

# BURKINA FASO COUNTRY PROGRAMME



## COUNTRY PROGRAMME DOCUMENT 2016-2020

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## ABBREVIATIONS

ADB	African Development Bank
AFD	French Development Agency
AFJ-BF	Women Lawyers' Association – Burkina Faso
AQIM	Al-Qaeda in the Islamic Maghreb
CAG	Controller and Auditor General of Burkina Faso
CGAB	General Framework for managing budget support
CGD	Centre for Democratic Governance
CIFOEB	Centre for Information, Training and Budget Studies
CNP-NZ	National Press Centre – Norbert Zongo
CPC	Country Programme Committee
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DGESS	General Directorate for Sector Studies and Statistics
DP	Development Partner
ECOWAS	Economic Community of West African States
EDF	European Development Fund
EU	European Union
GBS	General Budget Support
GDP	Gross Domestic Product
HDI	Human Development Index
HRBA	Human Rights Based Approach
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IWRM	Integrated Water Resources Management
MBDHP	Burkinabe Movement for Human and Peoples' Rights
MCA	Millennium Challenge Account
MDG	Millennium Development Goals
M&E	Monitoring and Evaluation
MEBF	Business House of Burkina Faso
MEF	Ministry of Economy and Finance
MJDHPC	Ministry of Justice, Human Rights and Civic Promotion
NRAP	National Rural Agriculture Programme
MS	Ministry of Security
OECD	Organization for Economic Cooperation and Development
ONEA	National Agency for Urban Water Supply and Sanitation
PCESA	Economic Growth Programme for the Agricultural Sector
PEFA	Public Expenditure and Financial Accountability
PFM	Public Finance Management
PNSR	National Rural Agriculture Programme
POSEF	Sector Policy for the Economy and Finances
PPP	Public-Private Partnership
PRS	Poverty Reduction Strategy
RENLAC	National Anti-Corruption Network
SAGE	Plan for Water Development and Management
SBS	Sector Budget Support
SCADD	Strategy for Accelerated Growth and Sustainable Development
SDAGE	Master Plan for Water Development and Management
SIDA	Swedish International Development Agency
SMI	Small and Medium Size Industries

SME	Small and Medium Size Enterprises
SMV	Multi Village System
SOFIGIB	Interbank financial guarantee fund
TA	Technical Assistance
UEMOA	West African Economic and Monetary Union
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UPR	Universal Periodic Review
WILDAF	Women in Law and Development in Africa

## 1 Introduction

The Burkina Faso Country Programme 2016-2020 is based on the Denmark-Burkina Faso Partnership Policy 2013-2018 approved by the Danish Minister for Development Cooperation in March 2013. The overall objective of the Partnership Policy is to contribute to 1) poverty reduction, 2) a stronger, rights-based and inclusive governance framework, and 3) economic growth and employment in particular for youth and women.

Based on a thorough consultation process between all stakeholders and in particular the governments of Burkina Faso and Denmark, the country programme comprises a development contract (general budget support and accompanying measures) and three thematic programmes:

- Human Rights and Stability
- Water and Sanitation
- Economic Growth in the Agricultural Sector

Each thematic programme consists of several development engagements of which a summary can be found in the present document.

The programme aligns to national Burkinabe policy objectives as outlined in the national growth and sustainable development strategy, SCADD (*Stratégie de Croissance Accélère et de Développement Durable*) which emphasise economic growth while recognising social inclusion, good governance, stability and equitable distribution of resources as prerequisites for poverty reduction and security.

The country programme was also formulated on basis of the priorities outlined in the overall Danish Development strategy “The Right to a better life” but also reflects the Government’s Priorities for Danish Development Cooperation, September 2015 by contributing to the fight against poverty while also advancing important shared values of stability and security, democracy and human rights which in the longer term is an investment in the foundation for economic growth and social progress.

Application of the human rights based approach has been a guiding principle in the formulation of the programme as has the observance of the OECD-DAC five quality criteria. It draws on experience from Denmark’s engagement in Burkina Faso since 1993, most recently through the four sector programmes in governance, agriculture, water and sanitation and macro-economic reforms, and is focused on a limited number of partners and sectors to enhance impact and effectiveness. The country programme is coordinated with the other main Danish mechanisms for engaging with Burkina Faso including diplomatic and political engagement, the regional Sahel programme under the Peace and Stabilisation Fund, Danida Civil Society Support and Danida Business Finance.

The country programme is scheduled to commence January 2016 and runs for five years. It thus coincides with the timeframe of the successor to the SCADD that is expected to be approved at the beginning of 2016 by a new government. The agreement on the agricultural sector support was signed in 2013 and is proposed to be prolonged to 2020 in order to coincide with the duration of the country programme.

## 2 Summary of the Country Level Context

Burkina Faso is one of the world’s poorest countries and at the same time facing serious development challenges amplified by external spill-over effects of regional violent conflicts and insecurity and difficult climatic conditions. However, Burkina Faso is not a fragile state and has

made significant progress over the last couple of decades in terms of economic growth, enhanced institutional capacity and social cohesion as well as strong mobilisation for democratic values. It serves as an important anchor of economic development and – despite tumultuous events over the last year – political stability in a region of critical importance to Europe but marred by conflict and poverty. The country will however only be able to consolidate fundamental and substantive changes to its social and economic fabric in the long run.

During the period of formulating the country programme the political and security environment changed significantly as President Blaise Compaoré's 27 years in power came to an end and the region became increasingly fragile. Even-though Burkina Faso has demonstrated an impressive robustness and perseverance throughout these events and has been hailed as a model for other African countries in dealing with conflicts<sup>1</sup>, the present country programme includes a number of mechanisms to adapt the thematic programmes if the political or security situation deteriorates significantly. It encompasses a number of flexible funding mechanisms (civil society support, general and sector budget support) and involves collaboration with partners for a large part at decentralised level. Further, support administered through private actors constitute about 35 % of the country programme budget and can be increased if necessary. If required, the balance between these instruments can be adjusted through annual high-level progress meetings between the embassy and the minister of finance. The risk analysis (annex E) outlines further possible responses to scenarios of political and social unrest and regional instability.

The strategic assumptions behind the country programme are that the new Burkinabe government is able and willing to work consistently with international human rights principles, rule of law and norms for democratic governance. Secondly, that the security situation permits government institutions, civil society and businesses to operate although there might be serious incidences and recurrent access problems in especially the northern and western part of the country. Thirdly, that the successful and peaceful transition process continues, not only for the sake of the development of Burkina Faso but also for its catalytic effect on the Sahel region.

## 2.1 Context and Recent Developments

Over the previous decades, Burkina Faso has seen slow and steady development characterised by modest to strong economic growth (between 2000 and 2014 GDP increased by 5 % annually on average), improved social indicators and a fairly democratic and stable political system. Burkina Faso has managed to remain stable and has avoided religious and political radicalisation. The country has not turned into a fragile state as most of its neighbours - even though it has, at times, been close. However, the steady progress experienced has not secured sufficient economic momentum to significantly reduce pervasive poverty levels (recent poverty figures of 40.1 %<sup>2</sup> show only a modest reduction of 6 % over the last 20 years), nor has Burkina Faso created the momentum required for aspiring to become a middle-income country. Coupled with one of the world's highest population growth rates in excess of 3 % annually, Burkina Faso remains close to the bottom of the Human Development Index (181 out of 187 in 2013).

Equal distribution of income remains a major challenge as great inequalities exist between regions, between rural and urban areas and within the urban environment. A GINI-coefficient of 0.398 is also accompanied by marked disparities in access to social services such as water and

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<sup>1</sup> <http://www.jeuneafrique.com/mag/268003/politique/burkina-faso-allo-ici-francois-hollande/>

<sup>2</sup> Résultats de l'Enquête Multisectorielle Continue – Phase 1, National Institut of Statistics and Demography, Burkina Faso, June 2015.

sanitation, education and health (for instance drinking water is available to 86 % of the urban population against barely 63 % in rural areas<sup>3</sup>).

The largest export earners are gold and cotton whereas the vast majority of the population (80 %) derive their livelihood from the agricultural sector. Subsistence farmers generate more than 70 % of the total agricultural production and in addition to contributing substantially to food security, the agricultural sector provides 61 % of monetary income in rural households. National development policies point to this sector as the main engine for ensuring national economic growth and it is generally recognised that creation of jobs (51 % of young people between 15 and 29 years are without employment) and thus reduction of income poverty (poverty incidence in rural areas amounts to nearly 51 % against 20 % in urban areas) is dependent on a substantial increase of productivity and investment level in the sector.

Regardless of progress achieved, Burkina Faso is unlikely to meet most of the Millennium Development Goals. The impact evaluation 2011-2013 of the government's development strategy, SCADD concluded that due to lack of data related to many of the MDG target indicators, it is difficult to give an overall assessment of progress made towards the MDGs. It appears that for Goal 3 "Promote gender equality and empower women" and 5 "Improve maternal health" partial advances are recognized; for Goal 4 "Reduce child mortality under 5 years" the quantitative results were achieved. The successor to the SCADD is expected to integrate most of the UN Sustainable Development Goals 2030.

Burkina Faso has demonstrated a surprising capacity and strength in dealing with political challenges and conflicts in a broadly participatory and (generally) peaceful way also mobilising groups that are often excluded from the political processes. The country has over the years seen demonstrations due to high costs of living, high unemployment rates especially among youth, frustration over corruption, and mounting political tension and widespread discontent with 27 years of President Blaise Compaoré's regime. In 2011, social tensions particularly in urban areas exploded in violent clashes between demonstrators and the police and there was rebellion within the military. Again in October 2014 an outcry over attempts to change limits to the presidential terms led to a popular uprising. President Compaoré decided to step down and following a short military interlude, a civilian-led transition government was tasked with organising elections within one year. The transition period was interrupted in September 2015 when the powerful presidential guard seized power in a military coup d'état. The fact that the remaining parts of the military chose to side with the largely united Burkinabe society, as well as a strong international condemnation ensured that the transition government was back on track after a tense couple of weeks. The popular uprising in October 2014 and the handling of the military coup in September 2015 are likely to be an inspiration and model for countries in Africa. In addition to the organisation of elections, the transition government has also managed to carry out a certain number of reforms.

Conflict and instability is a potential threat to social and economic development in the region as recently demonstrated in Mali and to a lesser extend in Niger. Burkina Faso is also facing serious threats to its stability – both internally and externally with banditry, terrorists using the territory as recruiting ground, more than 2 million illicit weapons in circulation and very porous borders. While radical and violent extremism is a possible threat to Burkina Faso particularly from neighbouring countries, social structures have demonstrated great resilience against such threats. In terms of migration Burkina Faso is primarily supplying economic emigrants to the stronger

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<sup>3</sup> Rapport de Performance de mi-parcours de 2015 CSD/EA, MARHASA, Juillet 2015

economies to the south e.g. Ghana and Ivory Coast which are important alternatives to migration to Europe. Migration to Europe is limited and to a large extent legal. Estimates from the World Bank show that remittances to Burkina Faso had a value of 121m USD in 2014, with 95% coming from neighbouring countries. Burkina has previously played an important role in terms of mediation in regional crises, and even though the transitional government does not have the capacity to do so, the country has the ability to resume such a role.

Public finance management is generally speaking satisfactory as concluded by consecutively IMF missions during the last 10 years. The last review carried out by IMF in March 2015 concluded that despite a difficult economic environment, the transition government is implementing sound macroeconomic policies. Efforts to effectively pursue development objectives are however hampered by significant levels of corruption.<sup>4</sup> There is a widespread perception in the population that corruption is common at the highest levels where preferential access to government contracts and investments is the privilege of but a small elite. Corruption is also common among ordinary public servants that request compensation to give people services to which they are entitled. The issue of corruption has been a key issue during the transition and is likely to remain high on the political agenda.

Burkina Faso has signed and ratified most international and regional human rights conventions including the African Charter on Human and Peoples Rights, and is fully committed to the Universal Periodic Review (UPR) process. However, the integration of international treaties into national law moves slowly and the implementation of reforms is lagging behind. At its second universal periodic review in 2012, the Government accepted 138 of 165 recommendations and is committed to implement them before the next review in 2017. Areas such as children's and women's rights feature prominently among the recommendations as these groups still do not enjoy the same opportunities as other citizens. Despite the Government's pronounced will abuses of civil liberties still occur at the hands of the primary duty-bearers (especially by security forces and in correctional facilities).

Civil society organisations (CSOs) and grass root movements play an important role in Burkina Faso. CSOs are not only operating as service providers of social services where government institutions do not reach, but have an essential role in raising awareness of human rights issues, corruption, impunity, and gender equality problems. They also constitute a mobilising force in holding the government accountable for its policies and actions. This was witnessed most spectacularly in relation to the popular protests in October 2014, where civil society played a pivotal role in bringing first the Compaoré regime and subsequently the military coup to an end while sticking to democratic and non-violent means.

Climate changes are expected to affect Burkina Faso's already very fragile natural environment adversely. Increases in temperature that exceed the global average and increased variations in precipitation and temperatures are expected to increase the frequency of both droughts and floods. With less than 0.5 pct. of the farmland being irrigated the associated damages and the inherent weakened predictability risk having severe adverse impacts on agricultural production, which is the backbone of the economy and the livelihood of the large majority of the population. It is increasingly recognised that more sustainable use and adequate management of especially water resources constitute a precondition for ensuring economic growth, food security and social stability. Limited natural resources also lead to violent conflicts between pastoralists and farmers

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<sup>4</sup> According to the Transparency Corruption Perception Index for 2014, Burkina Faso is ranked 85rd among 175 countries and 14th among 47 African countries

over access to land and water, the most common source of conflict, particularly in the north (2013 saw more than 1000 registered conflicts and 54 deaths).

## **2.2 Change Assumptions, Strategic Considerations and Justification of the Country Programme**

The country programme consists overall of 3 types of engagements: 1) funding to support the national development strategy; 2) engagements to develop governance institutions and civil society; and 3) engagements to strengthen the Burkinabe economy and social sectors. The change assumption is based on the view that a comprehensive approach is needed to generate sustainable progress and that this progress can only be achieved through mutually reinforcing efforts for enhancing economic growth, governance and peace and stability.

In order to assist the government in tackling the development challenges outlined above, the country programme focuses on a number of change assumptions that have been identified - and to some extent proven - to have a significant impact on the development of the country.

The basic assumption behind of the country programme is that the government of Burkina Faso maintains the broad-based concept of human security,<sup>5</sup> which has focused the country's development vision since 1995, most recently outlined in the 20-year prospective study "Burkina 2025" finalized in 2005. The latest development strategy 2011-2015 aims at accelerating growth and promoting sustainable development, especially the building of a modern and cohesive society. The strategy has enjoyed widespread consensus and preparatory work for its successor has indicated that the next 5-year plan under revision is likely to maintain this focus. It will however only be finalised by a new government expected to take office in 2016.

Efforts to maintain peace and stability, avoiding radical tendencies and violent conflicts are crucial to allow Burkina Faso to develop and prosper. Such efforts must necessarily be based on solid social and economic progress but given the multiple regional threats, this should also include direct efforts to address potential conflicts and prevent violent extremism. One of the most important factors in this effort is to enhance the trust and confidence of the population in the government through provision of security, protection of human rights, conflict resolution, social services and meaningful participation. The initiatives supported through the Country Programme are expected to strengthen the resilience of local communities towards radical and extremist tendencies and maintain a functioning, modern state of utmost importance for both the future development of Burkina Faso and the region.

Both Burkina Faso and Denmark adhere to the importance of a rights based approach to sustainable development and equitable distribution of wealth and resources including to the most vulnerable groups. Whereas Burkina Faso since 2010 has had guidelines for application of a human rights based approach, Denmark will apply this concept from the current country programme period 2016-20. Each thematic programme is developed with the basic assumption that both rights holders and duty bearers are important stakeholders in any development process. Thus support to government institutions are matched by support to civil society be it professional associations or private enterprises (agriculture) or civil society organisations (governance, development contract, water) both in the role as service providers and/or advocacy/watch-dog organisations. The country programme will thus seek to enhance the capacity of civil society to engage in robust dialogue with the government and to contribute to counter some of the unmet needs.

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<sup>5</sup> Human security defined as economic security, access to education and health, food security, environmental security, and individual and political securities (Burkina 2025).

In line with the SCADD, Danish cooperation with Burkina Faso is based on the assumption that good public governance is a crucial framework for strong private sector growth and a precondition for development of the country. Financial management, a credible legal system and provision of key social services by government in a transparent, effective and accountable manner are preconditions for a well-functioning economy and a stable political environment. Though there is no data to document this causality, it is worthwhile noticing that public financial sector reforms over the last five years have coincided with a strong growth performance. The country programme will thus continue to support public financial management reforms. Furthermore, reinforced inspection of the court system in the fight against impunity, corruption and arbitrary judgements will be pursued in order to ensure due process and re-establish trust in the Burkinabe legal system thus benefitting the rights of both private individuals and corporate entities.

Burkina Faso has with its present national and sector development strategies concluded that it is necessary to encourage private sector development more directly. The programme for economic growth in the agricultural sector is designed to prioritize this through specifically targeting small and medium sized enterprises with growth potential as the main drivers of economic growth in the rural sector. However, the important role of government institutions in creating the right framework conditions to boost private sector expansion will not be disregarded. Likewise, the support to enhance water supply and sanitation is drawing on private sector entities not only in the construction phase but also in the phase of operation and maintenance.

In order to address poverty and significant inequalities and ensure respect of basic human rights and social stability, vulnerable groups and women are being targeted directly in the country programme. In the agricultural programme some of the value chains chosen are particularly relevant for women (shea nuts and gum-arabicum). Disparities in access to water are a problem especially for women and have barely diminished during the last decade. Concerted efforts focusing in particular on women and children will be continuously based on the already vast experience from the last 10 years of support. Similarly, basic human rights and social stability are supported through civil society organisations providing people, at all levels of society, with knowledge of their rights, increased possibilities of access to justice and to reinforce the legal framework and strengthen local governments (agricultural and water programmes).

There is a tendency of continued degradation of natural resources, especially of water and land resources. This tendency is accelerated by climate changes and combined with a high population growth rate, is likely to adversely impact economic growth (which depends predominantly on agriculture and mining) and food security. Thus, considering the fragile environmental and climatic conditions, improved management of the natural resources will be required to ensure growth and minimise conflicts over scarce resources. Protecting and managing - sustainably and equitably - water catchments and water resources is also critical for maintaining the production potential of the country to ensure food security and for meeting basic human demands for water. This will be done through support to the management of Burkina Faso's scarce water resources especially at local level. Furthermore as an integral part of the agricultural programme better utilisation of available resources is a key issue and the programme includes a specific fund to promote introduction of green technologies.

### **2.3 Country Policy Strategic Objectives**

The overall objectives for Denmark's partnership with Burkina Faso is to pursue

- Poverty reduction with a focus on inclusive growth, sustainable development, and gender equality while paying special attention to vulnerable groups,
- Creation of a stronger rights-based and inclusive governance framework, paying special attention to human rights – in particular the rights of women, accountability mechanisms, and wide-ranging participation
- Economic growth and employment, paying special attention to employment for youth and women, to green growth and improved land and water resource management, and to reinforce small and medium scale enterprises for transformation of agricultural products.

The achievement of these overall objectives which are in line with those prioritised in the SCADD and with national sector strategies will be achieved through three thematic programmes and a development contract as follows:

- Human rights and stability
- Water and sanitation including integrated water resources management
- Economic growth in the agricultural sector
- General budget support and support to public financial management

The programme will thus maintain economic growth and poverty alleviation as its key goal but the most significant changes in the strategic approach compared to the previous programmes will be:

- Strongly rights based programme where strengthening of authorities are matched by equally strong focus on accountability mechanisms: public institutions are there to provide services to the population when it comes to economic operators, peoples' right to have access to water, recognising the principle of rule of law, predictability and transparency in public financial management.
- An enhanced emphasis on supporting popular and democratic forces through a civil society fund that supports specific action in fields of human rights, gender, accountability/transparency, local mediation and others as well as strengthening the overview of the judicial and security sectors to provide better protection for citizens.
- Focus on creating specific results in terms of human rights commitments made by Burkina Faso in the context of the Universal Periodic Review of the UN Commission for Human Rights - rather than merely building capacity in the concerned ministries.
- Addressing the regional challenges facing Burkina Faso through increased attention to security, stability and countering of violent extremism.
- Reducing the volume of general budget support, which has been very effective in promoting financial management reforms but should be gradually replaced by domestic resource mobilisation. It will be concentrated in the early years of the programme to help the new democratic government initiate reform efforts.

Although the Country Policy Paper was approved before the adoption of a human rights based approach (HRBA) to development, all thematic programmes have been designed on the basis of the four principles for HRBA (except the support to economic growth in the agricultural sector where the principles subsequently have been integrated).

The concept of sustainable development is an integral part of the national development strategy, SCADD but it does not presently hold a prominent position on the political agenda in Burkina Faso. However, there is a growing recognition of the need to more sustainably manage and preserve natural resources. This has materialised, for example, through the implementation of an

ambitious programme for water resources management. Recognizing that the country lacks expertise and experience in developing alternative solutions, the programme is addressing these aspects e.g. through a green fund aimed at establishing financially and environmentally viable production systems and through provision of technical expertise within selected value chains.

Internal coherence in the country programme is sought through a common set of strategic focus areas (governance, human rights, stability, growth and gender equality) linked to the country programme objectives and through concrete means of complementing these linked to thematic programmes. The human rights and stability programme is closely linked with the development contract through emphasis on accountability and transparency measures, which in turn is linked to the water sector programme through emphasis on measures to combat corruption and emphasise evolution of social indicators.

Though supporting in general government programmes with a national scope the selection of specific sub-programmes has been guided by an effort to focus particularly on the challenges of the northern regions where the largely nomadic population struggles with poverty under very difficult climatic and security conditions. The thematic programmes are in various ways targeted towards these areas. Two of the value chains supported under the agricultural programme (gum-arabicum and cattle) are particularly important for these areas; a number of communities will benefit from water schemes connected to existing pipelines and the development engagement involving support to the police and the gendarmerie will include community engagement in police work and investment in infrastructure. It is expected that Danish support will not only help improve living standards but also contribute to a stable and secure environment in an area which is most likely to be confronted with external security incursions and violent conflicts over access to national resources.

Burkina Faso constitutes a difficult market for most Danish companies but a few – some of them supported through instruments outside the country programme - have managed to identify interesting niches and are involved in various partnerships with Burkinabe private entities. Companies such as Grundfos and AAK are involved in activities that complement the bilateral development cooperation regarding provision of drinking water and the development of Shea nut production respectively. In 2014 Alcatel Lucent Danmark managed to win the tender for a major fibre optic project that will enhance IT capacity especially for public sector management and is supported through Danida Business Finance.

## 2.4 Aid Effectiveness

Development assistance funds play a significant but diminishing role for Burkina Faso (34 % of government budget in 2013 but domestic revenue is increasing by almost 10 % per year). Three multilaterals donors – the World Bank, the African Development Bank and the European Union – are by far the most important donors. They are complemented by a number of midsize donors such as the United States, Germany, Japan, France and Denmark plus a number of smaller agencies that primarily provide technical assistance. Many United Nations agencies are represented in Burkina Faso but have limited operational budgets.

Denmark participates actively in the various sector dialogues within the four themes – in total nine coordination forums - and currently leads the dialogues on public financial management and human rights. The country programme support is aligned to Burkinabe government and in general procedures at policy, strategic, financial and administrative management levels. All thematic programmes follow national/individual partner policies and strategies within promotion of human rights, justice, security, water and sanitation, agricultural development and the overarching national development strategy, SCADD. Indicators on outcome (and to a large

extend output) progress are based on those outlined in the SCADD generally speaking and more specifically for the 2014-2017 period. Monitoring of achievements follows the annual sector reviews within the framework of the SCADD. Likewise, all technical support is integrated into the various partners' set-up, funds are channelled through special accounts held by the Treasury and most contracts, excluding technical assistance, will be awarded follow public procurement procedures.

Furthermore, harmonisation of support with other development partners is firmly anchored in the SCADD and the associated, rolling results matrix and takes place through regular consultations within the framework of the national development strategy where all development partners and the Burkinabe government institutions meet on a regular basis for coordination and dialogue on progress. In addition, the development partner Troika meets with government at Prime Minister or Minister of Finance level also on a regular basis for policy dialogue. Support to civil society is harmonized within basket funds and/or steering committees.

## 2.5 Contextual Risk Analysis

Despite a sustained increase of GDP during the last decade, absolute poverty has only decreased from 46,4 % in 2003 to 40,1 % in 2014. Although the SCADD aims at achieving a poverty rate of 35 % in 2020, this will be difficult especially in view of the rapid population growth. Burkina has experienced an increased number of public demonstrations in recent years claiming the right to employment, social services and a share of the economic growth. There is a substantial risk that sustained poverty, lack of focus on diminishing equalities, e.g. in access to social services, might fuel further social unrest and exacerbate political instability. The incoming government after the elections will need to address marked socioeconomic inequalities and embark on a national reconciliation process.

The political situation remains fragile during and beyond the transition period. In the short term election related demonstrations remain a risk as do disappointed popular expectations of radical reforms. Social tension and political frustrations have been eased by the regime change but may re-emerge given the exclusion of some politicians related to the previous regime.

Conflict in neighbouring countries is a potential source of destabilisation even if Burkina has had relatively few incidents related to ethnic conflict or radical religious movements. While Burkina Faso has received around 35,000 Malian refugees, the instability of its neighbours has not spread to Burkina. It is however evident that the regional illicit flow of arms, drugs and trafficked persons will also impact Burkina Faso. Apart from potentially further contributing to political and social destabilisation, this may lead to increased military expenses and further inaccessibility of northern and western regions. While Burkina Faso is affected by radical Islamic tendencies, the religious and political establishment has been fairly successful so far in limiting the influence of radical groups.

The absorption capacity of public investment remains weak (the rate of implementation not exceeding 47 % of budget in 2012<sup>6</sup>). Although substantial efforts have been put into improving the national procurement act, procedures are still very cumbersome. Investments following national procurement procedures are often delayed thus leading to inability to consume annual budget allocations and difficulties in achieving annual targets for activity implementation. The WAEMU reform to be implemented from 2017 onwards is likely to address this situation.

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<sup>6</sup> Rapport Programme d'Investissement Publique 2013, Ministry of Economy and Finance.

Despite Burkina Faso being ranked as the 14<sup>th</sup> least corrupt among 47 African countries, corruption and impunity affects most sectors. Despite an increased number of corruption cases revealed by civil society organisations and public institutions in charge of internal control, impunity is still a major problem. A new anti-corruption law was passed by the transitional Parliament beginning of 2015 with praise from local watch-dogs groups. Continued relatively high levels of corruption might negatively affect efficiency and quality of investments and have potentially dire consequences for continued disbursement of aid.

## 2.6 Budget per Thematic Programme (million DKK)

<b>Human Rights and Stability</b>	180
<b>Water and Sanitation</b>	338
<b>Economic Growth in the Agricultural Sector</b>	380
<b>Development Contract</b>	252
<b>Total amount of Country Programme*</b>	<b>1,150</b>

\*of which DKK 380 million were approved end 2012 for the agricultural programme

## 3 Thematic Programmes

### 3.1 DEVELOPMENT CONTRACT

Burkina Faso is one of the few countries in Africa where general budget support is consistently judged to have had a positive effect on financial reforms and the implementation of economic policies<sup>7</sup>. With a specific emphasis on financial sector reform, it has also provided incentives to improve the efficiency of public sector management.

#### 3.1.1 Strategic Considerations and Justification

General Budget Support (GBS) provided by various donors including Denmark<sup>8</sup> over many years has played a crucial role in Burkina Faso's efforts to stabilise the macro-economic framework and has enabled the country to implement an ambitious national development strategy, the SCADD, aimed at both promoting sustainable economic growth and poverty alleviation. Based on the SCADD and aided by the support of the GBS donors and a favourable economic environment, Burkina Faso has achieved a solid economic growth for a numbers of years while maintaining macro-economic stability, strengthening Public Finance Management (PFM) and improving the provision of social services aimed at poverty alleviation. The political events in Burkina Faso, the impact of the Ebola epidemic in the region and deterioration of the economic environment (decrease of cotton and gold export prices, lower gold and cereal production) have however, reduced gross domestic product (GDP) growth to an estimated 4% in 2014, which also has impacted negatively on government revenues.

In order to support the transition and subsequently the new government's ambition to return as quickly as possible to the path of economic growth and poverty alleviation, Denmark will

<sup>7</sup> Joint Evaluation 2012, AfDB, Danida, SIDA: Evaluation of Public Financial Management Reform in Burkina Faso 2001-2010; p.65,66; Andrew Lawson, Mailan Chiche, Idrissa Ouedraogo; Submitted by Fiscus Public Finance Consultants and Mokoro Ltd to the Evaluation Management Group, June 2012

<sup>8</sup> Current budget support donors beside Denmark are World Bank, African Development Bank, EU, France, Germany and Switzerland. All of them are expected to continue.

continue to provide GBS, and pursue the associated policy dialogue on overall development challenges together with the EU and other multilateral and bilateral development partners<sup>9</sup>. In order to optimise Danish support, the GBS will be provided for a limited period with especial focus on the first years after the transition period (see further below). The provision of GBS will be accompanied by specific support to strengthen PFM as a key factor for (i) maintaining macro-economic stability, (ii) effective and efficient allocation of budgetary resources, (iii) improving budgetary transparency and oversight of budget execution, and (iv) fighting corruption.

The overall intervention logic of the development contract is based on the main assumption that the priorities of the next phase of the SCADD are compatible with those of Danish development policies. It is assumed that the PFM system will continue to improve within the framework of the national programme for strengthening PFM, the POSEF (Politique Sectorielle de l'Economie et des Finances 2011-2020). Finally, the assumption is that the involvement of civil society organisations (REN-LAC and CIFOEB) in the implementation of the programme activities will lead to increased awareness not only of the Government for the need to improve budget transparency, accountability and the fight against corruption, but also the general public's demand for accountability of public spending.

More specifically, the assumptions concerning GBS are: i) non-earmarked GBS increases the financial resources available for the government to implement the SCADD and allows it to allocate additional resources to the highest and most urgent priorities; ii) the dialogue between the budget support donors and the Burkinabe government about strategic targets will provide a framework for discussions about the country's development strategy, the implementation of the SCADD, and the human rights based approach (HRBA); iii) strengthening the implementation of SCADD contributes to the realisation of its objectives such as poverty reduction and promotion of sustainable and inclusive growth by means of adequate economic and sector policies; iv) GBS promotes the coordination and harmonisation of international aid and has the ambition to reduce transaction costs. The assumption regarding POSEF is that a good quality of PFM is a precondition for effective and transparent utilisation of the government's resources and it is an important component of the fight against corruption.

The formulation of the development contract takes OECD's five quality criteria into account. **Relevance** is ensured by the fact that GBS funds the priorities of the development strategy and the fight against poverty defined by the Government in collaboration with all donors. For **efficiency** and **effectiveness**, the IMF confirms that the government is implementing prudent and sound macroeconomic policies. Burkina Faso has a good track record as regards maintaining macro-economic stability and implementation of the programmes agreed with the IMF. In general, the budget execution reporting system is quite efficient with good access to data. Several tools and mechanisms for monitoring budget execution allow for periodic fiscal reports. Annually, the audit office publishes reports on its controls, including analysis of the execution of the government budget. For **sustainability**, reforms related to public finances lead to continuous improvement in the revenue of the state. Finally, **impact** can be seen in improved access for the population to social services such as education, health and drinking water.

#### **Five budget support criteria:**

*Adherence to Fundamental Values: Human Rights, Democracy and Rule of Law*

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<sup>9</sup> Denmark has provided GBS since 2005 in the form of three consecutive Macro-economic Support Programmes. The GBS component of those Programmes amounted to DKK 120 million for the years 2005-2007, DKK 275 million for the years 2008-2012 and DKK 230 million for the years 2012-2015.

The overall assessment of adherence to the fundamental values by the government is positive<sup>10</sup>. Human rights, personal and political freedoms are not generally threatened. Institutions of a constitutional, pluralistic and free democracy are in place, but the democratic processes need to be strengthened. The judiciary system is faced with governmental interferences and inefficiencies causing long delays, low rate and weak enforcement of sentencing, and endemic corruption<sup>11</sup>. Following the political change due to the popular uprising in late 2014, the transitional government has prioritized the establishment of an independent judiciary.

#### *Solid National Policies for Poverty Reduction, Good Governance and Sustainable Development*

The government has a comprehensive and relevant national development strategy . Donors participate in the sector level dialogues and the annual reviews. On the basis of the 2014 annual SCADD implementation report, donors concluded that implementation was “generally satisfactory” but that there is a paradox between the good macro-economic performance and the insufficient progress as regards the other SCADD performance indicators. The formulation of a follow-up to the SCADD for the years 2016-2020 has started and its finalisation and approval will be the responsibility of the new government. It is expected that there will be a large degree of continuity between SCADD and its successor.

#### *Maintenance of a Stable Macro-economic Framework*

For many years the macro-economic policies of the government (in particular the fiscal and monetary policies) have been prudent and adequate for maintaining a stable macro-economic framework. Economic growth (6.9 % per year on average for the years 2011-2013) has been quite satisfactory compared to other countries in West Africa, but was still below the SCADD objective of 10 % per year. The country has always been on track with implementing the agreements reached with the IMF<sup>12</sup>, although exceptionally waivers have been granted for selected performance criteria<sup>13</sup>. In its May 2015 report recommending a continuation of the Extended Credit Facility Arrangement, IMF concludes that notwithstanding the political changes and economic setback in 2014, the performance of the programme “has been satisfactory” and that “the transition authorities have the technical capacity and political will to implement the agreed measures”<sup>14</sup>.

#### *Adequate Public Finance Management (PFM), including Anti-corruption Activities*

Burkina Faso has a well-defined PFM reform strategy, whose implementation is embedded in a comprehensive monitoring and review system, in which the donors participate. Assessments of the quality of PFM in Burkina Faso on the basis of the PEFA methodology - carried out in 2007, 2010 and 2013 - have shown a clear upward trend. The overall picture of the scores obtained in 2013 is quite satisfactory when compared to other African countries.

A new anti-corruption law was approved by the National Transition Counsel (parliament) in the beginning of 2015. The Supreme Government Control Agency created in 2007 is supposed to play a major role in the fight against fraud and corruption but its human resources are still inadequate. Burkina has improved its ranking on the Corruption Perception Index somewhat in 2012, but the score remained stable in 2013 and 2014. In 2014 Burkina Faso ranked 85 among 175 countries assessed.

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<sup>10</sup> Analyse des valeurs fondamentales : Contrat de Bonne Gouvernance et de Développement ; Délégation de l'Union Européenne au Burkina Faso ; Septembre 2013.

<sup>11</sup> Etude sur le renforcement de l'indépendance du pouvoir judiciaire, Dec 2013.

<sup>12</sup> See the Poverty Reduction and Growth Facility (PRGF) arrangements from 2003 to 2006 and from 2007 to 2010, and the Extended Credit Facility (ECF) arrangements from 2010 to 2012 and 2013 to 2015.

<sup>13</sup> See, among others, IMF July 2013, Burkina Faso: ex-post evaluation of longer term program engagement.

<sup>14</sup> See IMF, 14 May 2015, Staff report of the second and third reviews under the Extended Credit Facility Arrangement

### *Transparency and Oversight of the Budget*

The score on the PEFA indicator dealing with public access to budgetary information showed a marked improvement in 2013 compared to 2010. The 2012 Open Budget Survey covering 100 countries<sup>15</sup> showed however that Burkina Faso could still improve substantially regarding budget transparency.

The national PFM programme will benefit from the fibre optic G-cloud, which will be financed by mixed credit under the Danida Business Facility. It will enhance effective management of data and budget figures and also facilitate public access to budget and performance information.

### **3.1.2 Thematic Programme Summary**

The overall objective of the development contract is to support the government in implementing (i) its national development strategy aimed at promoting sustainable economic growth and reducing poverty, and (ii) its strategy to strengthen Public Finance Management. The thematic programme is composed of two development engagements, namely (i) General Budget Support and (ii) support to strengthening Public Finance Management.

#### *Short Summary of the Development Engagements*

The **GBS development engagement** provides un-earmarked financial support to the government for implementing its development strategy during a three years period from 2016 to 2018. Consequently, the overall objective of the GBS is identical to the overall objective of the strategy, which is “realisation of strong and continuous economic growth generating multiplier effects as regards improving income and the quality of life of the population, while respecting the principle of sustainable development”<sup>16</sup>.

Within the GBS disbursements for 2016 and 2017, there will be a once-off tranche in order to help stabilise the macro-economic situation and the government budget after the disturbances of 2014-15. The tranches will constitute about 23 % of the available GBS envelope. About 77 % of the remainder will be made available as respectively annual fixed tranches (80 %) and annual variable tranches (20 %) of annual allocation. Disbursement of the tranches is subject to a positive assessment of the budget support principles mentioned above evaluated on an annual basis.

The largest tranche (80 %) will be tied to good macroeconomic performance (IMF monitoring) and to an overall positive assessment of the progress in the implementation of the development national strategy, SCADD during the previous year. Thus, the annual disbursement depends on the satisfaction of the five basic conditions, which refer directly to the five basic principles for budget support, namely: i) favourable evolution of the fundamental values (human rights, democracy and the state by right); ii) maintaining macroeconomic and budgetary policy promoting macroeconomic stability; iii) positive assessment of the implementation of the SCADD, mainly based on the annual review of the SCADD; iv) positive assessment of the quality of PFM, mainly based on the annual review of POSEF and PEFA assessments; and v) satisfactory budgetary transparency and external control of the budget.

The main purposes of a variable tranche are: (i) highlighting important measures and performance indicators, (ii) providing an additional incentive to the government to address those issues and (iii) showing the general public links between GBS and concrete measures and

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<sup>15</sup> International Budget Partnership (IBP), Open Budget Survey 2012.

<sup>16</sup> As mentioned above, it is expected that the objective of the SCADD II will be largely similar to the current SCADD.

performances. The amount of the variable tranches to be disbursed depends on the achievement of selected performance indicators. Those indicators will be related to poverty reduction, promotion of equality and improving PFM. They will be selected from the performance evaluation matrices of the SCADD and POSEF, which are updated and defined annually (with a 3 year perspective). Each year, a month after these matrices are updated, the embassy will agree with the government on the performance indicators to be used as the variable tranche disbursement indicators in the following year. Normally each indicator will release 50 % of the variable tranche provided the target of the indicator has been achieved; in case of partial achievement only 25 % will be disbursed and in case of non-achievement, nothing will be disbursed. These percentages may vary if it should be considered helpful in promoting crucial policy issues.

Donors providing budget support are coordinating their budget approaches through the general framework for managing budget support (CGAB) of which the most recent version was signed in 2012. The policy dialogue between the development partners and the government with regards to national and sector development issues is conducted based on the SCADD and sector programme dialogues and review mechanisms.

The overall objective of **the support to strengthening PFM** is identical to the overall objective of the POSEF, which is “promotion of a competitive and modern economy supported by performing and dynamic public finances”. In the absence of a consensus on a joint implementation arrangement, the Danish support will be used for funding specific PFM activities of POSEF’s priority action plan, which is updated annually and has a 3-year perspective. After the annual update, the Danish embassy and the ministry of economy and finance will agree on which activities to be funded by Denmark in the next year. The Danish support will be managed by the technical secretariat of POSEF, which is part of the ministry.

The PFM policy dialogue and the coordination and harmonisation with other donors will be conducted during (i) the annual progress meetings, (ii) the annual review of the implementation of the POSEF, (iii) the POSEF steering committee meetings and (iv) specific donor meetings about the coordination of donor support to the POSEF.

In addition to the two development engagements described above, the provision of GBS and the PFM support will be accompanied by direct **support to two civil society organisations** – RENLAC and CIFOEB – being active in the field of respectively the fight against corruption and the promotion of budget transparency (financed under the thematic programme ‘Human Rights and Stability’). The support aims at improving economic governance through 1) population participation in political dialogue on the budget; representation of civil society organizations in areas of dialogue with the Government (CIFOEB); and 2) transparency in the management of public affairs; fight against corruption (RENLAC).

Both CSOs have internal and external oversight bodies, and in view of the complexity of their areas of intervention have either scientific committees or ad hoc committees made up of people that guide resource and validate operations. CIFEOb and RENLAC have each multi-year strategic plans. Funding is implemented through joint basket funds where donors coordinate their contribution.

Thematic programme	Development contract
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Thematic programme objective	Support to the national development strategy aiming at (i) creating a favourable environment for strong and continuous economic growth generating multiplier effects as regards improving incomes and the quality of life of the population, while respecting the principle of sustainable development and (ii) strengthening Public Finance Management.
Impact indicators	<ul style="list-style-type: none"> <li>• Real average GDP growth of at least 6.5 % per year in the period 2016-2020<sup>17</sup>;</li> <li>• Reduction of the percentage of the population living below the poverty line from 40.1 % in 2015 to less than 35 % in 2020;</li> <li>• Increase of the Human Development Index from 0.388 in 2014 to 0.475 in 2020.</li> </ul>
<b>Engagement title</b>	<b>General Budget Support</b>
Outcome	A strong and continuous economic growth has generated multiplier effects as regards improving incomes and the quality of life for the population, while respecting the principle of sustainable development.
Outcome indicators	<ul style="list-style-type: none"> <li>• Cereal production increased from a coverage rate of 124 % in 2012 to 135 % in 2017 (of volume needed on a national level to meet 80 % of needed calorie intake).</li> <li>• Proportion of women owners of formal enterprises ratio to be at least 25 %</li> <li>• At least 20 % of total government investments to be allocated to the rural sector per year in 2016-2018</li> <li>• Increase in the percentage of the population having access to clean drinking water to 92% in urban areas and 72 % in rural areas in 2020.</li> <li>• Improvement in the Corruption Perception Index to 42 in 2020.</li> </ul>
<b>Engagement title</b>	<b>Support to strengthening Public Finance Management</b>
Outcome	Performing and dynamic public finances support the promotion of a competitive and modern economy.
Outcome indicators	<ul style="list-style-type: none"> <li>• Improvement in the scores of the PEFA indicators compared to 2013<sup>18</sup></li> <li>• Positive appreciation of the implementation of POSEF and SCADD as concluded by the joint annual reviews.</li> </ul>

### Choice of partners

The ministry of economy and finance (MEF) is by nature the partner for the two development engagements. For the last ten years of collaboration, the ministry has proven to be a very solid and engaged partner with a strong performance record. In the annual review exercises of the SCADD implementation, the ministry is consistently assessed as the most liable partner by donors.

### Budget at outcome level (millions DKK)

<sup>17</sup> Source: SCADD Performance Matrix 2016-2018. To be noted: The SCADD target was 10.8 % per year, which wasn't realistic. Actual GDP growth was 6.6 % per year on average in 2011-2013 and 4 % in 2014. The IMF projects 5 % for 2015 and 6 % for 2016 (see 2nd and 3rd ECF review of the IMF).

<sup>18</sup> From 6 indicators have a score of A, 14 indicators have a score of B or B+, 4 indicators a score of C or C+ and 4 indicators a score of D or D+ in 2013 to 12 indicators have a score of A, 8 indicators have a score of B or B+, 5 indicators of C or C+ and 3 indicators a score of D or D+ to 2016-2020.

	2016	2017	2018	2019	2020	Total
GBS	70	75	50			195
- Fixed	40	40	40			120
- Variable	10	10	10			30
- Urgency	20	25				45
Support to POSEF	5	10	10	10	10	45
Audits, reviews, etc.		1		3		4
Un-allocated		1		7		8
<b>Grand total</b>	<b>75</b>	<b>87</b>	<b>60</b>	<b>20</b>	<b>10</b>	<b>252</b>

### Monitoring

Monitoring and evaluation (M&E) of the effects and results of the GBS as well as the related policy dialogues is done in the context of the reporting systems of the SCADD and the sector programmes, in which donors participate actively. The M&E of Danish support to PFM improvement will be part of the reporting system of the POSEF. In addition, brief annual reports as regards the Danish assistance will also be produced by the ministry of finance.

### Risks

Risk factor	Risk response
Delay in approving the successor to the SCADD.	SCADD most likely to be prolonged.
Macro-economic instability.	This risk could be reduced by strictly evaluating each year the basic principles of budget support as regards macro-economic stability and implementation of the national economic policies, and suspending the GBS if the evaluation of those two principles is negative.
Insufficient capacity for implementing the PFM reform activities as defined in the priority action plan of POSEF.	This risk is reduced to “minor” by monitoring closely the implementation of the PFM reform activities and POSEF at large, and by putting emphasis on human resources development and institutional strengthening.

## 3.2 HUMAN RIGHTS AND STABILITY PROGRAMME

Despite an expansion of political freedoms during the last decades, and an open and public debate on issues like impunity, corruption and freedom of speech, Burkina Faso’s human rights record still faces significant challenges. A key issue is the justice sector, which has an adequate legal framework but suffers from a number of shortcomings compared to international standards. The courts themselves are prone to political interference and lack strong internal controls. Corruption is widespread according to civil society organisations. Moreover, the police, which for many people is the first and most visible part of the judicial system, has been criticized for committing abuses with impunity. Building confidence between the government and particularly the security services is particularly important in marginal areas where threats to security and stability are high.

The Human Rights and Stability Programme will build on a number of strong government commitments, not least following the political transition started in 2014. The programme seeks to improve governance at the heart of the justice sector by supporting judicial oversight and legal reviews. To ensure benefits for marginalised and vulnerable populations, the programme will contribute to a reform of the police from police *force* to police *service*, as well as ensuring an expansion of the reach of the police in vulnerable border areas.

Strengthening of public sector capacity to address these issues is matched by support to civil society in order to reinforce accountability mechanisms and ensure that rights-holders are given a voice. This is the case not only in relation to topics related to this thematic programme, but also in relation to other domains in the country programme, including anti-corruption, public finances and access to water.

### 3.2.1 Strategic Considerations and Justification

The main focus for the thematic programme is the pressing need to improve the human rights record in Burkina Faso, as continuously asserted by both the government of Burkina Faso and the government of Denmark, as well as by progress reports emanating from the Universal Periodic Review process (UPR)<sup>19</sup>. Particularly, civil liberties and fundamental human rights are seen as insufficiently protected. The judicial system, including the courts and the police, are fundamental to upholding this protection.

Public institutions' inability to secure human rights has contributed to a lack of confidence in the state and a weakening of social cohesion. After the uprisings in October 2014 and the fall of Blaise Compaoré, there is widespread hope that the state's legitimacy as well as the population's trust in government institutions can be restored. This hope of change has been fuelled by promises of reforms from the transition government. Few areas are seen as more important than judicial sector reform. Cases of impunity and corruption have received widespread coverage and led to mass demonstrations. Continued momentum in the implementation of reforms will be crucial, not only to restore public confidence, but also for social and political stability.

The programme's overall objective is to contribute to an improvement in the human rights situation, with a particular focus on activities that lead to tangible progress regarding the population's access to justice. Actions to improve access and to strengthen the independence of the judiciary are explicitly recommended, and accepted by the government, in Burkina Faso's last UPR. These reforms are also necessary in order to achieve progress on issues like anti-corruption, violence against women and democratic governance. The strategy is to strengthen the state's ability to deliver on human rights commitments, while at the same time enhancing civil society's ability to hold the state accountable to these commitments.

To enhance access to justice, the first development engagement supports the Ministry of Justice, which is now merged with the Ministry of Human Rights, in both judicial oversight and key legal revisions, including the penal and the family codes. At the same time, rights holders are supported through, for example judicial aid directed towards women as well as information campaigns and films on human rights issues.

As the first link in the chain of the criminal procedure, the police and the gendarmerie play a crucial role in translating human rights commitments into real-life changes. Their accessibility and ability to respect human rights are important for change to happen. To this end a partnership was initiated in 2014 with the Ministry of Security, who is in charge of the police and other security services. This collaboration will be expanded to increase the protection of human rights by continuing work initiated by the Danish Institute of Human Rights, also in line with UPR recommendations<sup>20</sup>.

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<sup>19</sup> Paragraph 5 of the annex to Human Rights Council Resolution 16/21, Working Group on the Universal Periodic Review (February 2013) A/HRC/WG.6/16/BFA/2 (p.13)

<sup>20</sup> Strengthening the security services ability to protect human rights and local access to justice are two of the recommendations accepted by Burkina Faso in the UPR (number 135.40 and 135.112).

Furthermore, the support is expected to build the resilience of key regions in Burkina Faso to deal with the threat of violent extremism and instability<sup>21</sup>. Taking note of global experiences in community policing<sup>22</sup>, this human rights work will complement the work carried out regionally by the Danish Sahel Programme. Since Denmark does not have longstanding experience in supporting the security sector, the programme will be implemented with a comprehensive technical support package as well as in consultation with other donors already involved (in particular the EU, Germany and France).

Several assumptions underlie the engagements' contribution to the thematic objective. With regard to the justice section, a key assumption is that changes in the legal and institutional framework supported by the programme will be followed by concrete action by the relevant public institutions and that the institutions will be responsive to the monitoring and supervision mechanisms in place. When it comes to the security sector it is assumed that the local security services will be working in a responsible and efficient manner while having the capacity and willingness to support the most marginalised and vulnerable groups. Finally, support to civil society will only lead to real changes if the government is open towards dialogue and will take concrete steps to improve the human rights situation based on the priorities voiced by right holders or their representatives from civil society. A central assumption is that the civil society organisations receiving institutional support will maintain their capacity to independently plan and implement their activities, and learn from previous experiences.

The programme takes OECD's five quality criteria into account. It is highly **relevant** as it builds on recommendations accepted by the government itself, and is monitored by civil society and international UPR mechanism. Support to the police builds on careful and participatory analysis of the security situation<sup>23</sup>. **Impact** is ensured by drawing on past experience; previous programmes provided broad institutional support to ministries working only on human rights and gender issues. Even if the overall objective is similar, experiences from the previous governance programme<sup>24</sup> has led to partial change of partners and a clearer focus on more concrete results at the heart of the judicial system. Necessarily, such impacts are closely linked to contextual risks and, as such, are difficult to guarantee. The **effectiveness** of the programme is ensured by the choice of two ministries key to the concrete implementation of human rights commitment as well as by support to civil society organisations, which were shown in the mid-term review in 2012 to be highly effective. **Efficiency** will be sought through a focus on specific and measurable results as well as provision of technical assistance in implementing a set of new public procedures mandated by UEMOA. **Sustainability** will be ensured by aligning the programme with national policies, requiring each ministry to contribute to the engagements' budgets and using public financing channels to transfer funds to the ministries.

The programme has been designed in accordance with key human rights-based approach principles:

- *Non-discrimination*: Implementing UPR recommendations regarding vulnerable groups and their full access to fundamental/non-derogable rights,<sup>25</sup> as well as regarding access to police and justice services for all segments of the population will increase non-discrimination.

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<sup>21</sup> See action plan in West Africa and Sahel by the Center on Global Counterterrorism Cooperation; July 2013

<sup>22</sup> Mike Brogden: "Horses for Courses" and "Thin Blue Lines": Community Policing in Transitional Society" in *Police Quarterly* 2005, vol. 8, p. 64.

<sup>23</sup> Preventing Violent Extremism in Burkina Faso – Toward National Resilience Amid Regional Insecurity by Augustin Loada and Peter Romaniuk, 2014.

<sup>24</sup> See Aide Mémoire de Revue Programme d'Appui à la Bonne Gouvernance au Burkina Faso (2008-2013), October 2012

<sup>25</sup> International Covenant on Civil and Political Rights – that includes non-derogable rights.

- *Participation and inclusion:* Supporting civil society organisations to help promote human rights and the prevention of violent extremism will ensure participation, as will the engagement of communities in security issues.
- *Transparency:* Carrying out checks to combat corruption in the justice system will increase both accountability and transparency. These principles will be consolidated through both civil society support to monitor the state budget and the promotion of dialogue within this sector.
- *Accountability:* Improving the government's ability to carry out internal controls will increase both accountability and transparency. Civil society organisations will be engaged in general oversight and mobilisation of peoples' complaints, for example, through radio.

A change, compared to earlier programmes, is that the Ministry of Gender and Ministry of Decentralisation are no longer supported. As for the Ministry of Gender, experience has shown that the ministry's advocacy initiatives largely failed to achieve tangible results, and thus this aspect is now addressed through a strong focus on specific actions to secure women's rights throughout the three engagements, including a specific gender component for civil society. When it comes to decentralisation, the previous seven years of support at national level has shown little significant results whereas support at decentralised level has had a more positive outcome. For this reason, decentralised decision-making structures will be supported in the thematic programmes on water, sanitation and agriculture. The national process regarding decentralisation still receives support from large donors, e.g. the World Bank, Germany and EU.

### 3.2.2 Thematic Programme Summary

The objective of the Human Rights and Stability Thematic Programme is to improve the human rights situation in Burkina Faso by promoting governance and stability. The programme will work to protect human rights in a consistent manner by developing interaction between the justice services, police and civil society.

#### *Short summary of development engagements*

The programme has three engagements: two involve public ministries and the third supports civil society organisations. The first engagement is with the Ministry of Justice, Human Rights and Civic Promotion aimed at **implementing human rights and contributing to a more credible justice system**. The engagement will continue previous support to the supervision and implementation of recommendations from the Universal Periodic Review. The goal is to implement 35% of the 2017-2021 UPR recommendations, with a specific focus on rights related to women and children. Moreover, this engagement will support the judicial inspection to increase the number and quality of inspections of courts and increase the credibility of the judicial system. Finally, the first engagement includes support to law revision on the key areas described above. To facilitate reforms, the human resource function of the legal sector, i.e. the career paths of judges, will be taken into account through revision of the legal framework as well as through support to the Ministry's administration thereof as necessary. A central assumption in this engagement is that the current willingness to reform will remain strong.

The second engagement will help improve **local access to justice, stability and protection of human rights** through targeted support to the Ministry of Security in the Sahel, East and North regions. These have been chosen because the security challenges here are the greatest and the relationship between the local communities and the security forces the most precarious. The aim is to increase public confidence in the police and the gendarmerie; specifically to reach a situation where 80 % of the population in a survey expresses "a lot of confidence" in the police. This will be achieved by training the police on human rights, for example by working with the police academy and by providing adult education. The number of fully functional and operational

police stations will also be increased. Knowing the challenges in infrastructure investments, the establishment of police posts will be funded only where it is of highly strategic relevance, e.g. in municipalities with no presence of either police or gendarmerie and special attention will be given to monitoring of the process. Lastly, the active participation of the population in the work of the police and the gendarmerie will be strengthened, initially through support to outreach activities, but later by supporting community-based organisations working on security-related issues. In this engagement, it is assumed that the government will continue to support the reforms of the security sector, besides supporting the continued increase of security presence in the three relevant regions.

The third engagement will provide support to **civil society through assistance to both new and established civil society organisations** through institutional funding as well as project grants. The planned outcome of this engagement is a stronger and more representative civil society, which is able to defend human rights effectively towards the government. Thus, the outcome complements the support to duty-bearers in the thematic programmes on development contract, water and sanitation as well as human rights and stability. A number of different funding windows will be administrated by a single fund manager, to be engaged following the relevant tender procedures. The fund manager will lead a participatory process to adjust the modalities and funding windows after two years.

One window will target organisations receiving institutional support in order to improve their independence and sustainability (also financially), thereby targeting one of the main weaknesses identified by the capacity analysis<sup>26</sup>. There will be both organisations focusing on human rights issues and macro-economic transparency. This support will be evaluated every year taking into account the organisations' performance. Secondly, a funding window will target middle-sized organisations and thus facilitating variety and depth of CSOs working on governance issues. A third window is a gender basket fund which is already functional, and which will continue to provide project funding.<sup>27</sup> A fourth window complements the thematic programme on water and sanitation and will be made available to CSOs working on the right to water. Finally, and in support of the development engagement on local access to justice, projects aimed at preventing violent extremism will be supported by a fifth funding window.

<b>Thematic programme</b>	<b>Human Rights and Stability Programme</b>
Thematic programme Objective	An improved human rights situation in Burkina Faso through stronger governance and stability
Impact indicator	<ul style="list-style-type: none"> <li>• General human rights situation improved significantly (<i>Qualitative assessment of review report on the status of implementation of the UPR recommendations accepted by Burkina Faso, midterm and end of 2nd and 3rd cycles</i>)</li> <li>• Corruption decreases significantly (<i>Qualitative assessment of RENLAC reports</i>)</li> <li>• Number of armed robberies and hold-ups in the three regions North, East and Sahel has diminished by 20%</li> </ul>
<b>Engagement title</b>	<b>Implementation of human rights and credible justice</b>
Outcome	A higher degree of implementation of human rights and increased credibility of the justice system.
Outcome indicator	Level at which the Ministry of Justice has contributed to the implementation of human rights and credible justice ( <i>qualitative analysis and process tracing, based on reports from the Universal Period Review</i> ).
<b>Engagement title</b>	<b>Improve local access to justice, stability and protection of human rights</b>

<sup>26</sup> See organisational analysis of CSOs; July 2014 and Engagement de l'Union Européenne envers la société civile, Feuille de route, 2014 - 2017

<sup>27</sup> Due to the modalities of the gender basket fund, funds will be available for financing of project proposed by both public institutions and civil society organisations. If feasible, the management of the fund will be integrated with the remaining civil society support.

Outcome	Improved local access to justice, stability and protection of human rights.
Outcome indicator	The population's level of confidence in the security services (police and gendarmerie) on a national level and particular in the East, North and Sahel regions ( <i>measured by an individual level survey</i> ).
<b>Engagement title</b>	<b>Promotion of human rights</b>
Outcome	A stronger and more representative civil society, which is able to defend human rights effectively towards the government.
Outcome indicator	Number of people each year whose knowledge of human rights has increased ( <i>based on reports of civil society organisations and programme-budget MDHPC</i> ).

### Choice of development engagement partner, modalities, capacity-building and technical assistance to engagement partners

Partners were selected based on organisational and institutional analyses<sup>28</sup>. The value added and the reason to expect significant impact of the Ministry of Justice, Human Rights and Civil Promotion is in its role as chair of the monitoring committee overseeing implementation of the UN Human Rights Council Universal Periodic Review recommendations. The ministry has a strategic position in revising and implementing the law and its application. Also, the ministry and in particular its judicial inspection, plays a crucial role in improving the quality of the judicial services and the fight against corruption.

Ministry of Security is an obligatory partner regarding any work related to the security services. During the past one and a half years, the ministry has proven to be a reliable partner and thus this partnership will be continued to strengthen the way in which police and the gendarmerie interact with local communities and to support a move to a police force servicing the population. For the two ministries, technical assistance will be provided both within their respective areas of expertise and with regard to new administrative procedures introduced by UEMOA. Furthermore, the Danish Institute for Human Rights will continue to provide support to the police independently but coordinated with the thematic programme. As for civil society, a fund manager will be selected in accordance with Danish development cooperation procedures to administrate the fund and to build the capacity of the organisations.

### Budget at outcome level (millions DKK)

Development Engagement	2016	2017	2018	2019	2020	Total
Implementation of human rights and credible justice	2.7	6.7	8.1	7.6	2.7	27.8
Improve local access to justice, stability and protection of human rights	3.0	7.4	8.9	8,6	2.9	30.9
Promotion of human rights	21.2	15.4	21.6	14.5	13.2	85.9
Technical Assistance incl. advisers	8.8	5.9	5.9	4.9	3.9	29.4
Reviews, studies, formulation	0.5	0.0	1.0	0.5	2.0	4.0
<b>Total</b>	<b>36.2</b>	<b>35.4</b>	<b>45.4</b>	<b>36.1</b>	<b>24.8</b>	<b>178.0</b>
Unallocated	0.0	0.0	2.0	0.0	0.0	2.0
<b>Total incl. unallocated</b>	<b>36.2</b>	<b>35.4</b>	<b>47.5</b>	<b>36.1</b>	<b>24.8</b>	<b>180.0</b>

\*Includes communication of results in Burkina Faso and Denmark.

### Monitoring

<sup>28</sup> See organisational analysis of the ministries and the CSOs, July 2014, including the Ministry of Gender.

The above results framework is to a very large extent taken from the national partners' monitoring frameworks. Monitoring will thus rely on Ministries' programme-budget monitoring systems, whereas the civil society organisations will use their own procedures. As for the components related to the justice sector, a six-month project start-up phase at the beginning of the programme will be used to refine the annual timetable. There will be a mid-term review in 2018 and steering committees for each engagement will monitor progress.

### Risks

Risk factor	Risk response
Human rights abuses or other incidents involving the police or gendarmerie and which may harm Denmark's reputation.	To provide support for capacity building related to human rights and the use of international standards in security work. To strengthen community involvement in the security area and hereby also the accountability of the security services.
Regional instability spilling over to Burkina Faso	In the case of a deterioration of the security situation, the programme's component working with the police and the gendarmerie will be adapted to undertake necessary measures regarding security of personnel. Moreover, the programme will be adapted to maintain and enforce stability. In practice, the relevant development engagement will be redesigned to support the government in ensuring stability, within the objectives of the programme. This might include involvement of civil society.

### 3.3 WATER AND SANITATION PROGRAMME

Water is a most vulnerable resource in Burkina Faso and increasingly under pressure as competition for water for both productive use and human consumption is steadily growing. In continuation of previous support aimed at establishing the overall institutional and legal framework for management of water resources, the Danish support aims at supporting water resource management at local level through five water basin agencies and local water committees.

Although access to drinking water has steadily increased, coverage remains low and unequally distributed and Burkina Faso will not be able to achieve the MDGs for rural water supply, thus penalising especially women and girls traditionally responsible for fetching water. In accordance with the new national sector policy, particular attention will be given to areas with both a low water supply coverage and endemic poverty, thus implying testing of new approaches and technologies. It is expected that the programme will provide water and sanitation to approximately 200,000 persons based on an approach favouring the minimisation of inequity and enhanced long-term sustainability of investments.

#### 3.3.1 Strategic Considerations and Justification

Water resources in Burkina Faso are under pressure both in quantitative and qualitative terms due to a high population growth rate, increasing demand for water for irrigation and watering of livestock, use of water in the mining industry and the effects of climate change e.g. fluctuating rainfall. At the same time inappropriate practices in both the agricultural sector and the mining industry pose a severe pollution threat on already vulnerable water resources. It is important to

ensure adequate management of water resources with a view to supporting a sustainable economic growth policy and to fight poverty in a country where access to water is essential to secure the livelihood of the population primarily depending on agricultural activities.

Mainly due to high population growth, access to clean water remains low in rural areas (64 %). In urban areas, good progress has been achieved during the last decade and it is almost certain that Burkina Faso will achieve the MDG (87 %) in this sub-sector. Access to sanitation as an important factor in enhancing health conditions has virtually not changed in rural areas for many years and remains very low (6 %). It is generally recognised that government strategies for promotion of sanitation have fallen short. Promotion of household latrines has so far been conducted by central government, but from 2015 the sector ministry will embark on a gradual transfer of these promotional activities to the local governments.

Denmark has supported the national programmes for integrated water resources management and water supply and sanitation since their start in 2003 and 2007 respectively. During the last decade, good progress has been achieved in developing the legal, regulatory and institutional framework for water resources management. The challenges that the country is facing in ensuring a sustainable and equitable distribution of water resources call for continued and increased support with a specific focus on local management of the resources at basin and sub-basin levels.

Although substantial progress has been achieved through the support to the implementation of the national water supply investment programme several challenges remain. Equity in access to water supply has only improved marginally in recent years. The gap between access rates in urban and rural areas is widening. Sustainability of constructed water facilities is questionable mainly due to weaknesses in maintaining a community-based system for management of facilities – at least 25 % of all facilities are non-functional. Finally, decentralisation of responsibility for water supply services to the local governments has largely failed, thus investments are still mainly executed by central government institutions.

The water and sanitation sector is currently in a transitional phase as the national programme for water supply, sanitation and water resources management ends in 2015. A new policy is pending approval but it is expected that it will comprise the following priorities: promotion of basin-based management of water resources, equity in access to water supply as a guiding principle for investment decisions, focus on ensuring sustainability of investments (technical, institutional, financial, social and environmental), renewed focus on local government as water and sanitation service provider, and development of more efficient supply delivery systems including so-called “multi-village systems” (large-scale piped water supply systems based on high yielding boreholes designed to serve several communities).

The support to integrated water resources management is designed in accordance with draft national strategies and action plans and is a continuation of previous support, however with a clear focus on local management of water resources through the five water basin agencies covering the entire country and through local water committees. Furthermore, it is based on a human rights approach and on adaptation to climate changes. Reflecting the increased importance of water resource constraints for both economic growth and provision of drinking water to a rapidly growing population, the support to water resources management has been significantly increased in the 2016-20 programme phase compared to earlier support.

Recognising that the national programme in its implementation so far has paid inadequate attention to the right to water (equity) and to ensuring sustainability of investments, the support

to water supply and sanitation will in dialogue with the government pay special attention to the reduction of disparities in water supply and sanitation coverage and the marginalisation of certain population segments. The purpose is thus to promote a specific focus in the national investment programme on geographical areas with low water supply coverage and high poverty incidence.

In this respect the programme suggests to specifically promote rural piped schemes connected to existing water transmission lines for urban water supply (particularly in the northern regions) and to introduce large-scale piped water supply systems based on high yielding boreholes by construction of multi-village systems in a pilot test scheme. These technologies are given a particular attention for the following reasons: (i) it enables provision of piped water to communities in water scarce areas, (ii) it enables provision of water supply in areas with great depth to the aquifer where use of traditional manual pumps is difficult or impossible, (iii) it is a response to future development of more densely populated semi-urban areas, and (iv) large piped schemes comprise an opportunity for job creation through public-private partnerships for system operation and maintenance.

Programme preparation studies have shown that there is potential for implementing multi-village systems in the wide spread sedimentary zones in the north-western part of the country, which are also characterised by low water supply coverage and elevated poverty. In the crystalline rock zone, implementation of this technology is depending on the availability of high yielding boreholes. The programme will thus provide assistance for the implementation of detailed hydrogeological studies to identify crushing zones in order to provide a solid basis for replicating a multi-village system approach in other water scarce areas in Burkina Faso. Testing of this technology will be monitored by the water sector ministry with a view to ensure the financial viability of the water schemes and the non-exclusion of poorer segments of the population.

In addition to the multi-village system and through a combination of general and targeted sector budget support (SBS), the programme will as previously Danish support, provide support to the implementation of the national water programme in 2016 and 2017<sup>29</sup>. The assessment according to the five budget support principles shows that PFM systems are generally speaking satisfactory in Burkina Faso and that the water and sanitation sector satisfies the requirements for budget support and has offered an opportunity for strengthening dialogue between the government and sector donors, and has strengthened both alignment and harmonisation at sector level. However, the experience of the last five years also reveals a number of challenges in the administration and accounting for SBS.

Further, targeted SBS will support the implementation of new technologies aimed at reaching at population segments having so far been excluded from access to drinking water (see also below). The targeted support will be channelled through ONEA, the state owned national urban water supply company under the ministry of water and sanitation. ONEA has a solid experience in dealing with large and complicated water supply schemes, and its activities are fully integrated and accounted for within the national water and sanitation programme.

Burkina Faso has recognised water and sanitation as a fundamental human right<sup>30</sup> (United Nations' resolution 64/292, July 2010) and steps have been taken by the Ministry of Economy and Finance to ensure adequate integration of HRBA principles in ministry strategies and implementation plans. However, too few steps have been taken to operationalize HRBA at sector level, thus leading to inadequate attention given to equity, weak involvement of right

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<sup>29</sup> EU and SIDA will provide SBS from 2017.

<sup>30</sup> United Nations' resolution 64/292, July 2010

holders in planning and investment decisions, lack of focus on how to take into account the needs of the most vulnerable groups and insufficient measures put in place to account for sector progress. A rights-based approach will be promoted at various levels: Revision of overall sector planning and allocation criteria and procedures to better meet HRBA principles, strengthening of local governments to fully fulfil their mandate within planning, implementation and monitoring of sector activities. Also, enhancement of end-users capacity to interact with authorities and the introduction of an appropriate system of checks and balances e.g. through strengthening CSOs involved in the sector. Integration of the HRBA principles constitutes a paradigm shift in a sector, which has so far, been profoundly characterised by a top-down approach.

The achievement of the thematic programme objective is based on the following overall assumptions: (i) government institutions are willing and have the capacity to implement and enforce the existing legal and regulatory framework regarding management of water resources; (ii) the new sector policy regarding water and sanitation emphasising an approach based on the right to water will lead to a gradual shift from the current top-down approaches to service delivery and an approach favouring equity, participation, transparency and accountability; and (iii) the implication of CSOs in achieving programme activities will lead to increased awareness of water as a human right and will strengthen right holders' demand for public accountability regarding sector activities. Further, the achievement of the objective for support to water resources management is based on the assumption that the authority of the water basin agencies is fully recognised and that they will be able to sustain themselves financially and organisationally through collection of water fees. Finally, sector institutions with support from technical assistance and competent CSOs will develop and implement national planning, allocations and monitoring tools based on, more specifically, the four principles of the HRBA.

In the design of the programme, the five OECD/DAC quality criteria have been taken into account as follows: **Relevance** is high with priority given to supporting the development of adequate responses to the increase in water conflicts and to sustained inequity in water supply. With a view to enhancing **effectiveness**, an important strategic choice in the design of the programme has been to favour a clear distinction in distribution of responsibilities between government and other duty bearers. This implies that local governments are supported as owners of the water facilities and that government institutions are supported in carrying out their classical duties (overall sector programming, monitoring and regulation). **Efficiency** is promoted by channelling funds to water supply as sector budget support and by assigning the construction of larger water facilities to an experienced parastatal implementation agency (ONEA), thus simplifying administrative and financial procedures. Involving CSOs in carrying out hygiene and sanitation activities will also substantially contribute to increasing programme efficiency.

It is expected that the programme will **impact** on national planning and implementation procedures through the testing of new technologies for providing water in areas in which mobilisation of water resources have proven difficult and through the promotion of local government ownership and interaction with right holders based on the principle of access to water as a right. **Sustainability** of water services will, when feasible, be sought through a shift from community-based management of facilities to a professional private sector led operation and maintenance of water delivery based on the implementation of tariff structures. This secures financial viability of the facility on one hand and does not discriminate against poorer segments of the population on the other provided adequate tariff models can be developed and implemented. To ensure accountability of private operators, local governments and water consumer organisations will be strengthened e.g. through support from CSOs. Long-term

sustainability of the support to basin-based management of water resources will be highly dependent on the political will and ability to enforce water abstraction fees.

The programme has been designed in accordance with key human rights-based approach principles:

- *Non-discrimination*: Introduction of new technologies and support to enhancing national planning and investment allocation procedures in line with the principle of water as a human right will strengthen the access of deprived segments of the population to drinking water and adequate sanitation
- *Participation and inclusion*: Emphasizing the role of local government combined with systematically involving CSOs in programme activities will enhance participation and engagement of communities in the planning phase and operational phase of the facilities.
- *Transparency*: Support to revision/adaptation of national planning procedures aims at enhancing transparency. Support from CSOs involved in the sector will assist in this work.
- *Accountability*: In addition to government accountability measures already in place, the sector ministry – especially the department dealing with sanitation - will be supported in carrying out internal controls and accounting for progress. CSOs will be engaged in general oversight over sector development.

### 3.3.2 Thematic Programme Summary

The objective of the support to the water and sanitation sector is to ensure a sustainable management of water resources and equitable access to water and sanitation. The programme consists of three development engagements, which are designed to be mutually supportive, especially in terms of applying the HRBA including integrating gender aspects.

#### *Short Summary of Development Engagements*

The **support to integrated water resources management** aims at (i) protecting water resources against alarming pollution and overexploitation, (ii) fighting effectively against increased sediment fills of dams and rivers, (iii) enhancing capacities of five water basin agencies and their consultative bodies to carry out participatory strategic planning at the level of water management units, hence providing, via local water committees, information, lobbying, prevention and resolution of water conflicts and action plans to the benefit of water users, notably the most deprived ones, and (iv) integration of cross-cutting issues (gender, poverty, food security, human rights and adaption to climate changes).

The second development engagement aims at enhancing **equitable access to drinking water** in areas with high poverty incidence and low water supply coverage. In addition to supporting the national investment programme in general terms, the programme will, in line with the new draft sector policy, the programme will introduce a new concept in Burkina Faso using high yielding boreholes serving a cluster of communities through the construction of a limited number of large-scale facilities (multi-village water supply schemes). It is expected that the introduction of this technology will enable provision of water supply to areas with low coverage and with endemic poverty. Furthermore, through the construction of rural water schemes supplied from existing urban water transmission lines, it will be possible to contribute to enhanced water supply coverage especially in the northern part of Burkina Faso. Governance within the sector will be improved by securing an organisational set-up respecting the communes as the legal owners of the water and sanitation infrastructure and the cornerstone in securing a HRBA at the appropriate level.

Through the third development engagement targeting **hygiene and sanitation promotion**, it is expected that hygiene behaviour and defecation practices will change in the intervention zones.

Responsibility for hygiene and sanitation promotion will be pursued at communal level and capacity development prioritised in collaboration with local CSOs. The sector ministry will be supported in coordinating and monitoring sector progress. It is expected that delivery of these services through CSOs can increase effectiveness and efficiency, and thus contribute to a substantial boost of adequate latrine coverage and improved health conditions among rural dwellers.

In view of the low level of awareness and knowledge about water as a human right, the introduction of HRBA will be also be supported by a consortium of civil society organisations with a proven track record in this area. This support will encompass guidance in integrating HRBA in the implementation of the three above mentioned development engagements, training of right holders and duty bearers both at local and national level, the development of generic tools for promoting HRBA and general awareness raising on water as a basic human right.

<b>Thematic programme</b>	<b>Water and Sanitation</b>
Thematic Programme Objective	Ensure a sustainable management of water resources and an equitable access to water and sanitation
Impact Indicator	Reduction of number of rural communes with an access rate to drinking water below 65 % Reduction of conflicts related to water
<b>Engagement Title</b>	<b>Integrated Water Resources Management</b>
Outcome	Water resources are distributed in a sustainable and equitable manner and mechanisms for transparent and accountable management of resources are recognised by stakeholders
Outcome Indicator	Prevention and resolution of conflicts related to use of water. Increased general awareness on water resources management
<b>Engagement Title</b>	<b>Equitable Access to Drinking Water</b>
Outcome	National investment programme has contributed to a minimisation of disparities between communes in terms of sustainable and equitable access to drinking water
Outcome Indicator	Increased drinking water access rates Reduction of disparities in drinking water access rates with a specific focus on communes with an access rate below 30 % Participatory, transparent, non-discriminatory and sustainable character of the water and sanitation services delivery in activities carried out through the national programme
<b>Engagement Title</b>	<b>Hygiene and Sanitation Promotion</b>
Outcome	Health and hygiene conditions in rural areas have improved
Outcome Indicator	Increased access to sanitation (latrines) Participatory, transparent, non-discriminatory and sustainable character of the hygiene and sanitation services delivery

### **Choice of Partners and Financial Modalities**

Support to integrated water resources management will be provided through a basket fund arrangement.

The support to enhance equitable access to drinking water will be based on three financial modalities: (i) Sector budget support to the water ministry; the state owned national urban water supply company ONEA will be the executing agency for activities related to the construction of rural piped schemes connected to existing water transmission lines and pilot multi-village systems, (ii) A joint basket fund for planning and monitoring activities of the rural water and

sanitation divisions in the water ministry and (iii) Direct funds allocated for technical assistance to strengthen the capacities of the implementing structures as well as public sector services providers.

Implementation of the hygiene/sanitation development engagement will be tendered to a CSO consortium through an international tender. The support to promote HRBA through a consortium of CSOs will be managed through the CSO funding facility planned within the Human Rights and Stability thematic programme.

#### **Budget at outcome level (millions DKK)**

	2016	2017	2018	2019	2020	Total
Integrated Water Resources Management	10	20	20	20	20	<b>90</b>
Equitable Access to Drinking Water	40	78	33	24	11	<b>186</b>
Hygiene and Sanitation Promotion	4	10	8	8	8	<b>38</b>
Reviews, studies, audits	0	3	3	3	3	<b>12</b>
Unallocated	0	0	0	0	12	<b>12</b>
<b>Grand total</b>	<b>54</b>	<b>111</b>	<b>64</b>	<b>55</b>	<b>54</b>	<b>338</b>

Beyond Danida other donors contributing to the water sector include: Sweden Germany, France, Japan, EU, UNICEF, African Development Bank and World Bank. It is foreseen that the embassy will negotiate with Sweden and the EU on possible co-funding of support to IWRM.

#### **Monitoring**

Monitoring will primarily be based on the existing national monitoring system for water and sanitation. It is expected that this system will be further refined when the new sector policy and the investment programme 2016-2030 is adopted. A special attention will be paid to ensuring that HRBA relevant indicators are developed within the national monitoring system.

#### **Risks**

<b>Risk factor</b>	<b>Risk response</b>
Weak adherence to applying HRBA principles by public institutions (water ministry, water basin agencies, communes).	Continued dialogue on new sector policy and the national investment programme and support to develop adequate tools. Awareness raising and pressure from civil society organisations. Support to CSOs to promote rights-agenda.
Local government institutions remain incapacitated to fulfil responsibilities for water and sanitation as stipulated in the decentralisation law	New operational tools for planning, implementation and monitoring will put local government in a key position and substantial support will be provided to enhance capacity of local government (TA and CSOs).
Declining political will to pursue the implementation of integrated water resources management at basin level through the water basin agencies	Reinforcement of water basin agencies and of local water coordination committees and to the full implementation of the water abstraction fee. Public information campaigns on the implications of a deterioration of water resources. Advocacy to sensitise political decision makers including members of parliament.
Continued lack of absorption of delegated credits at regional level	Strengthening of water authorities' capacities at regional level in planning, monitoring/control, budget execution and procurement procedures to enhance effectiveness

	and efficiency
Low increase of sanitation coverage might be encountered	Strengthening of hygiene promotion based on the total sanitation concept implying a collective community engagement to end open-air defecation.

### 3.4 ECONOMIC GROWTH IN THE AGRICULTURAL SECTOR

Agriculture is the main sector of the Burkinabe economy but faces serious challenges with productivity, effectiveness and investments. The government's overall development strategy (SCADD) focuses on accelerated, private sector led growth to overcome these challenges. In support of this strategic orientation the programme aims to enhance productivity in at least 650 small and medium size enterprises (SMEs), and strengthen seven farmer organisations within five value chains. It further aims to promote an enabling environment for the enterprises by enhancing the legal and regulatory framework and through the development of public infrastructure in five regions. Partners will include government ministries, public institutions and private sector entities.

The programme was approved in 2012, before the current "Guidelines for Country Programmes" were put in place, and is under implementation. It has been adapted to especially taking the HRBA into consideration to the extent possible under the commitments already made to the Burkinabe government. A review is foreseen in 2016-17 which will recommend how the programme can be extended until 2020.

#### 3.4.1 Strategic Considerations and Justification

With a view to ensure adherence to current national policies, enhance effectiveness and impact of support and take past experiences into account, the programme has been designed with a particular emphasis on direct support to private sector actors with a growth potential while not disregarding support for areas pertaining to government responsibility (policy, strategy, regulatory and legal levels) on the one hand and on supporting the enhancement of public infrastructure crucial for development of selected value chains on the other. Previous Danish support targeted a large number of individual small-scale farmers, but did not significantly impact on economic growth and job creation in the sector.

The design of the programme is based on the findings of the preparatory studies that identified the following major challenges for small and medium size enterprises: 1) limited access to advice and expertise with a view to developing their enterprises; 2) difficulties in accessing medium and long-term credit; 3) insufficient organisation of value chain actors leading to difficulties in formulating their needs and in accessing financial and non-financial services; and 4) inadequacy of existing legal and regulatory framework partly due to weak dialogue between private operators and government institutions.

The programme is focussing on a limited number of value chains: Shea nut, gum arabicum, maize, cow pea and livestock/meat which have been selected on the basis of the following main criteria: 1) contribution to food security, national income (domestic markets and exports), job creation; 2) potential for green growth technologies; and 3) opportunities for women and vulnerable groups; 4) complementarity with the engagements of other development partners. The programme is targeting five of the 13 regions in Burkina Faso.

The main assumptions for achievement of the programme objective are: 1) government maintains the priority given in the national development strategy to the agricultural sector as the main contributor to economic growth and wealth and thus remains committed to creating an

enabling environment in legal and regulatory terms for private sector operators; 2) Most enterprises within the agricultural sector are operating in the informal sector, thus limiting their options for growth. Provision of advisory services and enhanced access to credit will constitute a motivation factor for enterprises with growth potential to further develop and move to the formal sector; 3) the construction of infrastructure in support of the selected value chains will increase the value added of the commodities; 4) a significant number of private operators in the formal and informal sector are in need of advisory services aiming at expanding their businesses and willing to provide a financial contribution in that respect; 5) that expertise in selected value chains to advise private operators is available.

The programme is reflecting the five OECD/DAC quality criteria as follows. The **relevance** of the programme is high, as the programme addresses the core strategic objective of the government's overall development policy (accelerated economic growth) and provides support to private sector operators in areas identified as bottlenecks for agricultural growth. It furthermore corresponds with Danida's priorities in terms of e.g. gender and green growth. It is likely that the programme based on the experiences gained in previous phases of Danish support will **impact** on economic growth and job creation in selected value chains but given international experience it is more uncertain to which extent the programme will impact on general poverty reduction directly. It is also anticipated that although limited to five regions, the programme concept for provision of advisory and financial services will have nationwide impact.

Through the shift from previous support primarily given through government institutions, the programme seeks to achieve a higher **effectiveness** in providing the support to private sector operators directly through a private set-up. **Efficiency** is sought through value for money audits and extensive supervision and especially control of public infrastructure activities but also through the tender and procurement procedures established for identification and competitive selection of projects suggested by private operators. **Sustainability** of the important volume of public infrastructure to be constructed is sought through a close involvement of end-users and their representatives (local governments/associations) in the identification and selection of facilities and through public-private partnership arrangements for the operation and maintenance. Institutional sustainability has been sought through programme implementation through existing partners (Chamber of Commerce and financial institutions).

The activities in the programme are of potential interest to Danish commercial actors. Cooperation with the Danish-Swedish exporter of Shea, AAK, is already established and the successor to Danida Business Partnerships will most likely be strategically oriented towards agriculture and energy sectors in order to explore potential synergies within processing and waste management.

The embassy and its partners have embarked on an exercise aiming at further strengthening application of the four HRBA principles within the programme that was approved before the new guidelines for Danish Development assistance. This entails, among others, an updating of the partners' implementation procedures to more strongly apply the principles of non-discrimination, participation/inclusion, transparency and accountability including a special focus on labour rights, child labour and gender equality. Focus is on ensuring broad access to services by e.g. the inclusion of youth and women associations and preferential subsidy rates for women, ensuring the participation of stakeholders in the identification and selection processes and transparent selection procedures, as well as a focus on labour rights, child labour and gender equality.

The international agreements on green growth<sup>31</sup> adopted by Burkina and the national policy on sustainable development are not effectively translated into the national political agenda. However, through subsidies for greening investments in the selected value chains the programme will support a green growth approach e.g. by reducing the use of firewood as energy source and promoting sustainable renewable energy solutions such as solar power or energy production from agricultural waste products, more effective use of water for irrigation etc.

### 3.4.2 Thematic Programme Summary

The objective of the support to Economic Growth in the Agricultural Sector is to contribute to growth in agricultural productivity, in added value and income with a view to achieving an increase in national economic growth and reduction of poverty. The programme using previous guidelines for sector programming has two components equivalent to three development engagements of which two are directly targeted at private sector operators and one targeted at government institutions.

#### *Short Summary of Development Engagements*

The first development engagement supports private sector operators within the selected value chains in getting **access to consultancy services** (business plans, market analyses, feasibility studies, etc.) by the establishment of facilities in the five regions covered by the programme and in Ouagadougou. The mechanism is expected to facilitate enhanced productivity and job creation in at least 650 SMEs and 7 farmer organisations.

Through collaboration with two commercial banks and a guarantee institution, the second development engagement aims at **enhancing access to medium/long-term credit**. This also entails development of financial tools adapted to the needs of rural enterprises. It is estimated that the programme will facilitate medium-term credit to around 100 projects with a total value of DKK 57 million. A guarantee fund will partially cover the risk run by financial institutions in relation to medium and long-term loans to SMEs within the selected value chains.

The third development engagement targets areas of public responsibility in enhancing **sector framework conditions**. This entails support to developing the strategic, legal and regulatory framework in the selected value chains (e.g. standards/norms, sub-sector strategies, access to markets) on one hand and support to strengthening the public infrastructure network required to boost processing and commercialisation in these value chains (e.g. butcheries, vaccination parks, warehouses etc.) on the other. Furthermore, in close collaboration with other development partners, such as Germany, Austria, France and EU continued support will be given to the operationalization of the national rural sector programme. It is expected that this support will contribute to the establishment of a comprehensive and coordinated national planning for the sector and the involved ministries and of enhancing sector monitoring and evaluations systems and procedures.

Thematic Programme	Economic Growth in the Agricultural Sector
Thematic Programme Objective	Contribute to growth in agricultural productivity, in added value and income with a view to an increase in national economic growth and reduction of poverty
Impact Indicator	Number of processing SME/SMI created per year increased from 80 in 2012 to 140 in 2017 Cereal production increased from a coverage rate of 124 % in 2012 to 135 % in 2017 (of volume needed on a national level to meet 80 % of needed calorie intake).

<sup>31</sup> Bamako Declaration on Environment in Sustainable Development (2010) and the decision of ensuring green economy in the sustainable development framework at the 17th Summit of the African Union.

<b>Engagement Title</b>	<b>Support and advice to economic operators</b>
Outcome	Rural and agricultural enterprises benefit from enhanced access to quality advisory services thus leading to increased productivity, job creation and business development
Outcome Indicator	a) Increase of business turn-over among supported private operators b) Increase of business turn-over among directly supported farmers associations c) Increase of staff levels (employees/members) in supported private businesses and associations including share of women and youth
<b>Engagement Title</b>	<b>Financing of Investment for enterprises</b>
Outcome	Access to investment loans has been eased for rural enterprises and agricultural production has augmented
Outcome Indicator	a) Increase of primary production in selected value chains (in tons) b) Increase of production in selected value chains being commercialised (in tons) c) Increase of primary production in selected value chains being processed (in tons)
<b>Engagement Title</b>	<b>Support to Improving the Framework Conditions for the Agricultural Sector</b>
Outcome	The political, strategic and legal framework of the value chains selected addressed key identified challenges and constraints and public infrastructure supporting value chains has been densified
Outcome Indicator	a) Increase of primary production in selected value chains (in tons) b) Increase of production in selected value chains being commercialised (in tons) c) Increase of primary production in selected value chains being processed (in tons)

### Choice of Partners

With a view to ensuring long-term organisational sustainability of the advisory support service to private operators, the advisory services as well as the management of the funds for green investments are anchored in the Chamber of Commerce to which government has transferred a number of functions related to registration of private companies. The support related to enhanced access to credit is managed by two commercial banks selected through an open tender and by a guarantee institution SOFIGIB (*Société Financière de Garantie Interbancaire*). The support aiming to create an enabling environment is managed through the Ministry of Agriculture and is implemented in close collaboration with decentralised institutions in the targeted regions for the support specifically targeted at developing public infrastructure. Due to the number of partners involved and the need to establish close coordination and create synergy between programme activities, a steering committee has been established for the overall management of the programme.

### Budget

The total thematic programme budget amounts to DKK 380 million. The formulation of the planned extension until 2020 will commence in 2017. It is expected that the current budget will suffice given the delays in the start-up phase.

#### Budget (millions DKK)

<b>Development Engagement</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Total</b>
Support and advice to economic operators	5.8		15.2	17.9	12.3	9.0			<b>60.2</b>
Financing of Investment for enterprises	21.9	29.5	14.2						<b>65.6</b>
Support to Improving the Framework Conditions for the Agricultural Sector	1.6	29.2	36.5	22.0	34.0	40.8			<b>164.0</b>

Technical Assistance incl. advisers	16.2	12.2	12.0	8.1	5.3	4.0			57.7
Reviews, studies	0.1	0.9	3.5	4.0	4.0	3.5			16.1
Unallocated					13.0	3.4			16.4
<b>Grand total</b>	<b>45.6</b>	<b>71.8</b>	<b>81.5</b>	<b>52.0</b>	<b>68.6</b>	<b>60.6</b>			<b>380.0</b>

Please note that the budget will be reviewed in 2016/17 and reallocated to cover continued activities in 2019-20.

### Monitoring

In addition to impact indicator from SCADD, a national monitoring system for the national rural sector programme will be developed and the implementing partners have developed specific M&E systems. It should however be noted that indicators, especially at outcome level are similar to those utilised and informed by sector authorities.

### Risks

Risk factor	Risk response
Economic operators reluctant to move to formal sector	The Chamber of Commerce has established a system to facilitate enterprise registration. The Programme provides support to elaboration of business plans, organisational audits etc.
The programme is not contributing to enhanced conditions for poorest rural agricultural operators	1. The value chain approach implies that all levels of value chains will be addressed including production in which poorest segments of population operate; 2. It is anticipated that reinforcement of commercial and transformation potentials will positively affect job opportunities; and 3. Access of poorer segments to constructed public facilities will be ensured and private-public partnerships should create jobs
Weak dialogue between agricultural sector operators and government on improvement of legal and regulatory framework	Continued dialogue with government on adoption of the law on agriculture. Development engagement on non-financial services will emphasise provision of training and consultancy services to farmer organisations and value chain operators. Further support to sector ministries to develop norms and standards in the selected value chains.

## 4 Overview of Management Set-up at Country Programme Level

Management modalities of the development engagements include the use of a wide range of instruments from GBS, SBS and basket modalities, to fund managers and individual CSO contracts. A large part of the country programme resources (more than 60 %) will nevertheless be channelled through the government but it will be possible to change this balance if contextual changes should so warrant.

Alignment to national systems and procedures has been pursued as the preferred modality whenever possible. This is fully in line with both principles of aid effectiveness, and in the spirit of an emphasis on lean and effective programming in Danish country programme guidelines. Monitoring of progress and results will be based on the monitoring and evaluation frameworks of the partner organisations. The support provided to the ministries will be included in each ministry's programme-budget.

In addition to being aligned with the overall government strategy, the programme will be implemented using Burkina Faso's own public finance framework, thereby conforming to the new public finance directives being progressively introduced by the West African Economic and

Monetary Union (UEMOA) aiming to improve the transparency and accountability of ministries<sup>32</sup>.

In order to match requirements for embassy programme management with its available resources, the programme has been designed with a limited number of partners (a total of 11 partners). It is also expected that the country programme design with maximum alignment to partners' procedures will limit the hands-on engagement of the embassy as day-to-day management and implementation is handled by partners of the various development engagements. The role of the embassy becomes rather one entailing regular (annual or semi-annual, sometimes quarterly or monthly) strategic dialogue with partners, usually on the basis of progress reports on implementation and results achieved.

#### **4.1 Management at Country Level**

A Country Programme Committee (CPC) will consist of the Minister of Finance and the Ambassador of Denmark. The CPC will receive information on progress in all thematic programmes. TORs for the CPC will be developed by the embassy and agreed with MOF. Focus will be on monitoring: a) progress on the indicators in the results framework; b) stock-taking on developments in the risk management matrix; c) status in implementation of the Development Contract, the Sector Budget Support, basket funds, budgets and annual work plans as relevant.

The embassy will prepare short annual reports taking stock of progress and results, if necessary supported by external consultants aggregating progress and results by thematic areas. A comprehensive mid-term review is foreseen in 2018 of the overall programme, assess possible needs for adjustment, and consider proposals for budget reallocations.

#### **4.2 Management at Thematic Level**

Thematic management structures will be avoided, based on the assessment that the proposed country programme lends itself best to focusing management and steering committees at the level of development engagements, overseen by a country level programme committee. However, in the on-going thematic programme for Economic Growth in the Agricultural Sector a steering committee has been established. The Development Contract naturally revolves around an existing high-level management process for GBS and the SBS support for rural water supply will management-wise be linked to the annual sector review process organised by the water and sanitation ministry.

#### **4.3 Management at Engagement level**

All development engagements include descriptions of management structures, and each engagement will define management committees, progress monitoring and coordination mechanisms. Monitoring of the development engagements is done via the routine monitoring systems of the partners. The results framework with outcomes and a number of outputs including pertinent indicators is shown in annex C.

#### **4.4 Financial Management**

Principles for financial management across the thematic programmes are:

- Alignment to partners' financial management and accounting systems

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<sup>32</sup> The directives have to be implemented by 2017 at the latest.

- Using national procurement policies and procedures
- Disbursement of funds based on adequate justifications of previous funds (and audits) received and cash flow budget
- Capacity assessment of developing partners' financial management systems and staff as relevant
- Audit function covered by government Controller Auditor General, or certified auditor as relevant
- Zero tolerance for financial irregularity

Funds destined for public institutions will be transferred to a special account in the Treasury, Ministry of Finance. For institutions receiving basket funds, transfer will be made to the separate bank account agreed among all donors. For ear-marked contributions, each CSO or private institution will open a separate bank account. The implementing agencies will apply for funds on the basis of their cash flow budgets according to their annual plans. Request for funds is expected to be forwarded to the Embassy of Denmark every 6 months provided that a minimum of 70 % of the previous payments has been spent with exceptions being General Budget Support tranche disbursements or disbursement to basket funds with specific procedures agreed among the donors. Partners are responsible for execution of the plans. A close dialogue is, however, envisaged during the year in order to provide advice, monitor and mitigate risks.

Burkinabe law and policy for procurement must normally be followed for public sector interventions. Private institutions and CSOs should establish a procurement policy aligned with the national procurement policy. Only exceptionally and especially in relation to technical assistance will Danish procurement rules be applied.

Support to private institutions and CSOs will be provided based on the rules established in the Development Engagement document. Each private institution and CSO should before receiving any funds have established an operation finance and administrative manual. Minimum requirements should follow the "General Guidelines for Accounting and Auditing".

Funds earmarked for international technical assistance and not channelled through a basket, will be managed directly by the embassy.

Reallocation of funds can only take place within each of the thematic programmes and decisions will in general be taken by the embassy and the relevant minister/head of partner organisation. The embassy can reallocate up to 10 % of the annual budget within each thematic programme, including from the unallocated funds. If a higher percentage needs to be reallocated, it must be approved by the competent Danish authorities.

Danish contributions to public sector institutions will normally be audited by the Controller and Auditor General of Burkina Faso (CAG). However due to in some cases significant time delays in the audits of the CAG, the Danish embassy might agree to contract an external private audit company to execute the audit with the fees being paid through the development engagement in question.

Danish contributions to private institutions and CSOs are subject to annual external audit by a private auditing company selected in agreement with the embassy. Where the administrative capacity is considered to be weak, the embassy can provide external expertise to improve the capacity building and support additional control mechanism. For institutions receiving basket funding the selected audit company should be agreed among all donors.

All interventions may be investigated by the Auditor and Controller General of Denmark.