Burkina Faso: Community Investment Fund (FICOM) I and II

Ex post evaluation

OECD sector	43030 – Urban development and management	
BMZ project ID	(1) 1996 65 100 (FICOM I) (2) 1998 67 193 (FICOM II)	
Project executing agency	Fonds d'Investissement Communal (FICOM)	
Consultant	AFC Agriculture and Food Int. Consulting	
Year of ex post evaluation	**2006/7**	
	Programme appraisal (planned)	**Ex post evaluation (actual)**
Start of implementation	(1) Q1 1997 (2) Q4 1999	(1) Q2 1997 Q1 2000
Period of implementation	(1) 30 months (2) 24 months	(1) 48 months (1) 36 months
Investment cost	(1) EUR 2.71 million (1) EUR 3.94 million	(1) EUR 2.73 million (2) EUR 3.77 million
Counterpart contribution	(1) EUR 0.15 million (2) EUR 0.36 million	(1) EUR 0.26 million (2) EUR 0.19 million
Financing, of which FC funds	(1) EUR 2.56 million (2) EUR 3.60 million	(1) EUR 2.56 million (2) EUR 3.58 million
Other institutions / donors involved	None	None
Performance (overall rating)	4	
• **Relevance (sub-rating)**	3	
• **Effectiveness (sub-rating)**	4	
• **Efficiency (sub-rating)**	3	
• **Overarching developmental impact (sub-rating)**	4	
• **Sustainability (sub-rating)**	4	

Brief description, overall objective and programme objectives with indicators

The FC project covers the establishment of a community investment fund to finance small investment measures intended to improve the economic and social situation in communities with democratically elected representative bodies in Burkina Faso. Whereas the FICOM I project concentrated on the 21 smaller municipalities in the first 33 municipalities established in Burkina Faso in 1995, the FICOM II project extended its scope to all municipalities with elected municipal representation, with the exception of the capital city, Ouagadougou, and Bobo-Dioulasso. Since FICOM I, 10 medium-sized towns and 16 smaller municipalities that became independent in 2000 were added.

The overall objective of the project was to contribute to achieving a balanced economic development and strengthening of municipal self-government in Burkina Faso by developing the municipal infrastructure in communities with elected representative bodies. By ensuring sustainable use of the infrastructure facilities created, the programme aimed at helping to bring about an improvement in the economic and social situation of the local people (programme objective). The ex post evaluation was based on the following modified programme objective: “The primarily poor people in the programme regions use the facilities of the municipal, social and economic infrastructure and the forms of political participation in a sustainable manner.” The project was carried out as an open programme – in cooperation with various other organisations, including GTZ, although it was not a cooperative project.

The indicator used to measure the achievement of the programme objective at project appraisal was that 75% of the final projects were being successfully operated after two years of operation, i.e. they were operational and there was compliance with the criteria for sustainable operation. Because of the complex structures, no indicator for the overall objective was established at project appraisal. Achievement of the programme objectives was intended to lead automatically to achievement of the overall objective. For the final evaluation, the following “state-of-the-art” definition of the overall objective was used. The overall objective consisted of “(a) an improvement in the social and economic situation of the people concerned and a contribution to a balanced economic development and (b) a contribution to strengthening democratic developments in Burkina Faso.” Indicators used to measure the achievements of the overall objective are, for (a), school enrolment rates, school completion rates, the development of commercial activities (number of market traders and buses) and the satisfaction off the local people with municipal services. For feasibility reasons, no attempt was made to define a separate indicator for part (b) of the overall objective.

Programme design / major deviations from the original programme plans and their main causes

The measures in the FICOM I project consisted of setting up a suitable organisation and procedural guidelines for the appraisal, planning and implementation of the individual projects, establishing contact with the communities, and implementing 32 individual projects to develop the economic and social infrastructure in 20 of the 21 target communities. As many as four projects in each location were realised. In the context of the FICOM II project, a total of 32 larger investments were financed in 29 medium-sized and small towns, including 21 economic infrastructures, 9 social infrastructures and 2 public infrastructures. Priority was given to schools, markets and bus stations.

An office (FICOM) set up at the Caisse National de Crédit Agricole (now the Banque Agricole et Commerciale du Burkina) was mandated to implement the programme. The investments to be financed were prepared by FICOM, the communities and the beneficiaries. A decision-making body comprising representatives of FICOM, the central government, NGOs, the chamber of commerce and mayors selected the projects to be financed on the basis of specific criteria. The municipal builders delegated construction to a technically and administratively competent developer and monitored its work. If they existed, national standards were observed in the construction work (schools, health facilities). As part of the FICOM II project, certain procedural rules were improved and initial steps taken to install an M+E system.

In retrospect, we generally consider the chosen concept, the general mix of measures and the procedures in the overall programmes to have been appropriate. However, there are doubts about whether municipal land development should have been financed under FC as, given the complex subject of land rights and the opportunities for manipulation when land deeds are issued and the raising/use of funds by the mayor and his employees, slightly negative developmental impacts could occur. The results of the technical implementation were satisfactory; delegating project implementation (technical construction planning, construction work) to a qualified developer was generally efficient and appropriate. Overall, with regard to better project planning and preparation and the operation of the infrastructures, which take account of the needs of various socio-economic groups, the implementation of investment accompanying advisory measures for the communities in the context of an FC accompanying measure was, in retrospect, an appropriate addition to the FC investment programmes.

Key results of the impact analysis and performance rating

With the provision of the investive measures, the municipalities assume responsibility for operation and maintenance of the final project. During operation, deficiencies were often detected which indicated that planning and project preparation had been insufficient and inadequately geared to the need of many socio-economic groups and/or a lack of or inappropriate operating concepts including tariffs. This led partly to rejection by the users or operating problems (low collection efficiency). Whereas country-wide concepts and rules exist for the construction and operation of schools, this generally does not exist to the same extent for economic and public infrastructures. The transfer and specification of operating responsibility and the tariff structure were very heterogeneous and often inadequate.

The beneficiaries have to pay for using the individual projects and the charges are generally acceptable. Similar school fees are charged at the municipal primary schools as in the state-run primary schools. Fees at the secondary schools are generally far higher than at the primary schools but are subject to a ceiling set by the state. Very poor families cannot afford the school fees, particularly for secondary schools. Various mechanisms make it easier for these families to gain access to school education and others are being developed as part of ongoing FC programmes. With regard to markets and bus stations, the target group can generally afford the charges. The local people have benefited from local employment and income opportunities such as the appointment of additional teachers, administrators, the sale of local materials for construction and short-term employment on the building sites. In addition to the income effects, the target group appreciates the cleanliness, safety, organisation and shorter routes to school that are often associated with the infrastructures. With the exception of certain socio-economic groups in some economic infrastructures, the final projects have resulted in improved social and/or economic living conditions within the target group. The acceptance of the charges is to be raised by introducing differentiated charges for various services for specific target groups and greater transparency with regard to their budgeting and application by the municipalities.

The overall economic effects can be characterised as follows. The programmes contribute to poverty reduction. By providing municipal services to meet basic needs such as, first and foremost, education as well as safe bus stations and clean, larger markets, the living conditions of poor people are improved and economic potential exploited. The target is, for example, to involve the parent-pupil associations and market trader associations in the projects and their operation. The FC programmes have had knock-on effects within the municipalities with regard to their role in the effective and efficient provision of services for the local people and, in part, encouraged participation by sections of the population; however, good governance has not yet been sufficiently enshrined as a principle applied within the municipalities. The projects have potential to improve gender equality. Women derive particular benefit from certain final projects such as the secondary school for girls, health stations or women’s centres; to an extent this has structural effects on gender equality. However, women do not always benefit as much as men from economic infrastructures; greater account needs to be taken of their specific needs in the preparation and technical implementation phases. The individual projects carried out have no noteworthy environmental impacts. Overall, there are very few final projects directly geared to environmental protection.

Well-run markets and bus stations with cleaning services tend to contribute to a cleaner environment.

In summary, we assess the overall developmental effectiveness of the programme as insufficient (rating 4). The detailed evaluation is as follows:

- Relevance: The objectives of the FICOM I and II programmes are in line with the development bottlenecks, needs and objectives of the partner country, the municipality and the target group as well as the objectives of the BMZ. The projects represented one of several approaches by the donors to provide support for decentralisation; harmonisation has not taken place to date but is being planned. The anticipated impacts have, however, been only partly achieved, particularly with regard to the social infrastructures. The programmes have made a significant contribution to providing the communities with an infrastructure. There are certain deficiencies in the programme design and implementation in the area of (socio-economic) preparation of the infrastructure plans, monitoring of operation and M&E. In retrospect, support under an FC accompanying measures would have been appropriate. With regard to the planned overall objective of strengthening municipal self-administration, there was a shortage of key sectoral criteria, including clear competence rules, financial resources and administrative skills among the municipal staff. However, the programmes did bring about improvements in municipal competences. Greater harmonisation with the approaches of other relevant donors would have been desirable. We assess the relevance of the projects as satisfactory (sub-rating 3).

- Effectiveness: With 53% or 63% instead of 75% of the number of successfully operated infrastructure measures, a representative sample showed that the programme objectives had not been achieved satisfactorily. If the percentage of successful projects in the total project financing is taken as the basis, 50% of the projects in FICOM I were successful and 66% in FICOM II, in both cases below the target indicator. We assess the effectiveness of the projects as unsatisfactory (sub-rating 4).

- Efficiency: The national invitation to tender for supplies and services by the builders generally led to the implementation of market prices in production. Overall, we assess the specific costs as appropriate. The quality of the buildings visited was generally good or average. Over a period of eight years a total of 67 municipal infrastructure measures were financed and put into operation. Production efficiency was acceptable. With regard to allocation efficiency, some of the economic infrastructures used cover the operating costs (in the narrower sense) of the municipality by the charges levied; full cost coverage has not been achieved. We rate the efficiency of the projects as satisfactory (sub-rating 3).

- Overarching developmental impact: Although the programmes did contribute to the achievement of the overall objective, poor governance at the municipal level and weaknesses in the programme design and implementation resulted in the targeted impacts with regard to improved performance by the municipalities not being achieved to the extent expected. In some cases, certain socio-economic groups did not derive appropriate benefit from the impacts or were even worse off than before. We therefore rate the overarching developmental impact as unsatisfactory (sub-rating 4).

- Sustainability: The unfavourable underlying structural conditions, the insufficient human and financial resources in the municipalities, the operational deficiencies in many infrastructures and the insufficient inclusion of funds for maintenance and replacement/extension investments represent considerable risks and suggest that the individual measures are not sufficiently sustainable. We rate the sustainability of the project as unsatisfactory (sub-rating 4).

General conclusions

For future municipal financing programmes in general, the recommendation to KfW or the municipal financing institution is that the design and procedure of the FICOM programmes be further developed in the following areas:

- Better diagnosis of the various needs and interests of socio-economic groups (and the ensuing consequences for the technical design and operation) before financing is applied for (especially for economic infrastructures) should be made by socio-economic studies, e.g. by study offices ("quality at entry");
- More weighting should be given to good governance aspects, both in the target system and in the indicators as well as in implementation;
- Introduction of a clear criteria grid for decision-making by FICOM (preliminary decision) and the decision-making body, which also takes account of the operating experiences of the municipalities and awards bonus points to disadvantaged groups for innovative financing instruments;
- Support for the municipal project executing agency generally by means of an FC accompanying measure, in order to take account of the frequently insufficient knowledge capacities at municipal level for the planning, implementation and, in particular, operation of the finance municipal infrastructures.

The municipal financier or the government should also call on the municipal authorities to put people in charge of managing the financed infrastructure, especially the economic infrastructure, to conclude and sustain operating and utilisation agreements and to ensure a balance combination of municipal decision-making bodies and operating committees. They should also encourage the communities which, as part of the primarily economic infrastructures, prepare separate records of income and expenditure for the purpose of analysing the financial situation and accounting to take greater account of maintenance and replacement investments and to collect tariffs that allow for an appropriate level of financial profitability and take account of the social aspect.

The municipal financier itself should maintain a comprehensive monitoring and evaluation system, which also contains information about the operation of municipal infrastructures.

In the light of our lessons learnt about the structure and procedures, KfW and BMZ should continue to play an active part in designing and promoting the establishment of national funds for the purpose of municipal investment promotion in Burkina Faso.

For decentralisation programmes we generally recommend that, given the importance of promotional sectoral framework conditions for the success of the programme and sustainability, German development cooperation examine the status of and future prospects for a sustainable decentralisation process thoroughly when the programme is assessed, determine possible breakdown points and keep close track of sectoral developments and reforms, e.g. also in the context of general or sectoral reform and expenditure programmes.

Legend – Notes on the developmental success rating

Projects are evaluated on a six-point scale, the criteria being relevance, effectiveness, "overarching developmental impact" and efficiency. The ratings are also used to arrive at a final assessment of a project's overall developmental efficacy. The scale is as follows:

1 Very good result that clearly exceeds expectations

2 Good result, fully in line with expectations and without any significant shortcoming

3 Satisfactory result – project falls short of expectations but the positive results dominate

4 Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results

5 Clearly inadequate result – despite some positive partial results, the negative results clearly dominate

6 The project has no impact or the situation has actually deteriorated

A rating of 1 to 3 is a positive assessment and indicates a successful project while a rating of 4 to 6 is a negative assessment and indicates an unsuccessful project.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability)

The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected.)

Sustainability level 3 (satisfactory sustainability)

The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall.

This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability)

The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and an improvement that would be strong enough to allow the achievement of positive developmental efficacy is very unlikely to occur.

This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. A rating of 1 to 3 indicates a "successful" project while a rating of 4 to 6 indicates an "unsuccessful" project. In using (with a project-specific weighting) the five key factors to form a overall rating, it should be noted that a project can generally only be considered developmentally "successful" if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are considered at least "satisfactory" (rating 3).