

THE SUBTITLE GOES HERE

Communication on the implementation of the National Integrated Financing Framework (INFF) in Burkina Faso: Exchanges on the process

Version: September 23, 2022

Presented by: Emmanuel SAVADOGO, Director of Monitoring and Evaluation of
Economic and Social Policies / Ministry of Economy, Finance and Forecasting of
Burkina Faso

THE SUBTITLE GOES HERE

Communication on the implementation of the National Integrated Financing Framework (INFF) in Burkina Faso: **Exchange on the process**

Version: September 23, 2022

Presented by: Emmanuel SAVADOGO, Director of Monitoring and Evaluation of
Economic and Social Policies / Ministry of Economy, Finance and Forecasting of
Burkina Faso

Presentation plan

1 INTRODUCTION

2 WHAT ARE THE DIFFICULTIES/CHALLENGES FACED BY BURKINA FASO IN FINANCING DEVELOPMENT IN ORDER TO ACHIEVE THE ODS

3 STEPS TAKEN BY BURKINA FASO IN THE IMPLEMENTATION OF THE INFF

4 MAIN DIFFICULTIES ENCOUNTERED BY THE CONSULTANTS IN THE PREPARATION OF THE DFA REPORT

5 PROPOSALS AND RECOMMENDATIONS PROPOSED BY THE BUREAU TO ADDRESS FUNDING CONSTRAINTS

1

INTRODUCTION

INTRODUCTION

THE FINANCING GAP IS ONE OF THE MAIN SOURCES OF UNDERPERFORMANCE IN THE IMPLEMENTATION OF NATIONAL DEVELOPMENT PLANS AND STRATEGIES, PARTICULARLY IN TERMS OF MAKING STRUCTURAL INVESTMENTS FOR SUSTAINABLE DEVELOPMENT. IN ADDITION TO THESE STRUCTURAL FACTORS, THERE ARE ECONOMIC, FINANCIAL AND HEALTH-RELATED SHOCKS, THE HIGH FREQUENCY OF WHICH COULD POTENTIALLY COMPROMISE THE CHANCES OF COUNTRIES ACHIEVING THE SUSTAINABLE DEVELOPMENT OBJECTIVES (SDO) BY 2030.

IT IS IN THIS PERSPECTIVE OF ACHIEVING THE IMPLEMENTATION OF THE SDGS THAT THE CNFI WAS DEVELOPED BY THE INTERNATIONAL COMMUNITY IN ORDER TO HELP COUNTRIES FINANCE SUSTAINABLE DEVELOPMENT AND THE SDGS.

BURKINA FASO, LIKE OTHER COUNTRIES IN THE REGION, HAS COMMITTED ITSELF DURING 2022 (MAY 2022), WITH THE SUPPORT OF THE UNITED NATIONS SYSTEM, TO ESTABLISH A NATIONAL INTEGRATED FINANCING FRAMEWORK (NIFF).

IT SHOULD BE NOTED THAT THE BURKINA FASO PROCESS IS STILL ONGOING. IN THE COMING DAY, WE WILL REVIEW WITH ALL DEVELOPMENT ACTORS THE DRAFT DIAGNOSTIC REPORT ON THE FINANCING FOR DEVELOPMENT (FFD) ASSESSMENT PROPOSED BY THE CONSULTING TEAM IN CHARGE OF DOING IT.

2

**WHAT ARE THE DIFFICULTIES/CHALLENGES FACED
BY BURKINA FASO IN FINANCING DEVELOPMENT IN
ORDER TO ACHIEVE THE ODS**

WHAT ARE THE DIFFICULTIES/CHALLENGES FACED BY BURKINA FASO IN FINANCING DEVELOPMENT IN ORDER TO ACHIEVE THE ODS

1. Insufficient evidence to guide development policies and strategies

- Poor alignment between planning and funding (planning systems are not integrated with funding systems)
- Weak preparation/awareness mechanisms for effective policy design and implementation:
 - to generate investments;
 - to define tax systems that promote the implementation of policies with a view to sustainable development.

3. Lack of coordination and monitoring mechanisms

- The absence of a multi-stakeholder and multi-sectoral platform bringing together public and private actors to discuss the modalities of joint implementation of priority sustainable development objectives.
- The weakness of the monitoring and evaluation system and the capitalization of investments related to the SDGs.
- Weak mechanisms for identifying private sector actors and private financing channels.
- The weakness of permanent inter-framework dialogue

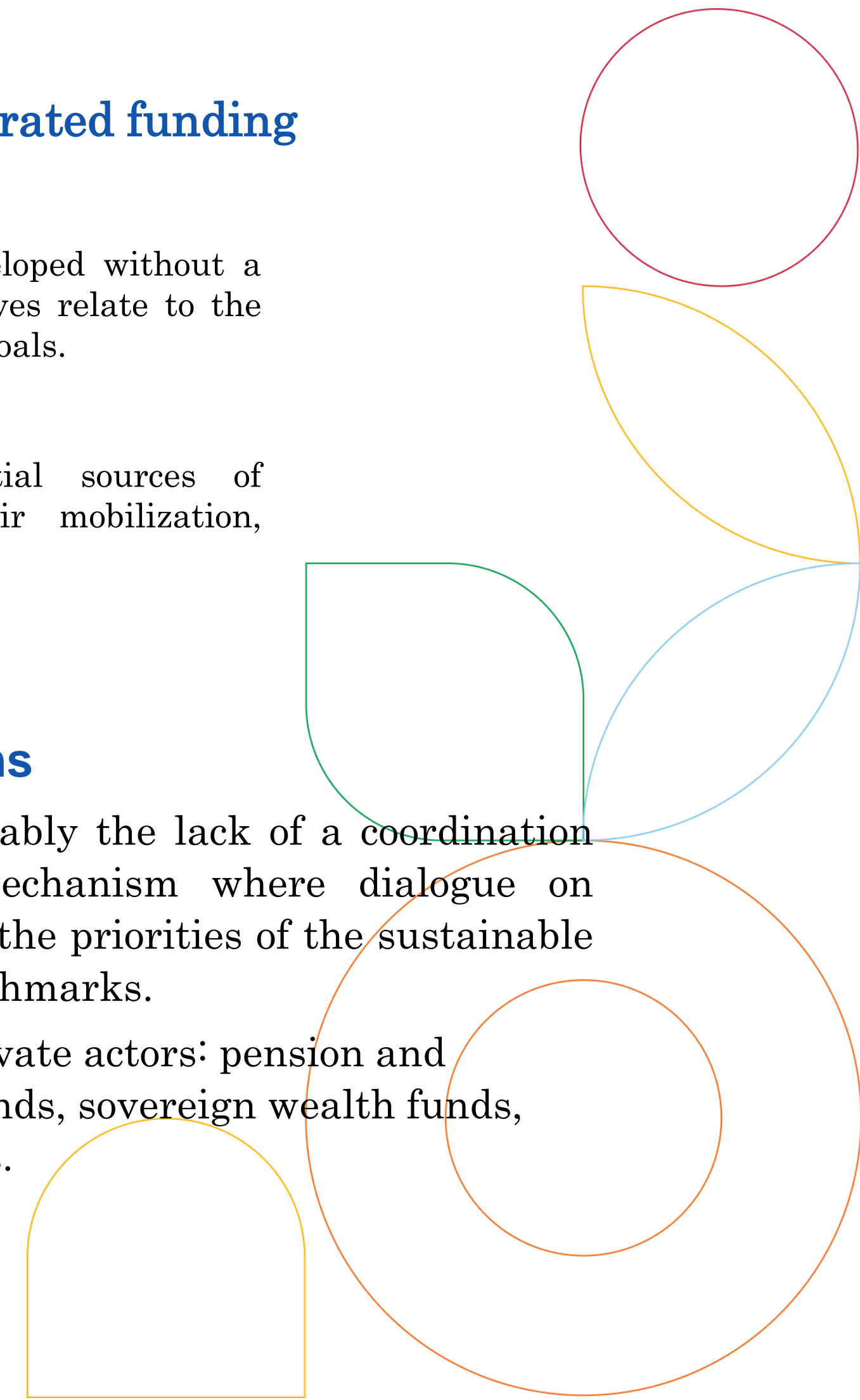
2. Lack of a coherent and integrated funding strategy

- Specific funding policies have been developed without a clear understanding of how their objectives relate to the achievement of sustainable development goals.
- Insufficient communication on potential sources of financing and the modalities of their mobilization, particularly innovative financing.

4. Weak governance mechanisms

- The poor quality of governance, notably the lack of a coordination and accountability/transparency mechanism where dialogue on financing can be articulated around the priorities of the sustainable development goals and national benchmarks.

Lack of awareness of the identity of private actors: pension and insurance companies, private equity funds, sovereign wealth funds, venture capital, asset owners, investors.



3

**STEPS TAKEN BY BURKINA FASO
IN THE IMPLEMENTATION OF THE
INFF**

Steps taken by Burkina Faso in the implementation of the INFF

1. BURKINA FASO'S PARTICIPATION IN A PEER-TO-PEER MEETING IN BRUSSELS ON NOVEMBER 5-6, 2019 ON THE FINANCING FOR DEVELOPMENT (FFD) EVALUATION AND STRENGTHENING THE NATIONAL INTEGRATED FINANCING FRAMEWORK (NIFF).
- 2. DESIGNATION OF A FOCAL POINT**
3. ELABORATION OF A CONCEPT NOTE FOR THE IMPLEMENTATION PROCESS OF THE NATIONAL INTEGRATED FINANCING FRAMEWORK THAT WE VALIDATED ON JUNE 2021 WITH THE SUPPORT OF UNDP AND ECA;
- 4. ESTABLISHMENT OF A STEERING COMMITTEE FOR THE DEVELOPMENT OF THE NATIONAL INTEGRATED FINANCING STRATEGY BY AN ORDER OF THE MINISTER IN CHARGE OF THE ECONOMY AND FINANCE DATED 23 JULY 2021.** THIS STEERING COMMITTEE INCLUDES: MEMBERS OF THE PUBLIC ADMINISTRATION, THE PRIVATE SECTOR, AGENCIES OF THE UNITED NATIONS SYSTEM, ACADEMICS AND RESEARCHERS, TECHNICAL AND FINANCIAL PARTNERS, UNITED NATIONS AGENCIES, FINANCING AGENCIES, SUPERVISORY BODIES, CIVIL SOCIETY, ETC.
5. RECRUITMENT OF A CONSULTING FIRM WITH THE SUPPORT OF UNDP BURKINA FASO ;

Steps taken by Burkina Faso in the implementation of the INFF

6. Organization of a scoping workshop on January 18, 2022 between the consulting firm, the General Directorate of Economy and Planning, UNDP Burkina Faso (face-to-face) and ECA Niger (by video conference). This meeting made it possible to validate the work expected of the consulting firm and to define a roadmap for the conduct of the firm's mission;
7. Organize a national launch workshop under the chairmanship of senior officials of the Ministry of Economy, Finance and Forecasting on May 10 and 11, 2022.
 - ✓ This official launching workshop allowed to inform and sensitize the country's development actors (state actors, private sector, ngos/ad, local authorities, civil society organizations, the press, the academic and research world, technical and financial partners, the media, the control bodies, etc.).
 - ✓ During this meeting, we benefited from the sharing of experiences of countries that have already conducted or started the process (including Gabon and Cape Verde) and experts from the United Nations system (including ORRIA from South Africa). This meeting brought together about 100 participants. It was during the workshop that most of the participants understood the meaning of the integrated national financing framework (INFF)
 - ✓ Following the workshop, the office collected data and information from stakeholders;

Steps taken by Burkina Faso in the implementation of the INFF

8. Presentation of the process to the TROIKA of Burkina Faso's technical and financial partners on June 7, 2022 to inform them of the process and solicit their support. At the end of this meeting, they all appreciated the initiative.
9. Ongoing completion of the DFA (project to be validated in October 2022) ;
10. Burkina Faso plans to conduct a study tour to Cape Verde and Gabon to learn from their experience;
11. Validation of DFA report in progress. The report has been filed by the consulting firm and will be validated during October 2022. While the document has not yet been validated, the following key findings are evident:
 - ✓ Particularly important financing needs;
 - ✓ A special effort must be made to mobilize internal resources;
 - ✓ External assistance can help the country improve its fiscal space;
 - ✓ Private financing is one of the options and solutions for development financing.

Steps taken by Burkina Faso in the implementation of the INFF

Heading 1

12. Development of the national integrated financing strategy (ongoing). In the original plan, the process was to be completed by June 2022 at the latest, but with the change of regime in January, this schedule has been turned upside down.
13. Development of the roadmap (priority action program) for the implementation of the strategy (ongoing).

4 MAIN DIFFICULTIES ENCOUNTERED BY THE CONSULTANTS IN THE PREPARATION OF THE DFA REPORT

Main difficulties encountered by the consultants in preparing the DFA report

1

political change in the FB just after the scoping meeting.

2

Unavailability of actors at the level of the structures for the interviews

3

Non-response of some structures to the correspondence sent for the interviews, especially private companies.

4

Delays in the transmission of certain data and strategic documents that structures promised to send after the interviews.

5

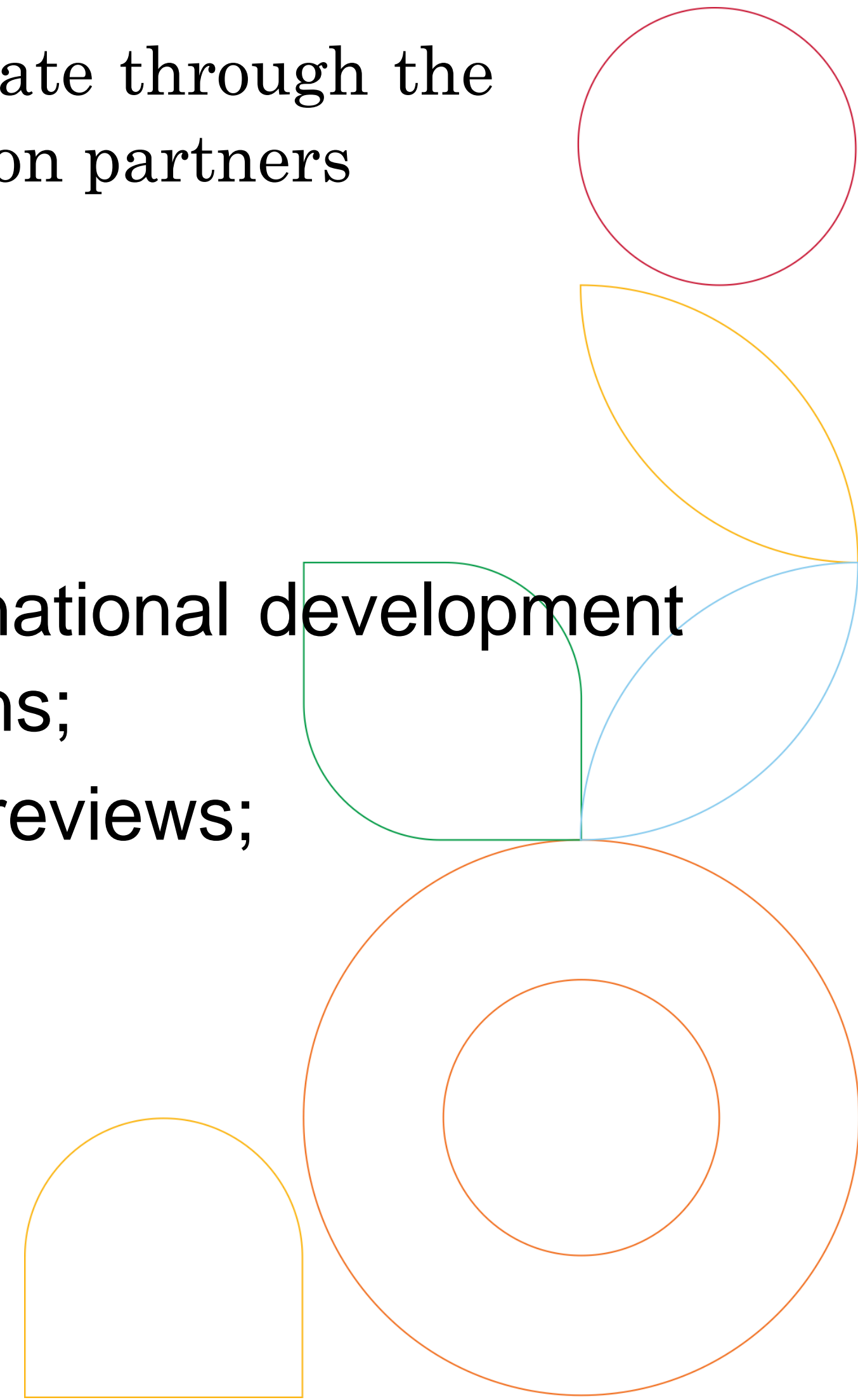
**PROPOSALS AND
RECOMMENDATIONS PROPOSED
BY THE BUREAU TO ADDRESS
FUNDING CONSTRAINTS**

Proposals and recommendations proposed by the bureau to remove funding constraints (1/3)

All of these recommendations and proposals were addressed to the State through the competent technical structures. The other structures are implementation partners


Component 1: Assessment and Diagnostics

- Strengthen the assessment of needs within the framework of national development policy, sectoral policies and local and regional development plans;
- Institutionalize public policy evaluations and public expenditure reviews;
- Institutionalize public finance evaluations and diagnoses.



Proposals and recommendations proposed by the Bureau to address funding constraints (continued 2/3)

Component 2: Funding Strategy: At the level of the strategy for public funding

- Strengthen the overall framework of reforms in the mobilization of public funds and their sound financial management;
 - Finalize and/or update the various action plans of the General Directorates of the financial authorities (DGI, DGD, DGTCP) for the mobilization of tax and non-tax revenues and ensure their implementation;
 - Use the full potential of pension funds, dormant funds and other public funds for long-term financing of structuring projects and investments;
 - Implement the action plan for resource mobilization for local authorities within the framework of the new decentralization framework;
 - Implement the new support strategy of the Ministry of Economy, Finance and Prospective (MEFP) for decentralization;
 - To revise the Action Plan of the National Cooperation Strategy which expires in 2022 by integrating strategic actions and measures;
 - Initiate, on the basis of the medium-term debt strategy, a reform action plan;
 - Develop a roadmap for the implementation of the new Public-Private Partnership (PPP) Law;
 - Integrate a financing strategy dimension into sectoral documents and strategies and systematically prepare a sectoral medium-term resource framework (MTRF);
 - Implement the AML/CFT Action Plan;
 - Implementation of actions to improve the quality of public finance management under the Integrated Action Plan for Financial Reforms (PAIRF) focused on public spending.
- 

Proposals and recommendations proposed by the Bureau to address funding constraints (continued 3/3)

Component 2: Financing Strategy: At the level of the strategy for financing the private sector

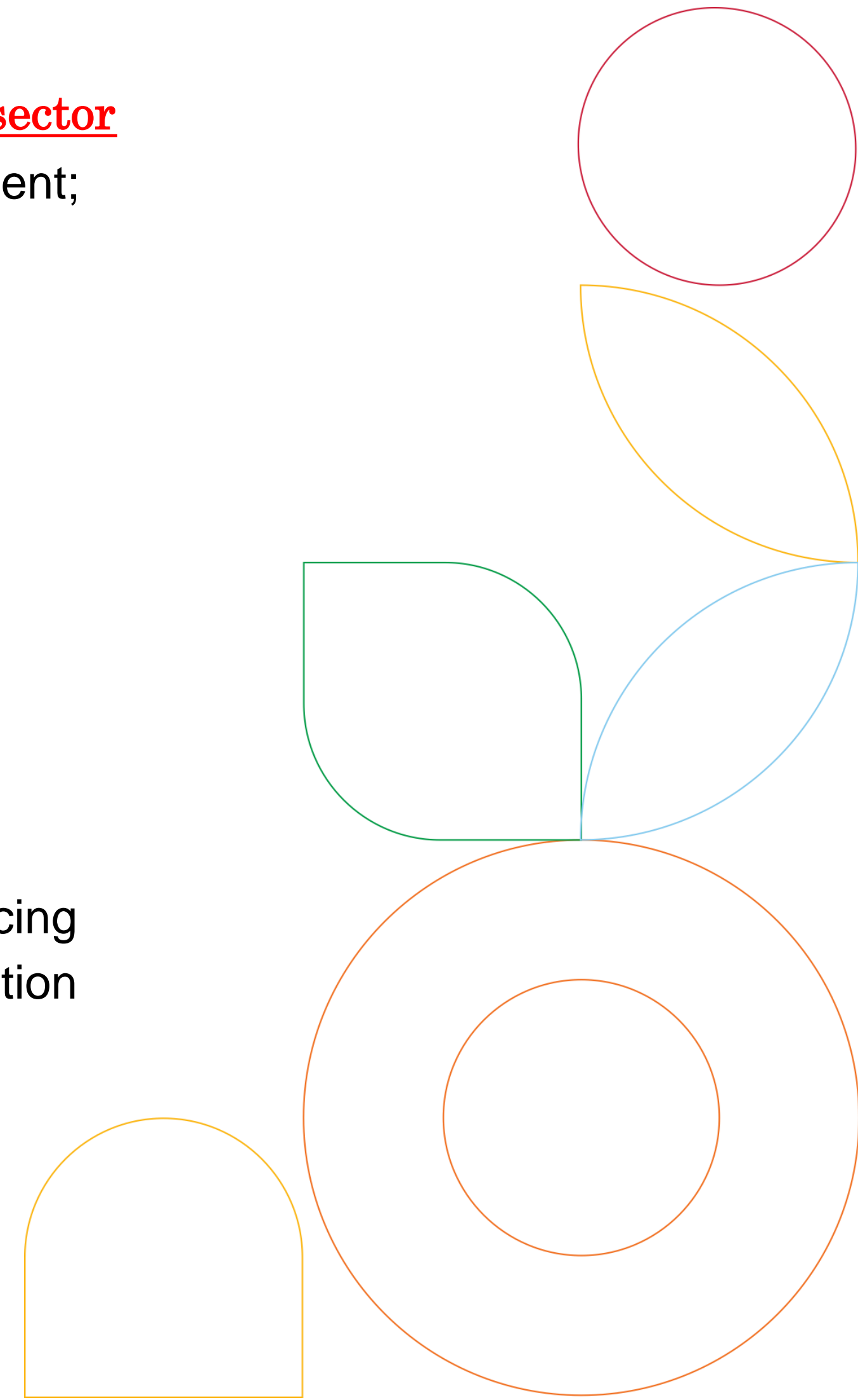
- Define a comprehensive framework for improving private sector financing and promoting private investment;
- Prepare a costed action plan for the implementation of the national diaspora promotion policy;
- Update the National Financial Inclusion Strategy Action Plan;
- Initiate a program to develop the use of financial markets by domestic companies;
- Prepare a roadmap for the development of venture capital and other innovative financing.

Component 3: Monitoring and Review

- Strengthen current information systems for tracking public funding flows;
- Strengthen the information and monitoring system for private financing.

Component 4 Governance and Coordination

- To give more visibility to the financing theme in the framework of the coordination of the National Development Plan.





“

Thank you for your kind attention

Emmanuel SAVADOGO

DIRECTOR OF MONITORING AND EVALUATION OF ECONOMIC POLICIES
AND SOCIAL AFFAIRS AT THE MINISTRY OF ECONOMY, FINANCE AND PROSPECTS

