, while rather quick, was technically well managed. The embassy succeeded in interesting UNICEF to take over management of Dutch support for 2012 and 2013. This allowed the embassy to reduce the number of its staff. In addition, and together with MENA, the Netherlands managed to persuade Luxembourg to invest part of its increased aid budget for 2014 and 2015 in basic education. As a result, the Dutch exit was compensated for financially during these two years.

This does not mean that the Dutch exit has not had an impact. The education sector still faces huge challenges and while the government invests a great deal in the sector, total expenditure per pupil remains too low to ensure educational quality. External support is decreasing and there is a huge financial gap between the ambitions of the Basic Education Strategic Development Plan (PDSEB) and available funding. Burkina Faso receives support from the Global Partnership for Education, but this is not enough to fill the gap.

In the short run, the Dutch exit is having an impact on the national fund for adult literacy training (FONAENF). The Netherlands supported this fund since its inception in 2002 and was the main donor, even funding more than 50% of the budget in 2008. Together with the Netherlands, other donors have ended or reduced their support, which has reduced FONAENF's budget by 50%-70%. This has had a major impact on the number of training centres and therefore on the number of people that receive literacy training. As a result, Burkina Faso will find it increasingly difficult to combat its high illiteracy rates.

In 2010, before the Netherlands decided to exit, its support to the education sector amounted to USD 16 million. In addition, it is estimated that about USD 13 million of the GBS provided by the Netherlands would have been spent on education. If the Netherlands had continued this support (USD 29 million in 2010 or USD 26 million in 2013/2014), it would have enabled the government to increase investments in the sector, thereby helping to further raise access and improve the quality of education. To give an idea of the value of such a budget for the education sector in Burkina Faso: it is comparable to the cost of enrolling 180,000 pupils or constructing 2,600 classrooms. This would have helped to increase enrolment, improve the learning environment and therefore reduce dropout rates and improve learning achievements.



6

## Health and SRHR sector

## 6.1 Introduction

The Netherlands was a major donor in the health sector. It supported the national health strategies as an active partner of the health basket fund. The embassy played an important role in the policy dialogue, promoted the development of a sector-wide approach for supporting the health sector, and helped to strengthen health services. This chapter sketches the development of the basket fund and analyses the consequences of the Dutch exit. With the Dutch exit, Burkina Faso lost an important development partner willing to provide unearmarked funding. A main direct effect was the reduction of the amount in the health basket. Had the Netherlands continued its support, it would have equalled 4% of the government's 2014 health expenditure. Together with the Netherlands, other donors have ended or reduced their support to the basket fund. The consequence is a larger focus on life-threatening diseases and less on basic health services.

## 6.2 Development of the sector

In 2000, when the MDGs were introduced, Burkina Faso was seriously off-track to meet the health goals of reducing child and maternal mortality by two-thirds and fighting AIDS, tuberculosis and malaria. At the time, it was one of the countries in West Africa with the highest prevalence of HIV and the highest morbidity and mortality rates. Economic difficulties and the spread of AIDS had contributed to a downturn in health indicators and an increase in child malnutrition (World Bank, 2003). The use of curative health services had decreased from 32% in 1986 to 17% in 1997 (Ministère de la Santé, 1998). Health expenditure was low, about USD 14 per capita, due to the combination of a low domestic public health budget (about 9% of the national budget) and a reduction in external aid. In addition, the health system was inefficient and ineffective (Bodart et al., 2001). The quality of health services was low, and there was a strong bias in terms of allocation in favour of urban areas (with 16% of the population receiving 70% of the funds).

| 51 |

That same year (2000), the Ministry of Health adopted a policy document, the *Politique Sanitaire Nationale* (PSN) in an effort to revitalise the sector. The PSN defined the objectives and major strategic orientations of public health activities and investments. It was replaced in 2011 by the *Politique Nationale de la Santé* (PNS). An implementation plan, the *Programme Nationale de Développement Sanitaire* (PNDS), provided the technical and financial planning of all activities and investments for the years 2001-2010. As such, the PNDS became one of the cornerstones of the government's poverty reduction strategy, the *Cadre stratégique de la lutte contre la pauvreté*.

In 2005, the Ministry of Health, the Netherlands and Sweden (Sida) created a common fund, the *Programme d'Appui au Développement Sanitaire* (PADS), to provide external support for the implementation of the PNDS. The World Bank agreed to support AIDS control activities through PADS. During a second phase of PADS, starting in 2008, AFD and UNDP contributed as well, with non-earmarked and earmarked funds (see table 6.1). This phase lasted until 2013. By then, the Ministry of Health had launched its new strategy, the *Politique Nationale de la Santé* as well as the new implementation plan, the second *Programme Nationale de*

Développement Sanitaire (PNDS) for 2011-2020. A third phase of PADS started in 2014 and will last until 2018.

For various reasons (traceability, accountability, visibility, etc.), several donors preferred earmarked funding (Van der Linde and Mc Bain, 2010). The share of un-earmarked contributions declined from 42% in 2008 to 11% in 2014 (see table 6.1). This was mainly the result of the withdrawal of three donors: the Netherlands, Sweden and France (AFD). After Sweden phased out its support in 2010 and the Netherlands in 2013, KfW was the only major contributor to PADS left in 2014.<sup>17</sup> France renewed its support to PADS in 2015, making it the only major donor to the basket in 2016.

Total support of earmarked funds (mainly from the World Bank, the Global Fund and GAVI) decreased from USD 55 million in 2010 to USD 35 million in 2014.<sup>18</sup> In total, contributions to PADS decreased from USD 72 million in 2010 to USD 40 million in 2014. As a result of these developments, the ratio of funding through PADS to the Ministry of Health's budget decreased from 48% in 2010 to 21% in 2014. These developments have contributed to a reduction of external resources for health as a percentage of total health expenditure from 36% in 2010 to 25% in 2014 (WHO, 2016).<sup>19</sup>

Since 2013, the Ministry of Health has received support from the EU through the Health Sector Policy Support Programme (HSPSP). That programme consists of EUR 30 million (about USD 40 million) un-earmarked sector budget support (SBS) and EUR 6 million (USD 8 million) for technical assistance (TA).<sup>20</sup> The SBS was disbursed in three years (2013-2015) while the TA is being provided over the course of five years (2013-2017). The SBS consists of fixed tranches (EUR 20 million) and variable tranches (EUR 10 million). The disbursement of the variable tranches depended on the achievement of four health sector performance indicators and the implementation of three health sector measures. They would only be disbursed if the government increased the percentage of its budget allocated to the health sector from 12.1% in 2012 to 12.7% in 2015.

<sup>17</sup> KfW discontinued funding of PADS after 2015 because of an overall strategy change.

<sup>18</sup> This is mainly a result of the volatility of the contributions of the Global Fund. In 2010 and 2012, the Global Fund disbursed large amounts for the purchase and distribution of mosquito nets.

<sup>19</sup> Donors not using PADS (either in the form of the basket fund or earmarked funding) are BAD, IDB, Taiwan and WHO. UNICEF and UNFPA also finance various health sector support activities outside PADS.

<sup>20</sup> The EU preferred to provide SBS so that its support was more strongly aligned with the government's systems and procedures.

Table 6.1 Financial support for the PADS and total health expenditure (2008-2014; USD million)							
	2008	2009	2010	2011	2012	2013	2014
The Netherlands	12.5	9.0	9.1	10.1	7.7	7.6	0.0
Other basket	4.5	3.4	8.5	3.2	3.2	3.1	4.4
Total basket	17.0	12.4	17.5	13.3	10.9	10.7	4.4
Earmarked	23.8	35.5	54.5	11.6	47.2	33.0	35.8
<b>Total</b>	<b>40.8</b>	<b>47.9</b>	<b>72.1</b>	<b>24.9</b>	<b>58.1</b>	<b>43.7</b>	<b>40.2</b>
Basket (unearmarked; %)	42	26	24	53	19	24	11
Ministry of Health*	129	137	150	154	176	208	187
General government health expenditure	335	306	357	317	333	426	324
<b>Total health expenditure</b>	<b>567</b>	<b>620</b>	<b>644</b>	<b>554</b>	<b>595</b>	<b>721</b>	<b>619</b>
PADS/Ministry of Health (%)	32	35	48	16	33	21	21
Ministry of Health/ total government expenditure (%)*	8.3	7.4	8.4	7.7	7.0	7.2	7.0
Health expenditure as % of public expenditure	19	15	16	15	14	14	n.a.
Total health expenditure as % of gross domestic product	6.8	7.4	7.2	5.2	5.3	5.9	5.0
Total health expenditure per capita in USD	30	41	41	34	36	42	35
External resources on health as % of total health expenditure	29	26	36	34	34	28	25

\* Data do not include debt services and external aid funding; n.a. = not available.

Source: PADS figures provided by the PADS secretariat and OECD/DAC CRS database. Government health budget figures and total government budget figures are derived from *Annuaire statistique de l'économie et des Finances 2013 and 2014* (Ministry of Economics and Finance). Health expenditure: WDI. Source for total health expenditure as % of GDP and external resources on health as % of total health expenditure: WHO.

## Impact

External support has led to notable successes in recent years. The health status of the population has improved (see table 6.2). As a result of a large increase in births attended by skilled staff and vaccination programmes, life expectancy has increased. HIV prevalence declined from 7.2% in 1997 to 1% in 2010 (GIZ, 2013). A recent study of the impact of interventions in the health sector (Particip, 2016) found that there were significant impacts as a result of higher prenatal care-assisted delivery rates, funding and staff on caesarean section births, SRHR interventions and information, education, communication and qualified staff on the use of contraceptives. Health facilities, information, education and communication are also positively correlated with a decrease in deaths caused by malaria.



Table 6.2 Health indicators							
	1999	2003	2006	2010	2014	2015	Proj. 2020
Health expenditure per capita (current USD)*	14	19	28	41	46	62	91
Antenatal care**	61	73	85	94			
Births attended by skilled health staff (% of total)	31	38	54	66			
Immunisation, DPT (% of children aged 12-23 months)***	15	79	86	91	88		
Prevalence of HIV, total (% of population aged 15-49)	2.7	1.7	1.3	1.1	1.0		
Incidence of tuberculosis (per 100,000 people)	73	66	63	58	54		
Life expectancy at birth, total (years)	50	52	54	57	58		
Low birth weight babies (% of births)	19	19	16	14			
Underweight (children < 5 years, %)	34	35	38	26			
Stunting (children <5 years, %)	46	43	42	35			
Chronic malnutrition under-5 (%)*				29		24	23
Children <5 years sleeping under insecticide-treated nets		2	10	47	75		
Maternal mortality ratio (national estimate, per 100,000 live births)*	484		310	340		279	241
Mortality rate, under-5 (per 1,000, WDI)	189	173	149	114	92	89	55
Mortality rate, infant (per 1,000 live births; WDI)	97	91	83	70	62	61	24

\* Target for 2015.

\*\* Percent of women aged 15-49 years attended at least once by a skilled health provider during pregnancy (DHS/WHO).

\*\*\* The World Bank WDI indicators give this low figure for 1998 and 1999. For 1997, the figure was 37% and for 2000 45%.

Source: WDI; DHS; WHO.

Nevertheless, morbidity and mortality rates, especially of mothers and children, remain high, also higher than regional levels (Ministère de la Santé, 2011; WHO). The main diseases are malaria, acute respiratory infections, diarrhoea, HIV/AIDS, tuberculosis, leprosy and neglected tropical diseases (Ministère de la Santé, 2011). The main causes of under-five deaths are malaria, infections, premature births and diarrhoea. Malnutrition also contributes to the disease burden and high child mortality rates. One in three under-five children is stunted.

The health sector faces many challenges. The coverage of infrastructure, equipment and logistics is low, and there is a lack of maintenance (Ministère de la Santé, 2011). The number of health centres has increased from a ratio of 1 to 14,177 inhabitants in 2001 to 7,500

inhabitants in 2010. However, disparities in health coverage persist both between health regions and within regions. The coverage of the country in health infrastructure remains inadequate, while the distribution of health facilities is uneven. Moreover, public health facilities, including hospitals, lack essential equipment and medicines. There is a chronic shortage of qualified health personnel, especially for categories such as midwives, for which there is 1 midwife for 13,000 inhabitants in comparison with the WHO standard of 1/3,000 inhabitants. The distribution of human resources is unbalanced in favour of urban areas. The education level of community health workers is low, as is the quality of training, and the training institutions lack adequate facilities. The supply, distribution, availability and accessibility of health products have improved significantly, but in rural areas the availability and quality of health products, including drugs, vaccines, and blood products, remain low. National production is weak.

### 6.3 The role of the Netherlands in the sector

For three decades, the Netherlands provided bilateral aid to the health sector in Burkina Faso. The support started in 1981 with the *Save the Children Fund Netherlands*, a vaccination programme in three provinces in the region of Kaya (Van der Linde and Terwindt, 2005). Ten years later, as the Netherlands widened its scope of activities, the Netherlands Ministry of Foreign Affairs initiated the *Programme d'Appui au Soins de Santé Primaires* (PASSP), first in one province, later extended to three provinces. By the end of the 1990s, after the introduction of the sector-wide approach (SWAp) in Dutch development cooperation, the embassy decided to gradually phase out the PASSP and aim for a more harmonised and aligned approach for the health sector. This switch coincided with the efforts of the Ministry of Health in Burkina Faso to raise the necessary funds for the sector plan on the basis of a SWAp. The embassy helped the Ministry of Health to prepare itself for managing a SWAp and invested a lot of time in strengthening donor coordination and intensification of the dialogue with the Ministry of Health (Van der Linde and Terwindt, 2005). The experience of the PASSP was used in 2005 to develop the approach of PADS in 2005.

| 55 |

Since its establishment, the Netherlands has been a main donor of the PADS Basket Fund. The embassy was the *chef de file* (lead donor) of the development partners supporting PADS from 2005 until mid-2011. The first PADS financing agreement of the Netherlands amounted to EUR 18 million (about USD 24 million) covering the years 2005-2008. A new financing agreement was signed for the years 2009-2012 with a total budget of EUR 26.3 million (USD 37 million).



	2008	2009	2010	2011	2012	2013
PADS	12.5	9.0	9.1	10.1	7.7	7.6
HIV/AIDS	0.7	3.9	3.5			
Other	0.1					
<b>Total</b>	<b>13.3</b>	<b>12.9</b>	<b>12.6</b>	<b>10.1</b>	<b>7.7</b>	<b>7.6</b>

Source: Ministry of Foreign Affairs.

In addition to the contribution to the health basket, the Netherlands embassy supported several projects in the fight against HIV/AIDS in a number of districts. One of the projects aimed to improve the organisation of prevention, care and treatment with antiretroviral drugs at the local level, in collaboration with NGOs, and strengthen institutional capacity in order to ensure sustainability. Another project involved a contribution to a common fund for the *Cadre stratégique de lutte contre le VIH/sida (CSLS)*, the national strategic framework of the fight against HIV/AIDS and the *Conseil national de lutte contre le sida et les IST (CNLS-IST)*, the National Council for the Fight against HIV/AIDS and other sexually transmitted diseases. In the MASP for 2008-2011 the embassy aimed to integrate HIV/AIDS from 2010 onwards into health sector support, focusing on the political and technical level of the health programme, as well as sexual and reproductive health and rights, and the medical aspects of HIV/AIDS. Therefore, both projects would end by 2010.

| 56 |

## 6.4 The impact of the Dutch withdrawal

A main direct effect of the Dutch exit for the health sector was the reduction of the amount in the health basket. Support through the PADS basket went down from USD 17.5 million in 2010 to USD 4.4 million, mainly because of the Dutch exit. Had the Netherlands continued its support to the health sector through the PADS basket at the 2010 level, the annual support would have been about USD 13 million in 2014.<sup>21</sup> In 2010, this was equivalent to 9% of the domestic expenditure of the Ministry of Health and in 2014 to 7%.

The Netherlands embassy aimed to persuade other donors to take over Dutch support to the health sector. The EU in particular was singled out as a likely candidate. However, other donors' programming and budget decisions, including the EU, have not been influenced by the Dutch decision to phase out its support. In the case of the EU, the sector budget support was the result of EU policies to reduce GBS in favour of SBS, and it did not lead to additional funds. In 2010 the EU provided USD 110 million of GBS; this went down to USD 76 million in 2014 and USD 19 million in 2015. For the years 2013 to 2015, the EU agreed to invest EUR 36 million (about USD 48 million) in the health sector. Therefore, the EU's SBS did not compensate for the Dutch exit. Moreover, the Netherlands was not the only donor leaving the sector. Sweden had ended its support in 2010, and KFW stopped its funding after 2015.

<sup>21</sup> In 2010, total Dutch bilateral support to the health sector amounted to almost USD 13 million, of which USD 9 million for PADS. Separate support to HIV/AIDS would be discontinued after 2010, but would be integrated into sector support.

Table 6.4 Donor support to the health sector in Burkina Faso 2008-2014 (USD million)							
	2008	2009	2010	2011	2012	2013	2014
<i>Health Sector:</i>							
Bilateral donors and EU	30	32	40	34	40	32	52
Multilateral donors	31	47	67	37	59	48	60
<i>SRHR and HIV/AIDS:</i>							
Bilateral donors and EU	12	16	21	8	17	14	5
Multilateral donors	37	35	26	16	25	48	25
<b>Total</b>	<b>110</b>	<b>130</b>	<b>154</b>	<b>95</b>	<b>141</b>	<b>142</b>	<b>142</b>

Source OECD/DAC (CRS database).

External support is first of all important for investments in the health sector, as domestic resources are mainly used for salaries and other recurrent expenditures (see table 6.5). A drop in funding via the basket fund means that much less money is available for financing all kinds of operational costs, small replacement investments and innovative activities, which for one reason or another are not covered by earmarked project funding or the government budget. In interviews, officials of the Ministry of Health mentioned the inflexibility of the financiers of (earmarked) vertical funds, who were willing (for instance) to support vaccination programmes, but not the logistics or refrigerators needed to store vaccines and medicines. Most of the operational costs of the well-functioning planning and reporting system, and the financial audits of all expenditures of all health service delivery units, were funded by the basket fund. The PADS basket fund has always functioned as the lubricant and 'last-resort funder' of the health sector facilities, and as such played a crucial role. That role has increasingly diminished, to the detriment of the efficiency and effectiveness of the health services.<sup>22</sup>

The Dutch exit also had an impact on the sector dialogue. The embassy was the lead donor supporting the PADS basket fund from its establishment in 2008 until July 2011. The Dutch withdrawal from the sector dialogue weakened the PADS basket. After the Dutch exit, no new PADS lead donor was nominated because at the time there was only one other major donor left apart from the Netherlands. Moreover, the emphasis of the health sector policy dialogue and donor coordination had shifted towards the PNDS monitoring committee.

<sup>22</sup> The PADS basket fund was the major source of funding of two important innovations, namely the results-based financing of health service delivery units and contracting NGOs for delivering health services. The results-based financing approach has been taken on board by the World Bank, which has been funding a reproductive health project since 2013. However, the funds available for contracting NGOs have decreased since the shrinking of the PADS basket fund due to the phasing out of Dutch support, among other reasons. So far, no other funding source has been identified for contracting NGOs.

	2008	2009	2010	2011	2012	2013	2014
Personnel	48	51	54	62	68	78	98
Other recurrent expenditure	62	60	59	72	79	86	73
Investments	20	25	38	20	29	44	17
<b>Total</b>	<b>129</b>	<b>137</b>	<b>150</b>	<b>154</b>	<b>176</b>	<b>208</b>	<b>187</b>

Source: *Annuaire statistique de l'économie et des Finances 2013 and 2014* (Ministry of Economics and Finance 2014 and 2015).

There is not much empirical evidence about the role of aid in the health sector in Burkina Faso. Nevertheless, in spite of increased domestic budgets, the sector is still severely underfunded. In 2014, real expenditure per capita was USD 35, not much more than one-third of the regional average, 1% of the EU average and 3.5% of the world average. This has contributed to the persisting challenges.

An evaluation of PADS in 2014 concluded that, despite external support, Burkina Faso has not been able to develop a sustainable system of financing for the health sector (ACD/S, 2014). PADS was relevant in its contribution to the objectives of the national health development plan and helped to mobilise resources for the PNDS (ACI/D, 2014). During the period 2009-2012, PADS contributed 19% to the financing of the Ministry of Health's expenditures (ACI/D, 2014). It helped to strengthen the mechanisms for planning, implementing, controlling, and monitoring and evaluation. Nevertheless, the evaluation criticised the predominance of earmarked funding at the expense of the common basket fund.

| 58 |

In an impressive paper, published in 2013, a Lancet Commission estimated the costs and benefits for achieving dramatic health gains by 2035 (Jamison et al., 2013). The report is based on an extensive review of rigorous empirical research and includes estimates for individual low-income countries. For Burkina Faso, the authors calculated that it would cost USD 456 million to avert 75,000 deaths in 2015, or USD 6,060 per averted death (or USD 24 per capita). In these calculations, most of the (incremental) costs are health systems costs, with main components for skilled health workers and infrastructure. According to the authors, these investments are important for ensuring a well-functioning health system platform for service delivery that not only tackles infections and reproductive, maternal, newborn and child health (RMNCH) disorders, but also other long-term challenges. In addition, the authors concluded that the returns on investing in health are very high: reductions in mortality account for about 11% of recent economic growth in low-income and middle-income countries.

The results could be used to assess the impact of Dutch withdrawal in the health sector, as Dutch support (to the health basket and SRHR) focused on the areas of intervention proposed by the Lancet Commission. Much of the Dutch contribution was used for basic health services, especially maternal, newborn and child health, through the health basket. As an overall estimate, one could say that with the continuation of Dutch support to the

health sector, about USD 17 million in 2013/2014, would have saved 2,800 lives (annually), mainly women and children.<sup>23</sup> In addition, these extra resources would have improved the health of a much larger group of people as a result of improved access to essential drugs at the local level and better functioning health posts.

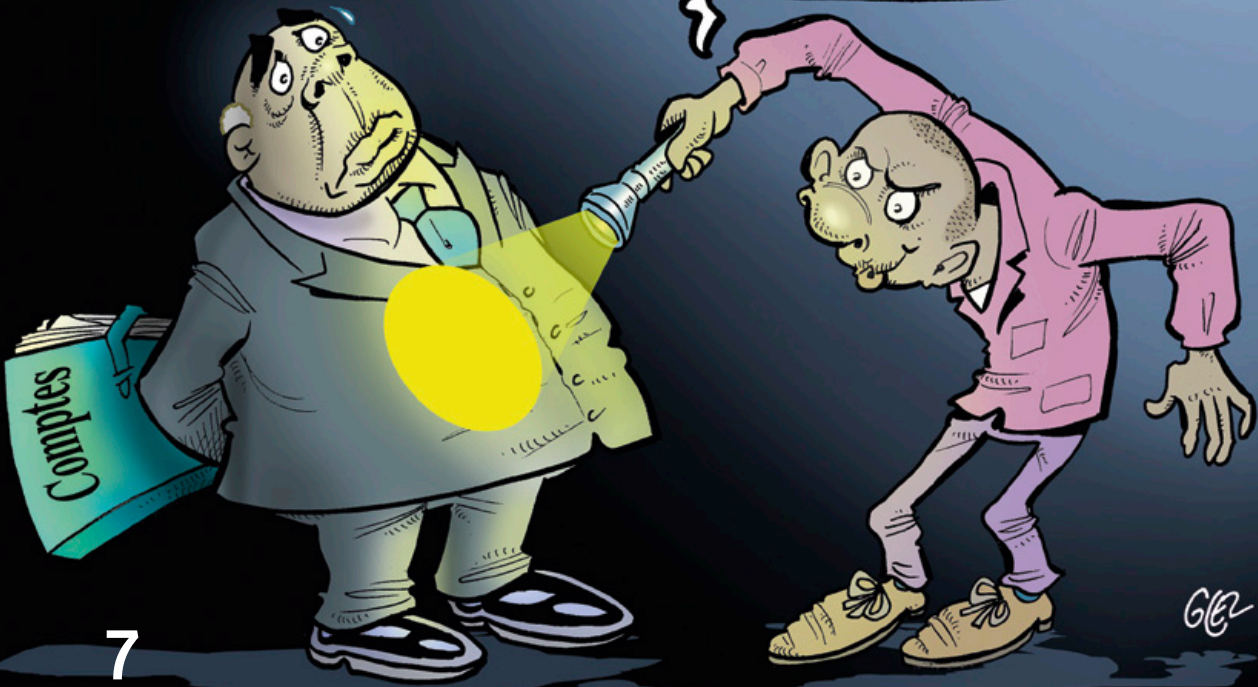
## 6.5 Conclusions

For many years the Netherlands was the largest – in terms of funding level – bilateral donor in the health sector in Burkina Faso. The Netherlands played a major role in the establishment of the PADS, was the major funder of the PADS basket fund and the lead donor from 2008 to 2011. The embassy played an important role in the policy dialogue between the Ministry of Health and development partners, promoted the development of a sector-wide approach for supporting the health sector, and helped to strengthen programming and monitoring mechanisms and develop new approaches such as ‘results-based financing’ and contracting NGOs and community based organisations to take care of certain health services. With the departure of the Netherlands, the sector lost a leading partner. This has had a direct impact on the role of the PADS basket fund as a mechanism for external support and sector dialogue.

Through PADS, Dutch support has helped to improve the supply, use and quality of health services and improve health indicators as well. In 2010, Dutch support was equivalent to 9% of the Ministry of Health’s domestic expenditure. Had the Netherlands continued its support, it would have equalled 7% of the government’s 2014 health expenditure. In addition, it may be assumed that about 27% of Dutch GBS (about USD 6 million) would have been spent in the health sector. Academic research shows that for Burkina Faso this is equivalent to saving the lives of 2,800 persons (annually).

<sup>23</sup> The total figure of USD 17 million includes USD 11 million support to the health sector (average 2008-2010) and 27% of GBS (USD 6 million). Research shows that recipient governments spent on average 80% of GBS on social sectors, of which 1/3 on health. Assuming constant EUR expenditure and given changes in the EUR/USD exchange rate, in 2013/2014 the total would have been about USD 17 million.

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Good governance

## 7.1 Introduction

The Netherlands embassy's Multi-Annual Strategic Plan (MASP) for 2008-2011 included promoting good governance and human rights as one of the strategic themes. The embassy aimed to pursue the objectives of good governance and human rights via two channels: (i) the government, mainly through the policy dialogue, accompanied by general budget support, and (ii) support to civil society organisations (CSOs). In addition to the support provided to five CSOs, the embassy funded a project to strengthen political parties. This project was implemented by the National Democratic Institute (NDI). Phasing out the GBS provided by the EKN has already been analysed and discussed in chapter 4. This chapter deals with phasing out support to CSOs (including NDI).

Table 7.1 shows the financial support provided during the years 2008-2013, including support to *Carrefour International de Théâtre à Ouagadougou* (CITO) and *Ciné Droit Libre*. CITO is a cultural organisation whose mission is to bring actors, directors, musicians and choreographers together to strengthen cultural diversity and development in Burkina Faso. The Netherlands embassy supported CITO, together with Denmark, from 2007 until 2012. *Ciné Droit Libre* is a regional festival held every year in Burkina Faso, Senegal, Mali and Ivory Coast. It is a popular festival which aims to raise awareness on issues such as human rights, good governance and democracy. The Netherlands supported the festival from 2007 until 2013. Denmark and Luxembourg have been supporting the festival since 2011.

	2008	2009	2010	2011	2012	2013
Centre de Presse Norbert Zongo (CNZ)	16	111	42	92	95	
REN-LAC	215	81	94	66	86	
Laboratoire Citoyennetés			67	441	285	
Centre de Gouvernance Démocratique (CGD)	373	84	92	158	12	
Carrefour International de Théâtre (CITO)	72	70	66	70	64	
Ciné Droit Libre	45	50	67	129	104	110
National Democratic Institute (NDI)		118	136	291	25	
<b>Total</b>	<b>722</b>	<b>514</b>	<b>563</b>	<b>1,248</b>	<b>671</b>	<b>110</b>

Source: Ministry of Foreign Affairs.

## 7.2 Laboratoire Citoyennetés

The Laboratoire Citoyennetés (LC) is the operational wing of the 'Association construisons ensemble et recherche sur les citoyennetés en transformation' (ACE-RECIT). The association was established in 2003 and the LC in 2005. Its main aim is to 'place citizens at the centre of public action' by supporting and promoting social and political dialogues at the local level.

SNV played an important role in establishing ACE-RECIT and provided technical and financial support up to 2008-2009.

In 2012, the LC implemented 13 programmes and special assignments and had an operational budget of about USD 1.8 million. Since the LC was established, Switzerland has been its main funder. In 2012, it accounted for 43% of the LC's executed budget, while the financial support of the EKN covered 24% of the LC's entire annual expenditures.<sup>24</sup> In 2013, the LC implemented 17 programmes with an operational budget of about USD 2.4 million.<sup>25</sup>

In 2009, the EKN, the LC and SNV started to develop a new programme entitled: 'Appui à l'émergence d'une société civile locale de dialogue et de d'interpellation au Burkina Faso' (AESOC-BF). In December 2010, a financing agreement was signed in which the Netherlands embassy committed support to the programme's preparatory phase, which was planned to last until late September 2011. The objective of that preparatory phase was to finalise the programme documents on the basis of in-depth consultations with stakeholders and a preparatory workshop.

The objectives of AESOC-BF could be summarised as 'supporting and strengthening the capacity of CSOs involved in public dialogue, with a special focus on facilitating dialogues about the delivery of public health and education services. AESOC-BF's implementation phase was planned to last five years. During the first three years, the programme would be gradually expanded to all 13 regions of Burkina Faso, while it would be consolidated during the last two years. In each region, capacity building and support would be supplied to 15 CSOs.

| 62 |

Because it became known in 2011 that the EKN was going to close its development cooperation programme in Burkina Faso, it was decided that the EKN would support the implementation of AESOC-BF only during an initial phase of 16 months starting in December 2011 and lasting up to March 2013. A budget was created for that period totalling USD 1 million, the majority (57%) of which would be funded by the EKN. The other two envisaged contributors were Switzerland (16%) and the LC itself (27%). The EKN disbursed its entire contribution before the end of 2012. AESOC-BF's achievements include (according to the LC's 2012 annual report):

- 35 workshops were held at the regional and provincial levels aimed at providing information and mobilisation, covering 5 regions, 15 provinces and more than 100 communes;
- 90 CSOs benefitted from capacity building activities;
- 30 CSOs received technical and financial assistance;
- 400 persons got special training (of which 272 representatives from CSOs, 96 representatives from local governments and 32 representatives from public education and health services); and
- 22 special counselling activities had been undertaken.

<sup>24</sup> Source: LC 2012 annual report.

<sup>25</sup> Source: LC 2014 annual report.

The exit strategy of the embassy mentioned that other donors, such as Switzerland and Denmark, might take over funding of the subsequent phases of AESOC-BF. This has not happened, however. The LC's 2013 annual report states that AESOC-BF was shut down in March 2013 due to a lack of co-financing. Thus, AESOC-BF came to a premature end after only 15 months of the envisaged five-year programme had been implemented.

### 7.3 Centre de Gouvernance Démocratique (CGD)

The Centre de Gouvernance Démocratique (CGD) was established in 2001. During the first years of its existence, it operated on the basis of small projects and studies financed by various donors, including the EKN. Subsequently a strategic plan was made for the years 2004-2007, which was funded by the Netherlands, Denmark and Sweden via a joint basket fund to which each donor contributed one-third. These three countries remained the three key donors of CGD up to 2012.

CGD's main objective is presently defined as 'to promote democratic governance in Burkina Faso and Africa through applied research, training, education and democratic dialogue'. Its specific objectives are to:<sup>26</sup>

- develop new instruments to strengthen democratic governance;
- strengthen the capacities of CSOs, political parties and members of parliament and local councils to evaluate public policies;
- promote a democratic culture and citizen participation, in particular women, in governance processes; and
- promote transparency, accountability and efficient electoral processes.

| 63 |

Up to 2008, CGD operated as a kind of mediator between the government and the ruling party, on the one hand, and the opposition, on the other hand. When it became apparent that the strategy was in fact strengthening the position of the government and the ruling party, a more pronounced strategy was proposed in CGD's strategic plan for the years 2008-2012. In that plan, CGD's overall objective was defined in terms of contributing to democratic change. CGD's intervention strategy, which could be considered a reflection of its specific objectives, consisted of:<sup>27</sup>

- strengthening the capacities of the members of parliament and local councils to represent the population;
- strengthening the accountability of public authorities and political parties;
- monitoring and evaluating the quality of governance in Burkina Faso and proposing reforms in order to strengthen democratic governance; and
- strengthening CGD's internal and external communication.

A mid-term review report, issued in May 2010, generally drew favourable conclusions regarding the effectiveness of CGD's activities.<sup>28</sup>

<sup>26</sup> Website [www.cgd-igd.org](http://www.cgd-igd.org), 20/01/16.

<sup>27</sup> Sedogo, S.A. and Yameogo, L., *Evaluation à mi-parcours du plan stratégique de renforcement de la gouvernance démocratique 2008-2012*, May 2010, pp. 5 and 53.

<sup>28</sup> Ibid.



EKN's funding stopped in 2012 just as CGD's strategic plan for 2008-2012 was coming to an end. As a result the Action Plan for 2013-2014<sup>29</sup> had to be funded solely by Denmark and Sweden, which meant that the annual budget would decline by about 25% to 30% (Denmark had increased its financial contribution somewhat). On top of that, Swedish funding stopped in 2014, because Sweden had decided (in 2012) that it would phase out and finally terminate its development cooperation with Burkina Faso in 2016. This meant that from 2015 onwards, the CGD had to rely entirely on Danish funding. Consequently, the volume of CGD's activities has declined substantially. In early 2015, CGD had only seven staff members, including the director and support staff.

## 7.4 Centre National de Presse Norbert Zongo

The Centre National de Presse Norbert Zongo (CNP-NZ) was established in 1998 by the Association of Journalists in Burkina Faso, the journalist's trade union and the Society of Press Editors. CNP-NZ's general objective was and still is to promote transparency and freedom of the press. Until 2004, it had quite an informal mode of operation, and it received limited financial support from the European Union (via the International Federation of Journalists) and the EKN. In 2004-2005, it prepared a strategic plan for the years 2005-2008 with support from the embassies of the Netherlands and Denmark, who also promised to help fund the implementation of that plan. After a positive external evaluation of the 2005-2008 plan's implementation, a second strategic plan was developed for the years 2009-2012.<sup>30</sup> This plan aimed to both strengthen CNP-NZ itself and the media. The plan intended to achieve the following four specific objectives (outcomes):

- strengthen CNP-NZ as a place where people working for the media can meet and exchange views with the principal actors of civil society and democracy;
- strengthen CNP-NZ's operational capacities to implement its action plan;
- strengthen the protection and defence of journalists; and
- improve the professional capacities of journalists and the media.

The embassies of the Netherlands and Denmark, and the development organisation Diakonia, provided core funding for the implementation of the strategic plan.<sup>31</sup> They signed a joint financing agreement, in which it was confirmed that the funds would be provided in the form of a basket fund (no earmarking of the use of an individual donor's funds). The EKN agreed to contribute USD 340,000.

Dutch support to CNP-NZ came to an end in 2012, because of the decision of the Netherlands government to end its bilateral development cooperation with Burkina Faso. Fortunately, Diakonia was willing to increase its financial contribution during the years 2013-2014, which compensated partly for the loss of the support from the EKN and the

<sup>29</sup> From 2012 onwards, the system of multi-year strategic plans was replaced by two-year operational plans in order to be more flexible and adapt quicker to changing circumstances.

<sup>30</sup> Somé, S.O. and Sombie, I., *Evaluation des activités réalisées par le CNP-NZ dans le cadre du plan stratégique 2005-2008 avec le soutien des Pays-Bas, du Danemark et de la France*, July 2008.

<sup>31</sup> An NGO based in Sweden.

decrease of funding from Denmark (see table 7.2). The ‘interim year’ was used to develop a third strategic plan covering the period 2014-2017. Denmark signed a new financing agreement with CNP-NZ covering the years up to 2015, while Diakonia’s financing agreement is set to end in 2016. Due to the decline of the total annual amount of funding (see table 7.2), the strategic plan 2014-2017 has to be modified, because that plan’s budget is not (yet) fully funded. As regards the level of expenditures, it can be concluded that the annual expenditures have dropped by 19% since the Dutch withdrawal.

Donor	Action plan 2005-2008	Action plan 2009-2012	Action plans 2013 and 2014
The Netherlands embassy	315	339	
Danish embassy	315	758	302
Diakonia		93	164
French embassy	100		
Others	78	7	21
<b>Total</b>	<b>807</b>	<b>1,197</b>	<b>487</b>
Average per year	202	299	243

Source: Figures provided by CNP-NZ.

## 7.5 Réseau National de Lutte Anti-corruption

The *Réseau National de Lutte Anti-corruption* (REN-LAC) was established in 1998 by about 20 CSOs.<sup>32</sup> Its overall objective is to help substantially reduce corruption in Burkinabe society.<sup>33</sup> REN-LAC launched its first strategic plan in 2003 covering the years 2003-2007, followed by a second plan for the years 2008-2012 and a third one for the years 2013-2016.

The embassies of the Netherlands and Denmark were the main funders of REN-LAC’s first strategic plan, while the EKN also played an important role – as advisor – in the development of the second plan for the years 2008-2012. In terms of funding, four donors agreed to finance the second strategic plan on the basis of a basket funding mechanism (funding on the basis of agreed annual plans and no earmarking of an individual donor’s contributions). These four donors were: Denmark, the Netherlands, Diakonia and Switzerland. They provided a total amount of about USD 1.2 million, 33% of which was provided by Denmark and 27% (USD 327,000) by the Netherlands.

In September 2012, REN-LAC issued an ambitious third strategic plan for the years 2013-2016, with a total budget of close to USD 3.6 million; thus about three times the actual expenditures in the previous four years (2009-2012). At the time, it was already known that

<sup>32</sup> In English: *National network of the fight against corruption*. By the end of 2013, REN-LAC had 23 member organisations.

<sup>33</sup> REN-LAC, *Plan Stratégique 2013-2016*, p. 20.

the Netherlands would not help to fund the third strategic plan, while it also became quickly clear that it would be impossible to mobilise the required USD 3.8 million. REN-LAC therefore developed a modified plan of activities and a budget corresponding with the funding of about USD 2.2 million secured thus far. The Netherlands embassy and REN-LAC tried to interest other donors in supporting that plan financially. KfW (Germany) and France responded positively to that request, while Switzerland and Diakonia were willing to increase their annual contributions as well. As a result, REN-LAC's annual budget increased substantially from 2013 onwards, despite the phasing out of Dutch support (see table 7.3). However, present funding commitments for the year 2016 are far below those of 2015 and below what is needed to implement that year's annual action plan.

	2009	2010	2011	2012	2013	2014	2015	2016
Denmark	95	107	89	117	131	131	129	91
The Netherlands	81	94	67	86				
Diakonia	31	57	129	57	158	98	93	55
Switzerland	32	20	64	109	92	151	110	110
KfW					186	172	157	n/a
France					40	40	36	36
REN-LAC	7	5	1	0	5	5	5	5
<b>Total available</b>	<b>245</b>	<b>283</b>	<b>350</b>	<b>369</b>	<b>612</b>	<b>598</b>	<b>528</b>	<b>297</b>
Actual expenditures	337	290	327	400	433	633	n/a	n/a

Source: Figures provided by REN-LAC.

Although the phasing out of Dutch support did not cause REN-LAC's annual financial resources to go down, it could be argued that continued Dutch support could have filled part of the gap between the required USD 3.8 million and the presently available USD 2.2 million for implementing the strategic plan of 2013-2018. REN-LAC mentioned various activities that have been cancelled because of the budget reduction, but which could have been undertaken had the Netherlands continued to support REN-LAC, such as:

- an annual reward for the journalists having performed best in terms of analysing and reporting on corruption cases;
- an annual reward for artists having integrated anti-corruption into their performances;
- the design and production of comic strips about corruption for primary and secondary schools;
- thematic studies, such as corruption in the election processes;
- the establishment of more regional committees (now there are five); and
- expanding activities in cooperation with radio and TV (so far REN-LAC is focuses mainly on the press).

## 7.6 National Democratic Institute (NDI)

The National Democratic Institute (NDI) is an international NGO with its headquarters in Washington, DC, the United States. Its main aim is to support and strengthen democratic institutions worldwide through citizen participation, and openness and accountability in government.<sup>34</sup> NDI's country office in Burkina Faso (NDI-BF) was established in 2002, and its first large project was launched in 2005 and funded by Sweden. It aimed to strengthen women's organisations and democratic governance. NDI-BF operates as a service provider. It does not have its own programme, but it mobilises funding for projects related to promoting democratic governance and subsequently implements those projects.

On request of the Netherlands embassy, NDI-BF developed a project in 2009 aimed at strengthening:

- political parties to develop policies that respond to citizen needs;
- the communication strategies and the political parties; and
- the capacities of young females to involve themselves in politics.

The Netherlands contributed USD 570,000.

The activities undertaken in the context of these specific objectives focused on the five largest political parties. Between November 2009 and October 2011, NDI-BF organised eight community meetings where party leaders could collect views from the citizens, and a seminar bringing together journalists and party leaders. As a result of these activities, four political parties developed a communication plan, as well as a total of seven policy documents on themes such as education, health and employment. In addition, NDI-BF trained 50 young women in advocacy, communication and leadership skills. NDI concluded that the project had contributed to levelling the political playing field by providing non-ruling parties with tools and skills that would help them to compete in the parliamentary and local elections, which took place in November 2012.<sup>35</sup>

| 67 |

The years following the closure of the EKN-funded project, notably 2012-2014, were financially difficult years for NDI-BF, because two USAID-funded projects also came to an end in 2010 and 2011 with respective budgets of USD 180,000 and USD 380,000. Shortly thereafter, the large project funded by Sweden was gradually phased out (USD 6 million budget for the period 2009-2014).<sup>36</sup>

<sup>34</sup> NDI website, 19/01/2016. See: <https://www.ndi.org/burkina-faso>.

<sup>35</sup> See Final Report, page 18. It should be noted that the then ruling party was much more advanced in terms of capacities and policy and strategy development than the other parties. That is why that ruling party opted not to participate in a number of project activities.

<sup>36</sup> Sweden did not start funding another project in 2015, but several other donors committed funding for new projects in 2015, supporting the government and the political parties to prepare themselves for the presidential elections of November 2015.

## 7.7 Summary and conclusions

Before the exit decision had been taken, the Netherlands promoted good governance and human rights via support to several Burkinabe civil society organisations, as well as via a project to strengthen political parties, implemented by the National Democratic Institute (NDI). This chapter analysed the impact of the exit on the organisations. The results are mixed. Two of the four supported Burkinabe organisations managed to find other resources, while for the other two the Dutch exit meant a heavy loss. In addition, the Burkinabe office of the American National Democratic Institute (NDI) experienced financially difficult years, but managed to attract new funding.

*Laboratoire Citoyennetés (LC):* In the period 2010-2012, the EKN financed the preparatory phase and the first 16 months of the implementation of a programme called AESOC-BF, which focused on strengthening the capacity of CSOs to engage in policy dialogues and accountability issues related to the delivery of public services. The programme was planned to last five years. It came to a premature end in March 2012, because the LC could not find other sources of funding for this programme. As a consequence, the programme objectives have not been achieved. However, the Dutch exit has not put the LC's future into danger, because it has managed to find other sources of funding for other programmes and activities. Its total budget and number of activities were substantially higher in 2013 than in 2012.

| 68 |

*Réseau National de Lutte Anti-corruption (REN-LAC):* The phasing out of Dutch support to REN-LAC in 2012 has not had major direct financial consequences for REN-LAC. Ending Dutch support coincided with the end of REN-LAC's second strategic plan (2008-2012). REN-LAC was able to secure additional funding from KfW and France for its third strategic plan (2013-2016), which more than compensated for the loss of funding from the Netherlands. However, REN-LAC's very ambitious third strategic plan is not fully funded and various activities had to be cancelled as a result. With additional funding from the Netherlands, these activities could have been undertaken.

*Centre National de Presse Norbert Zongo (CNP-NZ):* The financial and technical support provided by the EKN to CNP-NZ was crucial for its institutional strengthening and providing more and better support services to journalists and the media in general, in order to help create a free, independent and well-informed press. Denmark and the Netherlands embassy were the main funders of CNP-NZ during the years 2005-2012. Dutch support to the CNP-NZ came to an end in 2012. Fortunately, Diakonia was willing to increase its financial contribution during the years 2013-2014, which compensated partly for the loss of support from the Dutch embassy and the decrease of funding from Denmark. Nevertheless, the financial resources available to CNP-NZ declined by about 19% on an annual basis. The phasing out of Dutch support has thus not endangered CNP-NZ's continued existence, but its financial resources have declined substantially, which means that CNP-NZ had to scale back its ambitions.

*Centre de Gouvernance Démocratique (CGD)*: Since 2001, CGD has been involved in monitoring and evaluating the quality of governance in Burkina Faso, and it has played a prominent role in the political debate, particularly regarding strengthening accountability and democratic governance. Its main financiers were the Netherlands, Denmark and Sweden. After the Netherlands stopped funding in 2012 and Sweden in 2014, CGD's financial resources – and consequently its level of activities – have declined dramatically. The phasing out of Dutch support has thus had major consequences for CGD. This has weakened one of the important participants in the political dialogue in Burkina Faso, which was and is striving for democratic governance.

*National Democratic Institute (NDI)*: The EKN-funded project aimed at strengthening political parties was implemented and completed in October 2011 according to the initially agreed timetable. No follow-up project had been planned. NDI-BF experienced financially difficult years during the period 2012-2014, but it found sizeable new sources of funding in 2015. All in all, the Dutch exit decision did not affect the project's implementation or completion, nor did it have any major implications for the continued existence of NDI-BF.



8

## Summary and conclusions



In the 1970s, the Netherlands started providing emergency relief to Upper Volta in response to the food crisis in the Sahel region. This was the beginning of a long-standing development relationship with Burkina Faso, the name President Thomas Sankara gave to the country in 1984. Especially after 1999, when the Netherlands reduced its number of partner countries, Dutch support to Burkina Faso accelerated. Mainly programme support, it peaked at a one-year high of USD 89 million in 2008. Between 2008 and 2013, Dutch bilateral ODA provided to the country totalled USD 350 million, spent on general budget support (40%), education (35%), health (20%) and good governance (5%). The Netherlands was one of the main donors in Burkina Faso, providing general budget support and aid to the education and health sectors (mainly through basket funding). In addition, the Netherlands supported several civil society organisations. The Dutch embassy in Ouagadougou was a much valued partner that focused on results and had no hidden agenda. It was an ardent promotor of the Paris Declaration and aimed to improve harmonisation, alignment and donor cooperation.

The aid relationship came to an end in 2013. Two years earlier, the Dutch government had decided to reduce the number of partner countries (from 33 to 15). The objective was to enhance the efficiency and effectiveness of bilateral development cooperation. The Dutch government felt that focusing on a more limited number of countries would help to increase country and sector expertise and would therefore have a positive impact on the value added of Dutch bilateral development cooperation. In addition, it would allow the Netherlands to reduce the costs of operational management. Burkina Faso ended up on the wrong list. It was one of the 18 countries and one of the three low-income countries where the Netherlands would phase out its bilateral aid programme. It was also one of the six countries and the only low-income country where it would also close the embassy.

| 71 |

While enhancing efficiency and aid effectiveness were the official arguments for reducing the number countries, the whole process cannot be separated from the budget cuts on development cooperation: while total Dutch bilateral support continued to increase every year after 1999, it decreased drastically after 2011. The Dutch House of Representatives has asked the Minister for Foreign Trade and Development Cooperation to analyse the impact on (former) recipient countries, especially on countries where the Netherlands has ended its bilateral development relationship. This report outlines the results of this analysis for Burkina Faso. The Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs selected it as one of six case studies for the evaluation. The other countries are Tanzania, Zambia, Bolivia, Nicaragua and Guatemala.

Once the decision had been taken to phase out bilateral support, the Dutch embassy in Burkina Faso opted for a quick exit, as it was convinced that the Netherlands would lose a great deal of its influence during the exit. This does not mean that the embassy did not take into account the consequences of the Dutch decision. The exit strategy aimed to maintain annual disbursements as long as possible, rather than opt for a gradual phasing out. In anticipation that part of the staff would leave before the closure, the embassy chose to hand over management of the Dutch programmes for health and education to UNICEF.



The Dutch decision to phase out was not always understood. It was not as if Burkina Faso had suddenly become a prosperous country that no longer needed foreign support. Indeed, it was still one of the poorest and least-developed countries in the world. In 2014, total ODA was still equal to 9.4% of GDP, and ODA grants helped to fund 18% of government expenditure. The Dutch government's decision was a response to the advice of the Dutch Scientific Council for Government Policy (with the Dutch acronym WRR) to reduce the fragmentation of Dutch aid. However, the council mentioned Burkina Faso as an example where the value added of Dutch development cooperation was high.

In 1999, the arguments for *staying* in Burkina Faso were:

- it was one of the least-developed countries in the world and had a strong need for external financing of development programmes;
- the IMF and the World Bank were positive about its financial and economic policies;
- measures were taken to reform the civil service and strengthen public finance management, and corruption was relatively low compared to other African countries; and
- the decentralisation process and the democratisation of the political processes contributed to a positive score on good governance.

Ten years later, most of the arguments were still valid. Nevertheless, the State Secretary for Foreign Affairs, responsible for development cooperation, concluded that the portfolio in Burkina Faso did not fit in with the government's new priorities, which focused more on private sector development and project support than on social sectors and programme aid. Moreover, in order to reduce the costs of operational management abroad, the Netherlands wanted to close several embassies and consulates. As part of this objective, the government wanted to close two embassies in Africa. As a result, the closure of the embassy was driving the decision to end bilateral development cooperation with Burkina Faso rather than the other way round. It has been suggested that there was some kind of agreement between the Netherlands and Denmark, in which the Netherlands would remain active in Benin and Denmark in Burkina Faso. However, an analysis of the development of the ODA provided by the donors to these two recipient countries does not show much coordination: the two donors did not take over each other's programmes. Moreover, based on an analysis of the development of Dutch ODA to the two countries, we can conclude that the exit of the Netherlands in Burkina Faso was much more related to budget cuts than to improving efficiency and effectiveness through a better division of labour. The Dutch decision was not based on a thorough assessment of the impact of the exit. Dutch (private sector) interests in Benin proved to be more important.

| 72 |

Overall, had the Netherlands continued to support Burkina Faso, the Dutch contribution to total ODA would have been 5% and to total bilateral aid 9%. In 2014, this would have been equal to 0.5% of the country's GDP and 2% of the government expenditure. That year, the Burkinabe government had to reduce expenditure due to a lower economic growth rate and disappointing revenue, including aid. The Dutch decision directly affected total expenditure, which contracted by 13% that year. The assumption that other donors would take over the Dutch role and its level of funding proved to be overly optimistic.

General budget support is a case in point. Between 2008 and 2013, the Netherlands supported Burkina Faso with USD 185 million through this modality. That was 10% of the total GBS and 40% of the GBS provided by bilateral donors (not including the EU). The Dutch exit contributed to the downward trend in general budget support disbursements. It has decreased government revenue by almost 1%. Evaluations show that while the share of budget support in government expenditure is decreasing as a result of economic growth (and increased domestic revenue), and lower GBS disbursements, the modality remains relevant for maintaining macro-economic stability and financing the social sectors.

Dutch support to the (basic) education sector is also a case in point. The Netherlands was the main donor, contributing more than USD 100 million to the sector between 2008 and 2013. At the beginning of the millennium, Burkina Faso had one of the weakest education systems in the world. Since the introduction of the basic education development plans (the first in 2002 and the second in 2012), indicators have improved tremendously. Although the country was unable to achieve the MDGs on education, the improvements in terms of access to education are impressive. In primary education, enrolment rates went up from 47% in 2001 to 84% in 2014; the primary education completion rate increased from 28% to 58%. Nevertheless, the sector still faces huge challenges. While the government invests a lot in the sector, total expenditure per pupil (USD 142) remains too low to ensure educational quality. External support to education is decreasing, and there is a huge financial gap between the ambitions of the sector plan and available funding. Support from the Global Partnership for Education is not enough to fill the gap. Had the Netherlands continued its support (about USD 26 million annually, including GBS), then it would have enabled the government to increase investments in the sector, thereby helping to further improve access to education and its level of quality. To give an idea of the value of such a level of additional funding for the education sector in Burkina Faso: it is comparable with the costs of an enrolment of 180,000 pupils or the construction of 2,600 classrooms. This would help to increase enrolment, improve the learning environment, thereby reducing the dropout rate and improving learning achievements.

| 73 |

The Dutch exit has also had a major impact on the national fund for adult literacy training (FONAENF). The Netherlands supported this fund since its inception in 2002 and was the main donor up to 2010, and even funded more than 50% of FONANEF's budget in 2008. Together with the Netherlands, other donors have also ended or reduced their support, leading to a reduction of FONAENF's budget by 50%-70%. As a result, the organisation had to stop funding more than half of its training centres (from 13,000 down to 6,000). This has had a major impact on the number of people that receive literacy training. For Burkina Faso, it will become more difficult to combat its high illiteracy rates (around 70% of the population). Ending Dutch support has reduced the number of people successfully being trained every year by 11,000-12,000.

Chapter six comes to comparable conclusions for the health sector. There as well, the Netherlands was one of the main donors (in terms of funding, second after the Global Fund), contributing more than USD 50 million to the health basket fund between 2008 and 2013, equivalent to about 6%-9% of the Ministry of Health's budget. Dutch support was an

important factor in improving the supply, use and quality of health services, and it also improved health indicators. In spite of all these advances, the health sector faces many challenges, including the need to strengthen the health system, improve the quality of and access to health care for the poorest and most vulnerable groups, reduce maternal, neonatal and infant and child mortality rates, alleviate the disease burden, and improve the availability and affordability of high-quality, safe and efficient health products. The reduced budget of the health basket fund means that there is less un-earmarked funding available to finance all kinds of operational costs, small replacement investments and innovative activities (e.g. contracting NGOs) that are not covered by earmarked project funding or the government budget. As an overall estimate, one could say that continuation of Dutch support to the health sector would have saved about 1,900 lives (annually), in addition to improving the health of a much larger group of people through better availability of essential drugs at the local level and better functioning health posts. Taking into account the amount of GBS resources that go, on average, to the health sector, the total would be about 2,800 lives.

The results for the supported CSOs are mixed. The ending of EKN's funding has not put the future of Laboratoire Citoyennetés into danger, because the organisation has been able to find other sources of funding for other programmes and activities. The Réseau national de lutte anti-corruption (REN-LAC) was able to secure additional funding from KfW and France for its third strategic plan (2013-2016), which more than compensated for the loss of funding from the Netherlands. However, REN-LAC's very ambitious third strategic plan is not fully funded and various activities have had to be cancelled as a result. The National Democratic Institute experienced financially difficult years during the period 2012-2014, but it found sizeable new sources of funding in 2015.

| 74 |

The phasing out of Dutch support had major consequences for the Centre de Gouvernance Démocratique. After the Netherlands stopped funding in 2012 and Sweden in 2014, CGD's financial resources have decreased, and consequently it has had to scale down the level of its activities. This has weakened one of the important participants in the political dialogue in Burkina Faso, which was and is striving for democratic governance. Dutch support to the Centre National de Presse Norbert Zongo came to an end in 2012, but another sponsor was willing to increase its financial contribution during the years 2013-2014, which compensated partly for the loss of the support from the EKN and the decrease of funding from Denmark. Nevertheless, the financial resources available to CNP-NZ declined by about 19%. The phasing out of Dutch support has thus not put CNP-NZ's continued existence in danger, but its financial resources have declined substantially.

### Overall conclusion

While Burkina Faso shows favourable economic growth rates, the country still faces many challenges. A large part of the Burkinabe population does not benefit from the economic growth. Poverty rates remain high (about 40% of the population lives in extreme poverty). Due to high population growth, the total number of people living below the poverty line is still increasing. The country ranks 183 on the Human Development Index (HDI), below Dutch partner countries such as Benin, Ethiopia, Ghana, Kenya, Mali, Mozambique, Rwanda and Uganda. Only five countries in the world, including Burundi, have a lower score on the HDI. Several authors have shown that the Burkinabe economy is vulnerable to external shocks, especially changes in weather conditions as well as the price of gold and cotton on the international market. In addition, Burkina Faso's path of economic growth does not seem to be sustainable because it is not based on productivity gains. In the last decades, economic growth was largely based on expanding cultivated land (partly moving into land with lower productivity), expanding the gold mining sector and migration from the rural agricultural sector to the urban informal sector. The new government has the task of restoring stability and trust in the political system, meeting the population's rising expectations and improving the quality of public services, reducing poverty and ensuring inclusive growth, combating youth unemployment and finding ways of tackling the problem of high population growth.

As long as Burkina Faso remains a poor country and does not have the means to provide public services to the whole population at an adequate level on its own, aid can help the country to achieve development targets. The government budget has increased, but financial gaps remain. The Netherlands Ministry of Foreign Affairs has been overly optimistic in assuming that other donor countries would take over the role of Dutch aid.

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# Annexes

## Annex I Additional tables

Table I.1 External balance 2008-2015								
	2008	2009	2010	2011	2012	2013	2014	2015
<i>In USD million:</i>								
Exports of goods	693	900	1,585	2,394	2,922	2,662	2,755	2,374
Imports of Goods	-1,589	-1,383	-1,725	-2,369	-2,744	-3,328	-3,015	-2,571
Trade balance	-896	-482	-139	25	178	-666	-260	-197
Services net	-473	-407	-528	-725	-798	-930	-856	-728
Income net	34	36	-6	-7	-2	-189	-360	-232
Current transfers	409	500	468	575	533	439	473	452
o/w official transfers net	282	367	344	436	400	259	227	237
Current account balance	-926	-353	-206	-132	-89	-1,345	-1,003	-706
Project grants	131	184	199	155	219	415	319	178
FDI	106	92	34	42	-116	432	286	207
<b>Overall balance</b>	<b>-78</b>	<b>401</b>	<b>160</b>	<b>72</b>	<b>-5</b>	<b>-291</b>	<b>-266</b>	<b>-191</b>
<i>As % of GDP:</i>								
Exports of goods	8%	11%	18%	23%	27%	22%	22%	22%
Imports of goods	-19%	-17%	-20%	-23%	-25%	-27%	-24%	-23%
Trade balance	-11%	-6%	-2%	0%	2%	-5%	-2%	-2%
Services net	-6%	-5%	-6%	-7%	-7%	-8%	-7%	-7%
Income net	0%	0%	0%	0%	0%	-2%	-3%	-2%
Current transfers	5%	6%	5%	5%	5%	4%	4%	4%
o/w official transfers net	3%	4%	4%	4%	4%	2%	2%	2%
Current account balance	-11%	-4%	-2%	-1%	-1%	-11%	-8%	-6%
Project grants	2%	2%	2%	1%	2%	3%	3%	2%
FDI	1%	1%	0%	0%	-1%	4%	2%	2%
<b>Overall balance</b>	<b>-1%</b>	<b>5%</b>	<b>2%</b>	<b>1%</b>	<b>0%</b>	<b>-2%</b>	<b>-2%</b>	<b>-2%</b>

Source: IMF.

Table 1.2 Disbursements of general budget support 2008-2015 (in USD million)								
	2008	2009	2010	2011	2012	2013	2014	2015
Denmark	5	0	9	10	10	11	11	9
EU	77	95	101	74	66	79	76	19
France (AFD)	12	9	9	9	8	9	6	
Germany (KfW)		8	12	0	4	2	5	4
The Netherlands	29	29	24	29	23	24		
Sweden	11	12	17	16	16			
Switzerland	7	7	8	9	6	9	8	7
<b>Total bilateral</b>	<b>140</b>	<b>161</b>	<b>180</b>	<b>147</b>	<b>134</b>	<b>133</b>	<b>106</b>	<b>40</b>
AfDB	40	31	15	39	38			25
World Bank	93	100	92	127	89	69	97	92
<b>Total Multilateral</b>	<b>132</b>	<b>131</b>	<b>108</b>	<b>167</b>	<b>127</b>	<b>69</b>	<b>97</b>	<b>118</b>
Total GBS	272	291	288	314	261	202	203	158
Total government expenditures	1,776	2,032	2,175	2,471	2,846	3,345	2,901	2,387
GBS/government expenditures	15.3%	14.3%	13.2%	12.7%	9.2%	6.0%	7.0%	6.6%

Sources of GBS data: DGCOOP/DSPF, ToR of the GBS evaluation and information provided by donor agencies and embassies. For 2008-2009 OECD/DAC data.

Table I.3 Support to CAST 2008-2014 (USD million)							
	2008	2009	2010	2011	2012	2013	2014
Government of Burkina Faso			1.2				
AFD	7.3	6.9	1.0	4.3	3.0	4.1	4.1
Canada	11.8	4.3	7.6	11.4	10.4	11.4	3.3
Denmark	2.3	2.2	1.6	3.4	2.4	2.7	1.8
The Netherlands	20.3	9.8	9.4	9.3	7.4	7.7	
Sweden	3.9						
Switzerland		0.3	0.3	0.4	0.5	4.9	0.5
UNICEF	2.9	2.1	3.9	1.6	0.5	2.1	0.5
World Bank			1.1				
Luxembourg							9.5
GPE							28.0
<b>Total CAST disbursements</b>	<b>48.6</b>	<b>25.7</b>	<b>26.1</b>	<b>30.5</b>	<b>24.2</b>	<b>32.9</b>	<b>47.8</b>
Carry over				4.7	6.1	4.5	4.0
<b>CAST including carry over</b>	<b>48.6</b>	<b>25.7</b>	<b>26.1</b>	<b>35.2</b>	<b>30.3</b>	<b>37.3</b>	<b>51.7</b>
<b>CAST and FTI</b>	<b>48.6</b>	<b>47.7</b>	<b>70.1</b>	<b>71.2</b>	<b>24.2</b>	<b>32.9</b>	<b>47.8</b>

Source: Ministry of Education and Literacy (primary education and secondary education statistics); PDSEB; authors' calculations.

Table 1.4 External support to the heat sector 2008-2014 (USD million)							
	2008	2009	2010	2011	2012	2013	2014
<i>PADS Basket Fund:</i>							
- AFD (France)	1.3	0.6	0.9	0.1			
- KFW (Germany)	0.0	0.0	0.0	2.8	2.6	2.7	4.0
- The Netherlands	12.5	9.0	9.1	10.1	7.7	7.6	0.0
- Sweden	2.9	2.6	7.1	0.0	0.0	0.0	0.0
- UNICEF	0.0	0.0	0.3	0.1	0.5	0.2	0.2
- UNFPA	0.3	0.2	0.2	0.2	0.2	0.2	0.2
<b>Total basket fund</b>	<b>17.0</b>	<b>12.4</b>	<b>17.5</b>	<b>13.3</b>	<b>10.9</b>	<b>10.7</b>	<b>4.4</b>
<i>Earmarked funds:</i>							
- AFD (France)	0.7	0.3					
- GAVI RSS	3.1	1.3	0.6	1.3	3.8	1.1	9.1
- Global Fund	5.0	12.3	45.4	5.0	37.4	11.3	4.5
World Bank	11.0	17.3	5.5	2.5	3.3	18.6	20.0
- PMNCH	1.8	1.8	1.0	0.5	0.2	0.0	0.0
- UNFPA	2.3	2.5	2.1	2.2	2.5	2.0	2.3
Total earmarked funds	23.8	35.5	54.5	11.6	47.2	33.0	35.8
<b>PADS Total</b>	<b>40.8</b>	<b>47.9</b>	<b>72.1</b>	<b>24.9</b>	<b>58.1</b>	<b>43.7</b>	<b>40.2</b>

Source: Data provided by the PADS secretariat and OECD/DAC CRS database.

## Annex II Interviews

Prof. Augustin Loada	Minister of Civil Service, Labour and Social Protection, Director of the Centre pour la Gouvernance Démocratique Burkina Faso.
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Mr. Bert Vermaat	Former Specialist Politics and Governance, Royal Netherlands Embassy in Burkina Faso
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- Photo chapter 2: Newly elected president of Burkina Faso, Roch Marc Christian Kaboré.  
Photo: Theo Renault (AP).
- Photo chapter 3: Demonstration at Place de Nation in Ouagadougou, Nov. 2, 2014, asking  
for a civilian and democratic transition. Photo: Theo Renault (AP).
- Photo chapter 4: Burkina Faso Finance Minister Rosine Coulibaly speaks at the World  
Bank/IMF Spring Meetings (2016). Photo: Jose Luis Magana (AP Photo).
- Photo chapter 5: Adult literacy training in Burkina Faso. Photo: FONAEF.
- Photo chapter 6: Burkina Faso, salesman in the market place selling medicine on a rug on  
the ground. Photo: Roel Burgler (Hollandse Hoogte).
- Cartoon chapter 7: Cartoon against corruption. REN-LAC.
- Photo chapter 8: Meeting Centre National de Presse Norbert Zongo. Photo: CNP-NZ.

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