

CENTRAL SAHEL MONITOR¹

S2-2024 Edition

July 1–December 31, 2024
Published January 2025

Strengthening the Social Contract through Improved Service Delivery

Prepared by: Fulbert Tchana Tchana, Kabinet Kaba, Eyah Denise Edoh, Tahirou Kalam, Gabriel Dedu, Murielle Babatounde, and Ousmane Megnan Kolie²

Concurred by: Hans Anand Beck and Gael Raballand

Cleared for distribution by: Clara de Sousa

External contact: Edmond Bagde Dingamhoudou (edinghamhoudou@worldbank.org)

Summary

The second-semester 2024 edition of the Central Sahel Monitor highlights the World Bank's commitment to improving people's livelihoods by rebuilding the social contract through enhanced service delivery in the Central Sahel.

- Driven by the resource sector and services, GDP growth in the Central Sahel increased slightly from 3 percent in 2023 to 4 percent in 2024—sufficient to achieve modest GDP per capita growth (0.9 percent) and poverty reduction. However, growth remains modest due to low diversification, insecurity, policy uncertainty, and flooding. The poverty rate has declined across the region, except in Chad, where the refugee crisis has exacerbated poverty. Meanwhile, food insecurity persists. In Burkina Faso, agriculture and services were the main growth engines, while growth was driven by telecommunications and agriculture, particularly the cotton industry, in Mali. Niger's industrial sector benefited significantly from higher oil exports despite Benin-Niger pipeline and border disruptions.

- Price trends in the Central Sahel varied across countries in relation to the 3 percent target set by respective monetary unions. In Burkina Faso, inflation remained close to target at 3.4 percent, while Mali managed to maintain an even lower inflation rate of 1.2 percent. However, Niger and Chad experienced significantly higher inflation rates at 8.5 percent and 6.5 percent, respectively.
- Except for Chad, the current account deficit has improved across all countries in the region, driven by increased exports of mineral resources and agricultural commodities. Chad's deficit has widened slightly due to a rise in imports, stemming from strong domestic demand pressures linked to the refugee crisis. Ongoing fiscal consolidation measures have also contributed to reducing the fiscal deficit in some Central Sahel countries.
- Despite challenges, ongoing World Bank-financed projects and programs focused on service delivery in Burkina Faso, Mali, and Niger

¹ The Central Sahel Monitor aims to report on recent economic developments in the Central Sahel, including World Bank projects. The Central Sahelian countries are Mali, Burkina Faso, Niger, and Chad.

² The team thanks Michael Evers, Gladys Madjilem Naibei, Mahamat Abdrahmane Moustapha, Daniel Pajank, Aminata Ouedraogo, Yannik Strittmatter, Mahama Samir Bandaogo, Chimene Diane Djapou, Giulio Iacobelli, Demet Kaya, and Yue Man Lee for their contributions.

are striving to contribute to strengthen the social contract and contribute to a positive presence of the State in the Central Sahel. In Burkina Faso, the Local Governance for Basic Services and Resilience Program, approved in June 2023, has supported the redeployment of 5,800 civil servants in underserved areas, representing 29 percent of the program's target. The program has also facilitated the issuance of 33,000 birth certificates to internally displaced persons (IDPs), representing an increase of 50.4 percent, and supported school canteens in 17 percent of public primary schools. Meanwhile, the Mali Deployment of State Resources for Better Service Delivery program, approved in June 2019, has strengthened fiscal decentralization by allocating US\$31 million to 102 municipalities. It has also supported the capacity building of 12,000 local and central government and elected officials in service delivery, and it has improved accountability by strengthening the capacity of residents in more than 1,000 villages to monitor the quality of public services. Finally, the Niger Public Sector Management for Resilience and Service Delivery Program, approved in June 2022, has despite challenges reduced the number of days essential medicines are out of stock in underserved health centers from 16 to 9 days. Additionally, the program secured 11 million doses of vaccines and essential medicines for vaccination campaigns during the border closures caused by regional sanctions.

1. Context and Challenges

The Central Sahel's economy remains heavily reliant on mineral resources and agriculture. In Burkina Faso and Mali, gold constitutes over 70 percent of total exports, making these countries highly vulnerable to fluctuations in gold prices. Similarly, uranium and oil represent about 75 percent of Niger and Chad's exports. This lack of diversification hampers economic growth

and per capita income, as commodity price volatility increases the volatility of economic growth as well as fiscal and current account balances.

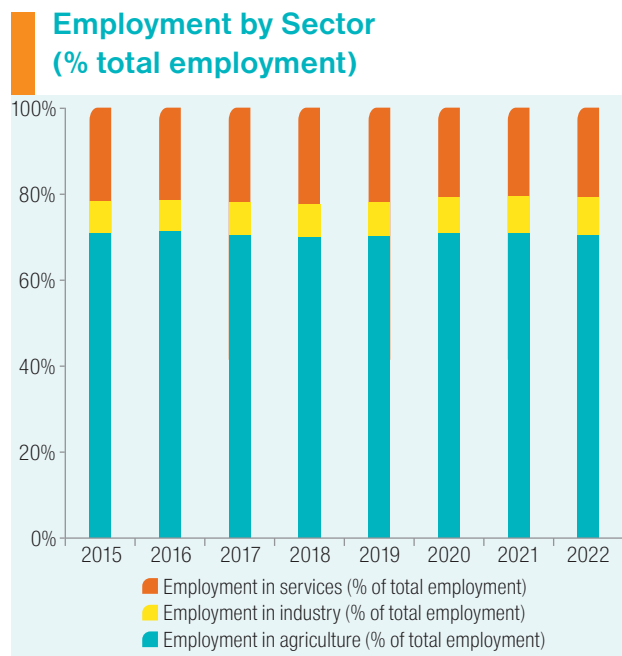
Structural transformation in the Central Sahel has yet to take hold, undermining efforts to create well-paying jobs for the region's youth.

Employment is heavily concentrated in agriculture, which accounted for about 70 percent of total employment in 2022. However, the contribution of agriculture to GDP is much lower, with its value added to GDP around 30 percent in 2002, highlighting the sector's low productivity. The secondary sector, currently dominated by extractive industries and accounting for about one-fourth of GDP, employs only 8.5 percent of the total workforce.

Climate change, insecurity, and economic policy uncertainty continue to pose significant obstacles to sustained economic growth and financing development.

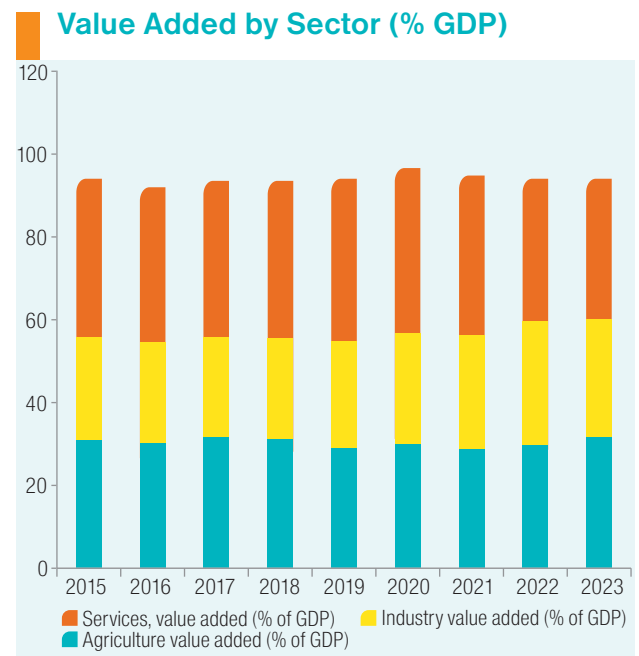
The Central Sahel is one of the most vulnerable regions to climate change. For example, in Chad, insufficient rainfall and recent intense flooding have negatively impacted agriculture. Policy uncertainty and insecurity inhibit growth and exacerbate extreme poverty by: (i) increasing the volatility of international financial flows; (ii) reducing private investment; and (iii) displacing labor. Military-led regime changes in the Central Sahel countries have significantly reduced international development financing. Except for Chad, external disbursements decreased in the region between 2011 and 2023: from 3.3 to 1.7 percent in Burkina Faso; from 3.0 to 1.8 percent in Mali; and from 2.0 percent to 1.6 percent in Niger. By contrast, (net) domestic financing increased during the same period: from 0.9 to 5.6 percent in Burkina Faso; from 1.4 to 4.8 percent in Mali; from 0.2 to 3.0 percent in Niger; and from 1.1 percent in 2010 to 4.4 percent in 2023 in Chad, crowding out domestic firms from the banking system. Insecurity disrupted industrial gold mining, specifically in Burkina Faso, where it represents 16 percent of GDP and 22 percent of government revenue. The displacement of communities due to insecurity has further undermined agricultural productivity.

Figure 1



Source: Team's calculation using WDI and MFMOD data.

Figure 2



Source: Team's calculation using WDI and MFMOD data.

2. Recent Economic Developments

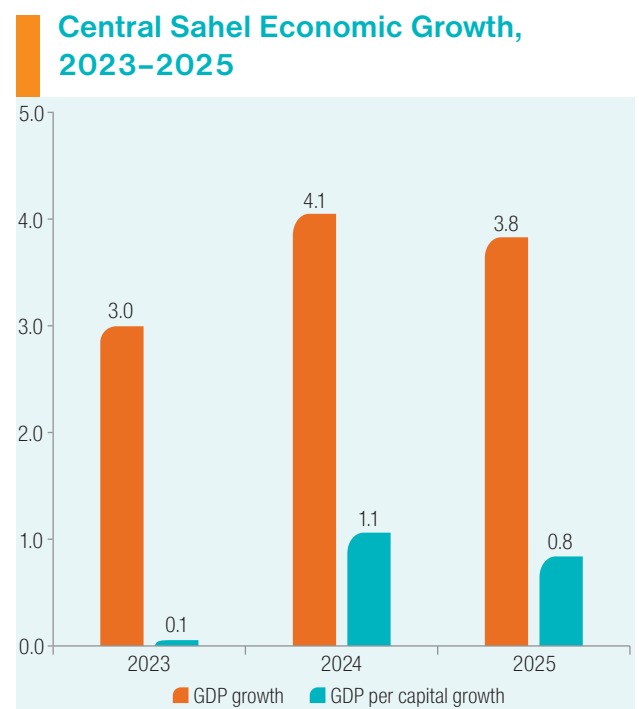
2.1. Trends in the Central Sahel

Economic growth is projected to increase by 1 percentage point (pp) to 4.1 percent in 2024.³

Despite this improvement, growth remains modest in many countries due to insecurity, flooding, and economic policy uncertainty. Nevertheless, this modest upturn in economic activity has accelerated GDP per capita growth, which was negligible in 2023 (0.1 percent). The economic recovery has been supported by both the non-mineral and mineral sectors, including: (i) an acceleration of agricultural growth by 2.6 pp in Burkina Faso, Mali, and Niger, driven mainly by cereal crops and cotton (in Burkina Faso and Mali); (ii) a resilient industry sector in Burkina Faso despite insecurity; (iii) growth in the construction and food industries in Mali; (iv) increased oil production in Niger; and (v) a robust services sector driven by public administration, trade, and repair services.

Although fiscal and current account balances have improved slightly, they continue to post

Figure 3

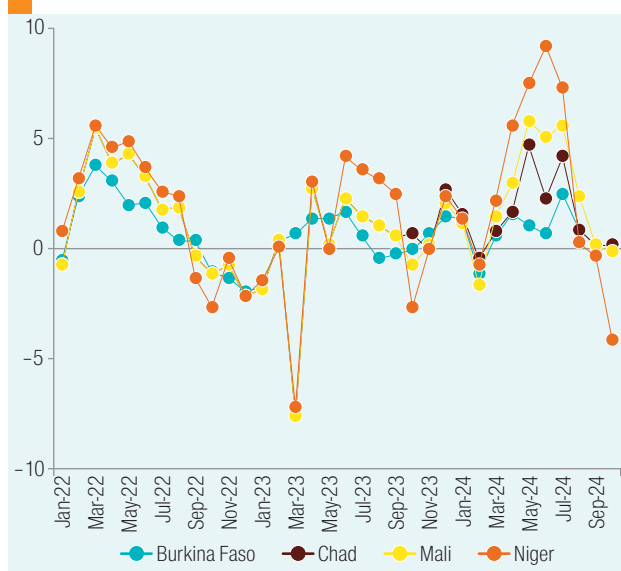


Source: World Bank MPO and Annual Meetings 2024.

³ Central Sahel indicators are computed as weighted (by GDP) average or sum of each of country.

Figure 4

Headline Inflation (CPI), Monthly Price Change



Source: BCEAO and National Statistics Offices.

significant deficits financed by expensive treasury bonds on the WAEMU and CEMAC regional markets. The average current account deficit in the Central Sahel widened from 6.6 percent in 2023 to 6.1 percent in 2024. It improved in all countries in the region (except for Chad, where it deteriorated from a surplus to a deficit), driven by exports of mineral resources and agricultural commodities. Ongoing fiscal consolidation measures helped reduce the region's fiscal deficit from an average of 3.9 percent in 2023 to 3.8 percent in 2024. The deterioration of Chad's fiscal stance, from a surplus of 3.9 percent to a deficit 0.3 percent, contrasted with significant improvements in the rest of the region. Central Sahel countries raised XAF/XOF 2212 billion in 2024 to finance their deficits, a slight increase from XAF/XOF 2,153 billion in 2023. The increase despite interest rates increased is a testimony that the regional market has become the main source to finance deficits.

Although inflation remained under control in 2023, significant disparities emerged in 2024, prompting the monetary authorities to maintain a tight monetary policy stance. In Q2-2024, inflation

reached 4.1 percent, up from 2.9 percent in the previous quarter. Inflation in the WAEMU was 3.7 percent in 2024—unchanged from 2023. However, Burkina Faso's inflation rate rose sharply but remained close to the BCEAO target, while Mali's inflation rate was well below the regional target at 1.2 percent. By contrast, Niger and Chad recorded inflation rates of 8.5 percent and 6.5 percent, respectively, well above the 3 percent target. On September 11, 2024, the BCEAO's Monetary Policy Committee (CPM) decided to maintain the rate at which the central bank lends to banks at 3.50 percent and the interest rate on the marginal lending window at 5.50 percent, unchanged since December 16, 2023.⁴ According to the CPM, this decision was based on recent price developments, economic activity, and the WAEMU's external environment. Inflation is expected to return to the target range of 1 to 3 percent in 2025, due to a more favorable agricultural season in 2024/2025, lower expected prices for imported food products, and measures taken by some countries to mitigate the effects of the global economic slowdown. Regarding Chad, the Bank of Central African States (BEAC) has maintained its tight monetary policy stance to contain inflationary pressures and support the external viability of the exchange rate arrangement. The BEAC policy rate was kept at 5 percent, following a cumulative increase of 175 basis points between November 2021 and March 2023. Weekly liquidity injections were discontinued in early 2023, and the BEAC has scaled down its liquidity absorption operations since the beginning of 2024.

The modest growth rebound in the Central Sahel has led to a moderate reduction in poverty rates, although food insecurity remains persistent across the region. Burkina Faso, Mali, and Niger saw their poverty rates fall marginally in 2024, and this trend is expected to continue in 2025. Despite these improvements, food insecurity persists in all these countries. In Burkina Faso, the humanitarian situation

⁴ Burkina Faso, Mali, and Niger are members of the West African Economic and Monetary Union (WAEMU), and the Central Bank of West African States (BCEAO) is their regional central bank.

Table 1

Amounts Raised on the BCEAO and the BEAC Regional Markets (XAF/XOF billion)

Country	Q1-2023	Q2-2023	Q3-2023	Q4-2023	2023	Q1-2024	Q2-2024	Q3-2024	Q4-2024	2024
Burkina Faso	64	327	190	30	611	162	179	263	104	708
Chad	38	34	42	49	163	61	0	43	0	104
Mali	116	372	206	98	792	177	156	162	126	621
Niger	151	330	106	0	587	0	577	41	162	779
Central Sahel	369	1063	544	177	2153	400	911	508	393	2212

Source: Team's calculations based on data from UEMOA-Titres and BEAC.

Note: XAF for Chad and XOF for others.

remains dire, with over 2 million IDP and 2.7 million people (11.9 percent of the population) experiencing severe food insecurity between June and August 2024. In Mali, over 330,000 IDP and an estimated 1.4 million people (6 percent of the population) faced severe food insecurity during the same period, exacerbated by major flooding during the rainy season. In Niger, while the extreme poverty rate is expected to fall to 47.5 percent, 13.1 percent of the population faces severe food insecurity, around 300,000 people are internally displaced due to insecurity, and flooding in August destroyed thousands of homes and resulted in hundreds of deaths. In Chad, the poverty rate increased by 2 pp in 2024 due to the economic slowdown. The country also experienced severe food insecurity (estimated at 3.4 million people, 20 percent of the population), between mid-July and end-October 2024. Flooding from heavy rains affected over 1.5 million people, destroyed 259,000 hectares of crops, and resulted in the loss of nearly 70,000 head of livestock.

The Central Sahel demonstrated resilience to the sustained fall in the prices of its key commodities in 2024. However, the region's high dependence on these commodities continues to pose risks to its macroeconomic stability, leaving it vulnerable to future price shocks. In Q1-2024, the prices of the region's main export products fell, except for gold. After rising throughout 2023, uranium prices dropped by 20 percent between January and October 2024. This decline had a negligible impact on Niger's economy due to the oil export

boom following the commissioning of the Benin-Niger oil pipeline in May 2024 and its reopening in November. Although oil prices fell by 4.8 percent, the impact on Niger and Chad was minimal due to increased oil production in both countries. Chad's oil production volume increased by 8.7 percent in Q1-2024, and the operationalization of the Benin-Niger pipeline increased oil production to around 11.2 million barrels in 2024. In Burkina Faso, the 32 percent rise in gold prices positioned the mining industry as a key growth driver, despite persistent disruptions caused by insecurity. Meanwhile, cotton prices fell by 10.36 percent over the last 10 months of 2024, although a successful cotton season helped the agriculture sector recover and support growth in Mali.

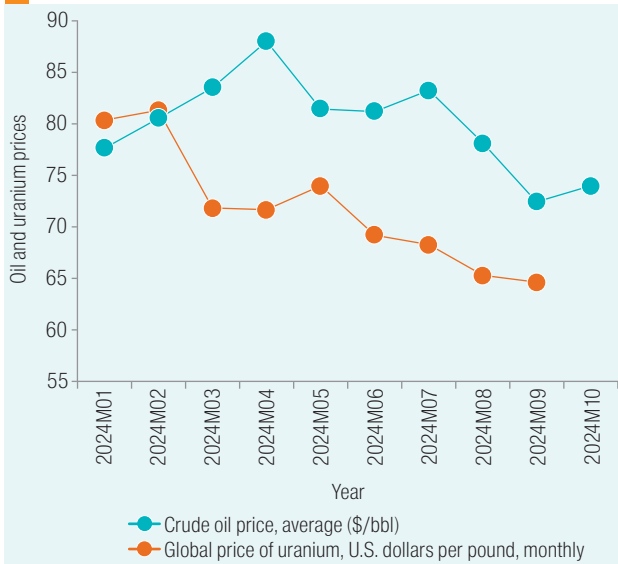
2.2. Country-by-Country Trends

Burkina Faso

Despite insecurity that disrupted mining, agriculture, and livestock activities, GDP growth accelerated by 3.7 percent in 2024—0.7 pp higher than in 2023. On the supply side, growth was supported by almost all sectors. Agricultural growth increased sharply, driven by cereal crops, averaging 4.2 percent in 2024, significantly higher than 1.1 percent recorded in 2023. Although services growth slowed, it remained robust at 4.0 percent and, hence, the major growth driver given the country's large public sector. The industrial sector demonstrated resilience,

Figure 5

Oil and Uranium Prices, M1-2024–M10-2024



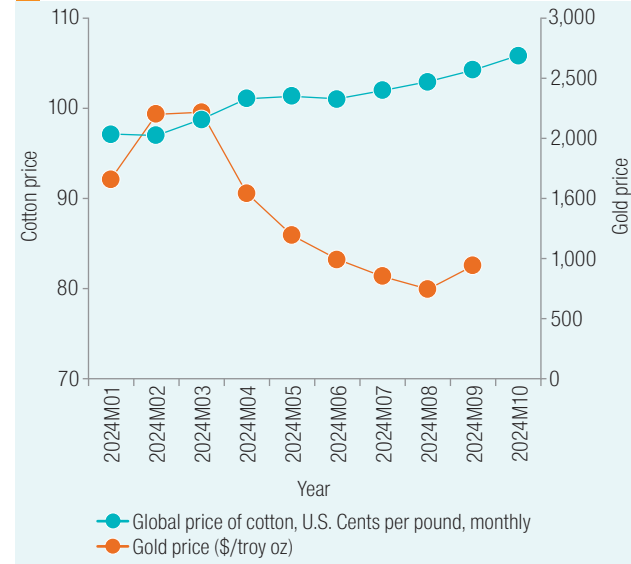
Source: Latest commodity prices published by the World Bank.

growing by 2.8 percent and bolstered by rising gold prices over the last ten months, despite disruptions caused by insecurity. On the demand side, domestic components slowed, with private investment experiencing a notable slowdown, while private and public consumption drove overall growth. Public consumption increased by 3.7 percent, driven by security expenditures and the wage bill, but its growth was tempered by a 3.2 percent drop in public investment. Investment growth decelerated from 8.9 percent to 2.9 percent, reflecting high uncertainty surrounding investment in the insecurity-plagued mining sector to 2.9 percent due to high uncertainty surrounding investment in the insecurity-plagued mining sector.

Despite narrowing due to strong gold prices and fiscal consolidation, fiscal and external deficits remained high in 2024, financed primarily through expensive Treasury bonds on the WAEMU regional market. After reaching an historic -10.3 percent of GDP in 2022, the country’s fiscal deficit narrowed to an estimated 5.9 percent of GDP in 2024. This improvement in the fiscal balance was supported by both revenue and expenditure measures. On the

Figure 6

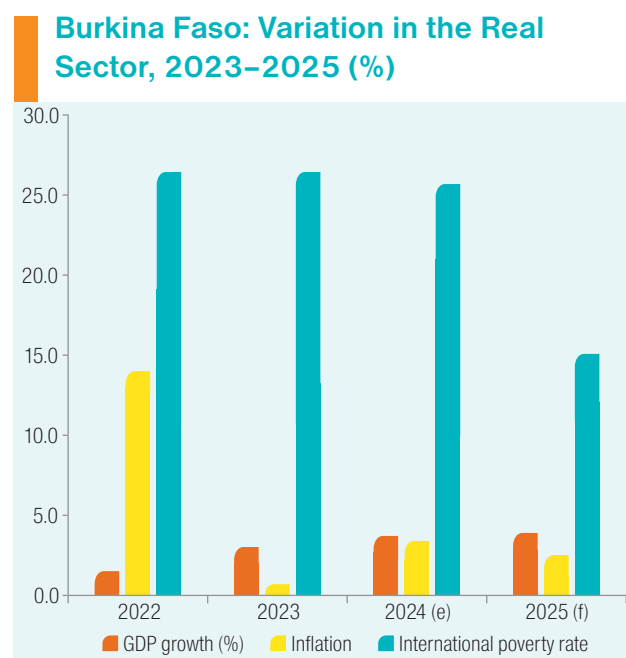
Cotton and Gold Prices, M1-2024–M10-2024



Source: Latest commodity prices published by the World Bank.

revenue side, nontax revenue as a percentage of GDP improved in 2024, while other revenue sources remained stagnant or slightly decreased. However, with a persistent decline in bilateral donor grants, efforts to mobilize resources must be intensified to increase tax revenues. On the expenditure side, consolidation efforts and a substantial cut in subsidies contributed significantly to the narrowing of the fiscal deficit. However, while spending pressure related to insecurity, humanitarian needs, and resilient growth remains high, capital spending cuts (1.1 percent of GDP) may have adverse medium- to long-term effects. The fiscal deficit is primarily financed through domestic borrowing on the WAEMU regional market, where Burkina Faso faced a sharp increase in interest rates, to above 9 percent for 12-month bills. Burkina Faso raised a total of FCFA 708.1 billion on the WAEMU market in 2024, with quarterly volumes ranging from FCFA 104.4 billion in Q4 to FCFA 262.7 billion in Q3. Despite the continued decline in the fiscal deficit, the debt-to-GDP ratio stood at 54.2 percent, a slight uptick from 53.4 percent in 2023. The debt profile remains dominated by domestic debt, whom ratio to GDP

Figure 7

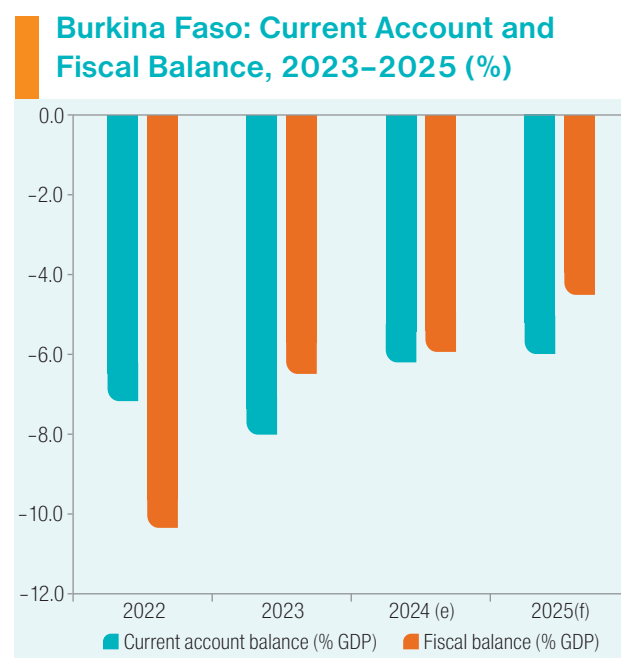


continues to increase, while the external debt ratio has slightly decreased. The current account deficit narrowed, reaching 6.2 percent, down significantly from 8.0 percent in 2023. This improvement was driven by a 32 percent increase in the gold price and a sharp slowdown in imports (but remain high).

Chad

Chad's GDP growth slowed from 4.1 percent in 2023 to 3.0 percent in 2024 due to pressures from the refugee crisis, which heavily strained local resources, and increased fiscal pressure. On the supply side, oil production growth decelerated from 6.0 percent to 4.4 percent in the same period. The non-oil sector grew by 2.7 percent in 2024, down from 4.1 percent in 2023, supported by the agriculture sector, which grew by 3.1 percent. The slowdown in the non-oil sector is attributed to both a deceleration in agricultural growth, which was adversely affected by recent floods, and a reduction in public investment. On the demand side, private consumption slowed sharply, while government consumption accelerated significantly due to pressures on domestic demand and public spending

Figure 8

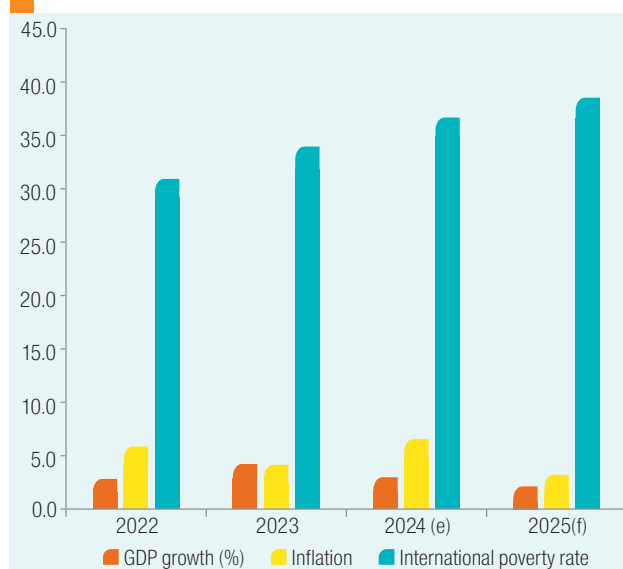


from the refugee crisis and during the lead-up to the elections. The slowdown in domestic demand led to a sharp reduction in import growth, from 16.0 percent in 2023 to 1.8 percent in 2024, while exports rose by 4.0 percent against 2.9 percent in 2023. Inflation was low in early 2024 at about 1 percent, before accelerating sharply in the second half of the year. After falling to 4.1 percent in 2023, inflation surged to 6.5 percent in 2024, driven by rising food and transport prices.

The fiscal balance improved due to capital expenditure cuts, while the current account balance deteriorated due to low oil exports. The fiscal deficit decreased to 0.2 percent of GDP in 2024, primarily supported by a sharp deceleration in public investment expenditure. However, public expenditure remains high, reflecting the fiscal burden imposed by the refugee crisis. As a result, the debt-to-GDP ratio increased from 38.5 percent in 2023 to 41.4 percent in 2024. With limited financing options and increasing market saturation, Chad has relied heavily on the CEMAC regional market for funding. To reduce refinancing risks, the authorities have opted for longer-term maturities, but this strategy came at a higher cost, with average bond

Figure 9

Chad: Variation in the Real Sector, 2023–2025 (%)



Source: World Bank MPO, Annual Meetings 2024.

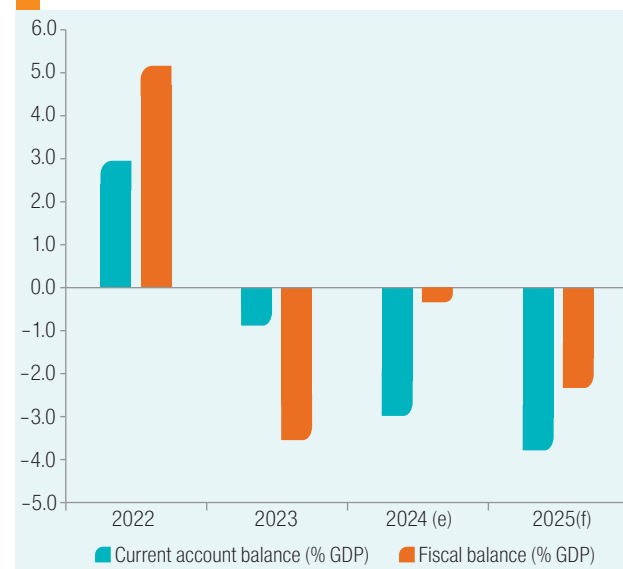
yields rising from 8.8 percent in January 2024 to 11 percent in July 2024. Between July and August 2024, only 22.7 percent of the targeted FCFA 180 billion was raised (FCFA 40.2 billion), primarily through long-term bonds, including 4-year maturities with a 6.5 percent coupon rate. With a projected decline in oil prices and continued high government spending, fiscal accounts are expected to remain in deficit territory over the medium term. The current account deficit widened slightly in 2024 to 1.7 percent of GDP, driven by strong demand for imported goods fueled by capital expenditures, military expenditures, and humanitarian operations supporting Sudanese refugees. The slowdown in export growth, due to declining oil production and prices, also contributed to the deficit. The current account deficit is expected to widen further as oil prices decline.

Mali

In 2024, the economy continued its modest recovery, growing by an estimated 3.7 percent—representing a year-on-year increase of 0.2 pp. On the supply side, growth has been primarily driven by services, which expanded by 4.2 percent, slightly lower

Figure 10

Chad: Current Account and Fiscal Balance, 2023–2025 (%)



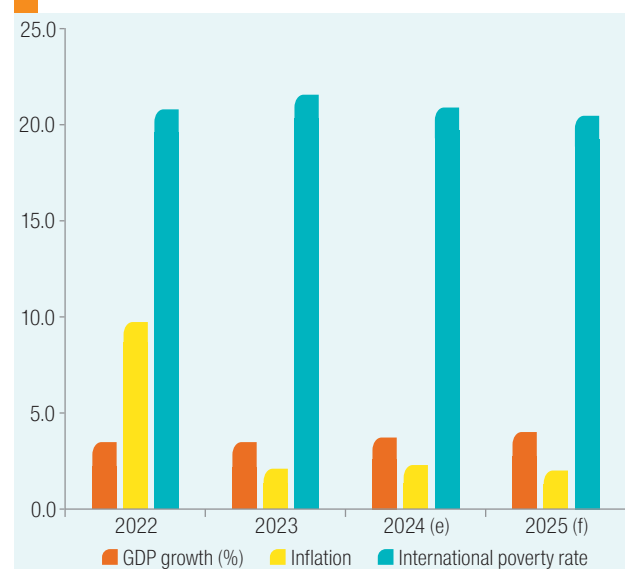
Source: World Bank MPO, Annual Meetings 2024.

than in 2023, bolstered by a strong performance of the telecommunications industry. While agricultural growth accelerated to 3.6 percent, supported by a strong harvest season despite a drop in cotton prices, industrial sector growth remained modest at 2.5 percent, fueled by the construction and food industries. However, power shortages significantly hindered industrial growth by disrupting fertilizer production and metallurgy. On the demand side, private consumption was the main growth driver, contributing 3.3 pp, followed by private investment at 1.5 pp. Public investment continued to decline in 2024 due to substantial security-related spending amid constrained budget resources.

Fiscal and current account balances improved slightly in 2024, driven by fiscal consolidation and strong exports. The fiscal deficit is projected to slightly decrease to 3.5 percent of GDP in 2024, supported by a 20.7 percent year-on-year increase in tax revenues in Q1, which in turn was aided by efforts to digitalize tax collection. On the expenditure side, a reduction in the large public sector wage bill to 9 percent of GDP also contributed to improving the budget balance. The fiscal deficit was primarily financed through domestic

Figure 11

Mali: Variation in the Real Sector, 2023–2025 (%)



Source: World Bank MPO, annual meetings 2024.

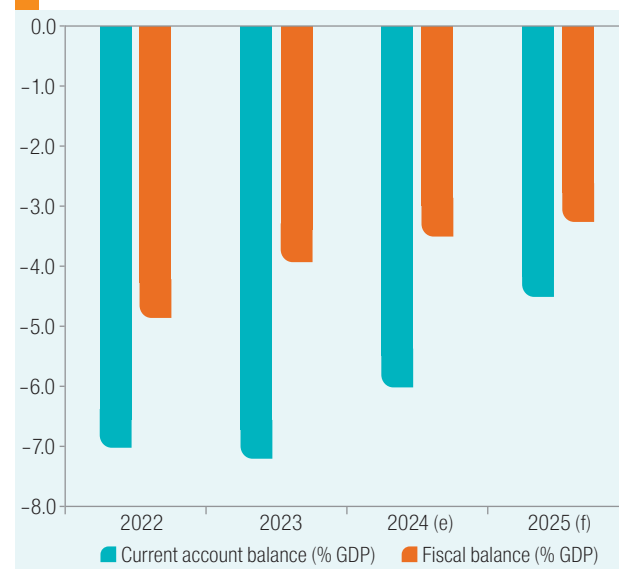
borrowing on the WAEMU regional market, where Mali has faced a sharp rise in interest rates. Although total public debt rose to an estimated 57 percent of GDP in 2024, the risk of debt distress remains moderate. In Q1-2024, Mali issued CFAF 295.4 billion in public securities on the regional market, raising CFAF 177 billion (60 percent). In the rest of the year, Mali raised CFAF 162 billion in Q2, CFAF 162 billion in Q3, and CFAF 126 billion in Q4. Meanwhile, the current account deficit narrowed from 7 percent of GDP in 2023 to 6 percent of GDP in 2024, mainly due to a rebound in cotton exports, which increased by 7.4 percent, year-on-year, in Q1.

Niger

While Niger's GDP growth slowed in 2023 (2.0 percent) due to economic sanctions, it rebounded in 2024 (5.7 percent), although inflation remained elevated. The rebound was driven by the lifting of sanctions in February 2024, the resumption of international financing, and the operationalization of the Benin-Niger oil pipeline, which enabled the country to embark on an accelerated growth trajectory. The industrial sector, bolstered by oil production, experienced double-digit

Figure 12

Mali: Current Account and Fiscal Balance, 2023–2025 (%)



Source: World Bank MPO, annual meetings 2024.

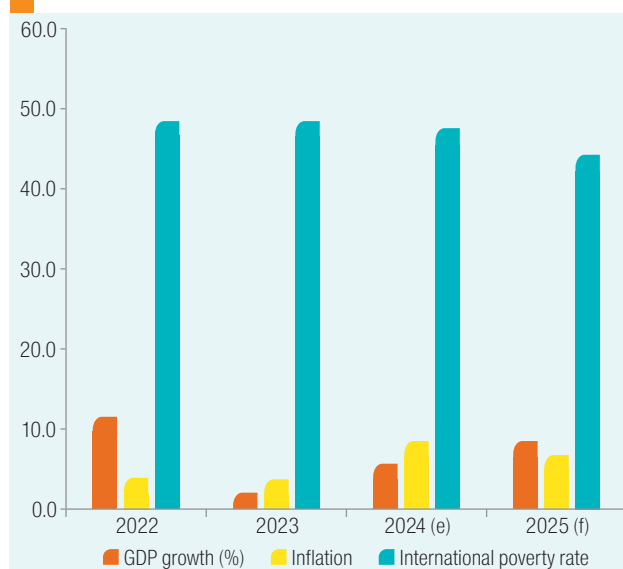
growth (12.1 percent), making it the main growth driver. Agriculture also rebounded, growing by 6.5 percent—up from 3.1 percent in 2023—contributing 2.6 pp to overall growth. Services sector growth remained relatively flat at a mere 1.1 percent in 2024. GDP growth is expected to reach 8.5 percent in 2025, supported by oil production and exports as well as improvements in agricultural production stemming from the expansion of irrigated land.⁵ In the first half of 2024, inflation climbed steadily, reaching 11 percent, year-on-year, in April, driven by a 17 percent year-on-year increase in food prices. Trade disruptions due to the closure of the border with Benin fueled the increase in food prices, with inflation increasing from 1.7 percent in June 2023 to 15.5 percent in June 2024, resulting in an average annual inflation rate of 8.5 percent in 2024.

Fiscal and current account balances improved slightly in 2024, thanks to strong oil revenues and exports. The fiscal deficit fell to 4.4 percent of GDP

⁵ This projection assumes that the security situation does not deteriorate and that the withdrawal from ECOWAS has limited negative impacts on trade with non-WAEMU countries.

Figure 13

Niger: Variation in the Real Sector, 2023–2025 (%)



Source: World Bank MPO, Annual Meetings 2024.

in 2024 due to a significant increase in oil revenues, although they were lower-than-expected due to a 3-month pipeline closure. While total public revenue increased, tax revenue fell from 8.1 percent to 7.9 percent, underscoring the need to accelerate reforms to strengthen tax collection. Non-tax revenues and grants have both increased, while expenditure decreased slightly from 15.9 percent of GDP in 2023 to 15.2 percent in 2024, owing to a reduction in current spending. Although the debt-to-GDP ratio has declined, Niger is facing a temporary accumulation of arrears, reflecting cash flow constraints and weaker debt/arrears management. By the end of April 2024, the government had accumulated CFAF 701.8 billion in external and domestic/regional debt arrears. Nevertheless, by the end of June, Niger had cleared CFAF 533.8 billion and resumed issuing bonds on the regional market, albeit at higher interest rates, exceeding 9 percent for 12-month Treasury bills. At the end of June 2024, the stock of government arrears was estimated at FCFA 182.7 billion 1.5 percent of GDP. As part of the IMF program, the government adopted an arrears clearance plan and had planned to clear FCAF 47.4 billion

Figure 14

Niger: Current Account and Fiscal Balance, 2023–2025 (%)



Source: World Bank MPO, Annual Meetings 2024.

in external arrears by the end of 2024. There was no clearance plan for the domestic arrears. However, there has been limited (external) arrears clearance while the Government has accumulated significant amount of new arrears (especially domestic) since June. A total of FCFA 107 billion of new arrears, which represents a net increase of FCFA 81.7 billion to bring the stock of arrears to FCFA 264.4 billion or 2.2 percent of GDP by end of October. The current account deficit improved by 1 pp in 2024, narrowing to 8.3 percent of GDP, thanks to an increase in exports following the operationalization of a new pipeline.

3. World Bank Projects in the Central Sahel: Strengthening the Social Contract through Improved Service Delivery

The World Bank remains committed to the Central Sahel, focusing on a people-centric approach despite the challenging environment. This edition of the Central Sahel Quarterly Monitor highlights the main

results of ongoing service delivery projects in Burkina Faso, Mali, and Niger.

3.1. Local Governance for Basic Services and Resilience Program (PREGOLS) in Burkina Faso

The PREGOLS is a US\$150 million program approved in June 2023. It employs a program-for-results instrument, offering incentives for beneficiary institutions and local governments (LGs) to improve the delivery of basic services such as health and education. Additionally, it institutionalizes performance measures for local authorities. The program was designed to reflect Burkina Faso's fragile context and covers 30 LGs across 25 provinces and 9 regions. The program provides a crucial framework and instruments for supporting LGs as well as deconcentrated and central government agencies.

Since the start of its implementation in November 2023, the program has achieved some measurable results. First, as of September 2024, about 5,800 civil servants have been redeployed in LGs, representing 29 percent of the program's target for redeploying civil servants affected by the security crisis. Second, in March 2024, the central government disbursed transfers to targeted LGs based on performance for the first time. This milestone was reached with the help of administrative orders and

the introduction of performance-based grants in the fiscal transfer system. The first performance evaluation in 2024 revealed that 40 percent of beneficiary LGs surpassed the 50 percent performance threshold. Third, LGs have issued 33,218 birth certificates within the legal timeframe, making an increase of more than 50.37 percent since the start of the project (from 22,096), while administrative tribunals and courts have delivered 228,433 judgements for births, an increase of 39 percent since the project started (from 164,172). Fourth, in the 2023/24 school year, 83 percent of the program's 1,477 public primary school beneficiaries received the minimum school supplies, although only 16 percent received supplies at the start of the school year, falling short of the program target by 50 percent.

Although security risks remain high due to sporadic attacks by armed groups on civilian populations in certain parts of the country, none of the beneficiary LGs have experienced severe security incidents since the beginning of the project. Security risks limit the World Bank's direct supervision of program activities, but the use of regional and local administrative structures has enabled the monitoring of the program. The World Bank team conducts bi-weekly monitoring of project progress in collaboration with government counterparts, providing a valuable mechanism for identifying and addressing emerging risks and challenges. Beyond security concerns, targeted capacity



Birth Certificate Registration "Audience Fauraine" session in Ziniare Municipality, November 2024



Regional consultation with local authorities and public agencies, Kaya Municipality, September 2024

building support is needed to maintain and enhance the project's performance.

3.2. Mali Deployment of State Resources for Better Service Delivery & COVID-19 Response: Support Basic Service Delivery in Mali through Fiscal Decentralization (PDREAS)

The PDREAS, a \$US81.7 million project financed by the World Bank, the Netherlands and Switzerland, was approved in June 2019 to support Mali's decentralization efforts. The project has five main objectives: (i) increase the availability of resources transferred to LGs; (ii) improve the timeliness of the availability of allocated resources to LGs; (iii) enhance the quality of education and health spending; (iv) strengthen the management and technical capacities of municipalities and the central departments of the Ministry of Finance, Ministry of Territorial Decentralization, and the Ministry of Social Development; and (v) improve fund management and local accountability. The project covers 102 municipalities throughout the country.

Its main innovation and results include the introduction of a conditional performance grant system to allocate about US\$31 million to participating municipalities. Using a performance assessment mechanism, the project has allocated financial resources to eligible municipalities according to defined

criteria. The selected municipalities used the funds to finance activities set out in their local development plans (PDSEC). Investments funded through this initiative included constructing and equipping classrooms and health centers, small infrastructure projects, water access points, training centers, sanitation projects, and road works (small bridges, road paving, installation of modern traffic lights, etc.). The project has also provided capacity building to around 1,200 central and local government staff and elected officials. Training focused on management procedures, with an emphasis on promoting gender equality and inclusion in municipality management. Moreover, PDREAS has created citizen committees to improve transparency and local governance, resulting in more citizens involved in the planning and management of municipal resources. For example, about 1,000 villages and neighborhood committees were trained in using citizen monitoring tools and techniques. As a result, about 900 municipalities' financial administrative accounts have been reviewed by the Supreme Court, more than 70 municipalities have been audited by audit institutions (general auditor, General Public Services Control Department, and Finance Inspectorate), and a citizens' control mechanism has been set up in the 102 municipalities covered by the project.

In November 2024, the mayors of the 102 municipalities expressed their full satisfaction with PDREAS, highlighting its role in building



Goudiourou Village (Liberte Dembaya Municipality), municipal market built by the project, 2023



Citizen Control Session: public accountability meetings (Bancoumana Municipality), 2024

resilience. They emphasized how the project enabled their municipalities to withstand the challenges posed by the COVID-19 crisis and the global economic crisis between 2022 and 2023. Despite these difficulties, the project helped municipalities continue to provide basic services to citizens, improve transparency in resource management, and contribute to the restoration of the social contract.

3.3. Niger Public Sector Management for Resilience and Service Delivery Program (PGRP)

The PGRP⁶ is a US\$191.5 million program-for-results (PforR) approved in June 2022 to strengthen public expenditure and human resources management in Niger's health and education sectors. Its goal is to address the public financial management and human resource management bottlenecks that hinder the availability of vaccines, essential medicines, and educational materials such as mathematics and reading books. As the first program of its kind in Niger, the PGRP provides an opportunity to strengthen national systems through the PforR mechanism.

Despite challenges, the program has demonstrated tangible results. Although operations were paused from July 2023 to May 2024, several 2023 targets were still achieved, resulting in a disbursement of US\$49 million in July 2024. Key achievements include:

(i) the timely release of annual budget allocations for the Ministry of Education and the Ministry of Health and Social Affairs across all four quarters of 2023 and 2024; (ii) a reduction in the number of days essential medicines were out of stock in underserved health centers, from 16 days to 9 days by end-2023; and (iii) the availability of 11 million doses of vaccines and essential medicines (including Pentavalent vaccines, Pneumococcal Conjugate Vaccine—PCVx13, and Oral Poliomyelitis Vaccine—OPV) for vaccination campaigns, even amid border closures caused by regional sanctions following the July 2023 military takeover of the government.

Program results have been achieved through strong collaboration between the government and the World Bank, ensuring the program's relevance and strong local ownership and commitment.

Another key factor in the program's success is its close monitoring, supported by staff with a deep understanding of the local environment, context, and challenges. In addition to biannual implementation support missions, monthly check-in meetings are held between the task team and the program implementation unit, ensuring close oversight and effective management of day-to-day issues.

⁶ Programme de Gestion du Secteur Public pour la Résilience et la Prestation de Service.



Vaccination campaign in a public school, Agadez Region, July 2024



Vaccination Session in Agadez, July 2024

Annex

Table 1

**Macro-Poverty Outlook Indicators
(annual % change), 2024–2025**

	Burkina Faso		Chad		Mali		Niger	
	2024 e	2025 f	2024 e	2025 f	2024 e	2025 f	2024 e	2025 f
Real GDP growth, at constant market prices	3.7	3.9	3.0	2.1	3.7	4.0	5.7	8.5
Private consumption	4.4	4.3	1.3	3.4	4.0	4.1	3.8	4.6
Government consumption	3.7	3.8	9.6	0.1	-0.3	0.7	3.5	2.9
Gross fixed capital investment	2.9	3.1	3.9	-2.4	6.7	6.0	4.0	7.6
Exports, goods and services	3.0	3.1	4.0	0.9	2.8	4.3	45.2	39.1
Imports, goods and services	3.8	3.5	1.8	1.1	3.9	4.3	13.3	10.1
Real GDP growth, at constant factor prices	3.7	3.9	3.0	2.1	3.7	4.0	5.7	8.5
Agriculture	4.2	4.3	3.1	3.4	3.6	4.5	6.5	6.8
Industry	2.8	3.1	4.1	-0.5	2.5	3.5	12.1	5.6
Services	4.0	4.1	1.9	3.2	4.2	3.9	1.1	12.2
Inflation (Consumer Price Index)	3.4	2.5	6.5	3.2	2.3	2.0	8.5	6.7
Current account balance (% of GDP)	-6.2	-6.0	-3.0	-3.8	-6.0	-4.5	8.3	-3.8
Net foreign direct investment inflow (% of GDP)	0.4	0.4			3.2	3.1	1.6	1.7
Fiscal balance (% of GDP)	-5.9	-5.3	-0.3	-2.3	-3.5	-3.3	-4.4	-3.9
Revenues (% of GDP)	20.8	21.3	22.7	21.5	23.4	23.7	10.9	11.4
Debt (% of GDP)	54.2	54.8	41.9	42.3	57.0	57.2	53.3	51.3
Primary balance (% of GDP)	-3.3	-2.7	1.1	-0.2	-1.5	-1.3	-3.8	-3.5
International poverty rate (\$2.15 in 2017 PPP)^{a,b}	25.8	25.1	36.5	38.4	20.8	20.4	47.5	44.2
Lower middle-income poverty rate (\$3.65 in 2017 PPP)^{a,b}	60.5	60.0	69.2	72.4	56.6	56.0	81.0	78.8
Upper middle-income poverty rate (\$6.85 in 2017 PPP)^{a,b}	87.6	87.3	91.5	93.3	86.1	85.7	95.2	94.2
GHG emissions growth (mtCO₂e)	4.3	4.3	2.0	2.1	4.2	4.8	4.7	5.0
Energy related GHG emissions (% of total)	11.9	12.3	2.2	2.2	16.8	17.3	8.0	8.4
GDP nominal in US\$ (millions)	22572.5	23881.3	13979.5	13809.0	21736.2	22976.1	19421.0	23180.6

Source: World Bank, MPO, Spring meetings 2024.

^a Calculations based on 2011-ECOM. Actual data: 2011. Nowcast: 2012-2023. Forecasts are from 2024 to 2026.

^b Projection using neutral distribution (2011) with pass-through = 0.87 (Med (0.87)) based on GDP per capita in constant LCU.

