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BACK TO OFFICE REPORT FROM VISIT TO BURKINA FASO

A mission to Burkina Faso was carried out during 13-14 September at the invitation of the Ministry of Agriculture, Water Resources and Fisheries (MAHRH) by Mr. Johan Holmberg, Chair of the EUWI Finance Working Group (FWG) and Mr. Peter Börkey (Principal Administrator, OECD Environment Directorate). The purpose of the mission was to explore the feasibility of supporting the elaboration of a financing strategy for the water supply and sanitation sector and to identify how such a project would need to be designed to fit into the specific country context.

The mission had an intensive programme, meeting with (i) the permanent secretary of MAHRH, (ii) the director of administration and finance, MAHRH, (iii) the director of studies and planning, MAHRH, (iv) the director general of Water Resources, MAHRH, (v) staff at the directorate for water resources (DGRE), the director general of ONEA, (vi) the directorate of cooperation in the Ministry of Finance, (vii) the representative of WaterAid, (viii) the executive secretary of the West Africa Water Partnership, (ix) the group of donors active in the water sector, (x) the chair of this group, the representative of AFD, and (xi) a former minister of finance now active as private consultant.

Principal findings and conclusions of the mission include the following:

- In its various meetings, the mission described the rationale for the OECD/EUWI FWG partnership and what the FEASIBLE methodology could achieve, in order to receive feed-back from the beneficiaries about the usefulness of the proposed work. This methodology would allow MAHRH to simulate scenarios with different technology, cost and revenue parameters and hence constitute a basis for a debate on the overall objectives for the water sector and the resources required to achieve them.
- The mission was impressed by the advanced level of planning and programming obtaining in the water sector. DGRE operates a comprehensive data base with detailed information down to village level and as recent as 2005. ONEA has a data base covering urban areas. It appears likely the available data would satisfy the requirements for a water sector financing strategy based on FEASIBLE methodology.
- There exists a coordination group for the budgeting process that engages MAHRH as well as the Ministry of Finance at permanent secretary level. The group also includes other water sector stakeholders, government agencies and donors, it meets quarterly. This group could well serve as a steering group for a financing strategy process.
- A number of studies are in various stages of preparation that would also be useful for such a process. The EC delegation will shortly initiate a study of financial mechanisms in preparation for a possible water sector support programme, while the World Bank is carrying out a review of public expenditure for the water sector, both these studies are expected to be available before the end of the year. In addition, WaterAid is working on a study of local financing of basic WSS services.

- The existing national plan for the water sector (*Programme National d'Approvisionnement en Eau Potable et d'Assainissement à l'horizon 2015, PN-AEPA 2015*) provides detailed information about strategic objectives, planned projects and other activities, an outline of the associated costs, and summary indications of how they may be financed. The plan is adopted by the government and embraced by all stakeholders. There is broad consensus on major policy issues.
- On the basis of the advanced level of planning that is already available, as well as the broad consensus on the objectives and policies for the water sector that exists, the mission concluded that there was a lesser need for a policy dialogue on these issues than in other countries that have received similar assistance. It would be more relevant for the project to focus on capacity building, and introduce the FEASIBLE methodology with a view to enabling MAHRH to become an operator of the model. This would allow to further improve capacity of MAHRH to prepare strategic financial planning for the sector and to participate effectively in the budget process. Value added would also result from the flexibility in simulating different new financing scenarios that the tool allows for, the long term planning horizon (ie 20 years and more) that it allows to use, and the possibility of using it as a tool for prospective thinking. The objective of the project would hence be *“to introduce methodologies to facilitate and further improve financial planning in the water sector”*. This was discussed and agreed with DGRE, who strongly supports this approach.
- OECD/EUWI FWG will now proceed with tendering for the necessary consulting services with a view to allowing the project to start before the end of the year. Prior to signing any contract with the consultants a formal agreement would be reached between GWPO, the host organisation for EUWI FWG and hence the agency responsible for the contract, and MAHRH. This would be done through an exchange of letters stipulating responsibilities from both sides. OECD would be responsible for technical supervision, using a separate contract with COWI for this purpose.
- The project would select local consultants, in agreement with DGRE, to support the process. It is envisaged that this may require 10-12 months, including the capacity building component, with the external consultants making intermittent visits to the country, perhaps one week per month on average. DGRE would provide them with office space but would not otherwise incur any direct costs.

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