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IDA/R2016-0111/1

May 24, 2016

**Closing Date: Monday, June 13, 2016
at 6 p.m.**

FROM: Vice President and Corporate Secretary

Burkina Faso - Transport and Urban Infrastructure Development Project

Project Appraisal Document

Attached is the Project Appraisal Document regarding a proposed credit to Burkina Faso for a Transport and Urban Infrastructure Development Project (IDA/R2016-0111), which is being processed on an absence-of-objection basis.

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The World Bank

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Report No: PAD1570

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF

EUR 87.80 MILLION

(US\$100 MILLION EQUIVALENT)

TO

BURKINA FASO

FOR A

TRANSPORT AND URBAN INFRASTRUCTURE DEVELOPMENT PROJECT

May 20, 2016

Social, Urban, Rural and Resilience Global Practice
Africa Region

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CURRENCY EQUIVALENTS
Exchange Rate Effective April 30, 2016

| | | |
|---------------|---|----------------|
| Currency Unit | = | CFAF |
| CFAF 576.39 | = | US\$1 |
| US\$1 | = | EUR 0.87738539 |
| US\$1 | = | CHF 0.96 |

FISCAL YEAR
January 1 – December 31

ABREVIATIONS AND ACRONYMS

| | |
|--------|--|
| AFD | French Development Agency (<i>Agence Française de Développement</i>) |
| AOTU | Ouagadougou Urban Transport Authority (<i>Autorité Organisatrice du Transport Urbain</i>) |
| AMBF | Association of Municipalities of Burkina Faso (<i>Association des Municipalités du Burkina Faso</i>) |
| AWPB | Annual Work Plan and Budget |
| CBO | Community-based Organization |
| CERC | Contingency Emergency Response Component |
| CFAF | Franc of the Financial Cooperation in Central Africa (<i>Franc de la Coopération financière en Afrique centrale</i>) |
| CQS | Selection based on the Consultants' Qualifications |
| CSO | Civil Society Organization |
| DA | Designated Account |
| DGIR | Department of Road Infrastructure (<i>Direction Générale des Infrastructures Routières</i>) |
| DGPR | Department of Rural Roads (<i>Direction Générale des Pistes Rurales</i>) |
| DGUVT | Department of Urban Planning and Topography (<i>Direction Générale de l'Urbanisme de la Viabilisation et de la Topographie</i>) |
| DGNETC | Department of Norms, Technical Studies and Control (<i>Direction Générale de la Normalisation, des Etudes Techniques et du Contrôle</i>) |
| EA | Executing Agency |
| ESMF | Environmental and Social Management Framework |
| ESIA | Environmental and Social Impact Assessment |
| ESMP | Environmental and Social Management Plan |
| FER-B | Road Fund (<i>Fonds d'Entretien Routier du Burkina</i>) |
| FSR-B | Special Road Fund (<i>Fonds Special Routier du Burkina</i>) |
| FM | Financial Management |
| GHG | Greenhouse Gas |
| GoBF | Government of Burkina Faso |
| GRM | Grievance Redress Mechanism |
| GRS | Grievance Redress Service |
| HILM | High-intensity Labor Method |
| IA | Implementing Agency |
| ICB | International Competitive Bidding |

| | |
|---------|--|
| IFR | Interim Financial Report |
| ISP | Implementation Support Plan |
| IRR | Internal Rate of Return |
| LG | Local Government |
| MATDSI | Ministry of Territorial Administration, Decentralization, and Homeland Security (<i>Ministère de l'Administration Territoriale, de la Décentralisation et de la Sécurité</i>) |
| M&E | Monitoring and Evaluation |
| MI | Ministry of Infrastructure (<i>Ministère des Infrastructures</i>) |
| MTMUSR | Ministry of Transport Urban Mobility and Road Safety (<i>Ministère des Transports, de la Mobilité Urbaine et de la Sécurité Routière</i>) |
| MTR | Midterm Review |
| MUH | Ministry of Urban Planning and Housing (<i>Ministère de l'Urbanisme et de l'Habitat</i>) |
| NCB | National Competitive Bidding |
| O&M | Operation and Maintenance |
| ONASER | National Agency for Road Safety (<i>Office National de Sécurité Routière</i>) |
| PACT | Local Government Support Project (<i>Projet d'Appui aux Collectivités Territoriales</i>) |
| PCRMF | Physical Cultural Resources Management Framework |
| PDO | Project Development Objective |
| PFM | Project Financial Management |
| PTDIU | Transport and Urban Infrastructure Development Project (<i>Projet de Transport et de Développement des Infrastructures Urbaines</i>) |
| PIM | Project Implementation Manual |
| PSC | Project Steering Committee |
| PTC | Project Technical Committee |
| RAP | Resettlement Action Plan |
| RPF | Resettlement Policy Framework |
| SCADD | Poverty Reduction Strategy (<i>Stratégie de Croissance Accélérée et de Développement Durable</i>) |
| SDC | Swiss Development Cooperation |
| SNAT | National Planning Framework for Regional Development (<i>Schéma National d'Aménagement du Territoire</i>) |
| SOTRACO | Ouagadougou Public Transport Company |
| SP/PST | Permanent Secretariat of the Transport Sector Project (<i>Secrétariat Permanent du Programme Sectoriel de Transport</i>) |
| SSS | Single-Source Selection |
| TOR | Terms of Reference |
| TSDS | Transport Sector Development Strategy |
| TSP | Transport Sector Program |
| TTL | Task Team Leader |

| | |
|----------------------------------|--------------------------|
| Regional Vice President: | Makhtar Diop |
| Country Director: | Pierre Frank Laporte |
| Country Manager: | Cheick Fantamady Kante |
| Senior Global Practice Director: | Ede Jorge Ijjasz-Vasquez |
| Practice Manager: | Idrissa Dia |
| Task Team Leader: | Aguiratou Savadogo-Tinto |

BURKINA FASO
Transport and Urban Infrastructure Development Project

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PAD DATA SHEET

Burkina Faso

Transport and Urban Infrastructure Development Project (P151832)

PROJECT APPRAISAL DOCUMENT

AFRICA

Report No.: PAD1570

| Basic Information | | | |
|---|---|--|--|
| Project ID P151832 | EA Category B – Partial Assessment | Team Leader(s) Aguiratou Savadogo-Tinto | |
| Lending Instrument Investment Project Financing | Fragile and/or Capacity Constraints [] | | |
| | Financial Intermediaries [] | | |
| | Series of Projects [] | | |
| Project Implementation Start Date 13-Jun-2016 | Project Implementation End Date 10-Oct-2022 | | |
| Expected Effectiveness Date 12-Oct-2016 | Expected Closing Date 31-Oct-2022 | | |
| Joint IFC No | | | |
| Practice Manager/Manager Idrissa Dia | Senior Global Practice Director Ede Jorge Ijjasz-Vasquez | Country Director Pierre Frank Laporte | Regional Vice President Makhtar Diop |
| Borrower: BURKINA FASO | | | |
| Responsible Agency: Permanent Secretariat of the Transport Sector Program | | | |
| Contact: Telephone No.: | Franck Toe 22625417806 or 22670258776 | Title: Email: | Permanent Secretary of PST pst-2@pst-2.bf |
| Responsible Agency: Ministry of Urban Planning and Housing | | | |
| Contact: Telephone No.: | Maurice Dieudonné Bonanet 22625305786 | Title: Email: | Minister infos@mhu.gov.bf |
| Responsible Agency: Ministry of Infrastructure | | | |
| Contact: | Eric Wendmanegda Bougouma | Title: | Minister |

| | | | | | | | |
|--|------------------------------------|---|--------|-------|-------|------------|------------|
| Telephone No.: 22625324905 | | Email: mith@cenatrin.bf | | | | | |
| Responsible Agency: Ministry of Territorial Administration, Decentralization and Homeland Security | | | | | | | |
| Contact: Simon Compaoré | | Title: Minister | | | | | |
| Telephone No.: 22625316891 | | Email: contact@matds.bf | | | | | |
| Responsible Agency: Ministry of Transport, Urban Mobility and Road Safety | | | | | | | |
| Contact: Souleymane Soulama | | Title: Minister | | | | | |
| Telephone No.: 22625316891 | | Email: contact@matds.bf | | | | | |
| Project Financing Data (in US\$, millions) | | | | | | | |
| <input type="checkbox"/> Loan | <input type="checkbox"/> IDA Grant | <input type="checkbox"/> Guarantee | | | | | |
| <input checked="" type="checkbox"/> Credit | <input type="checkbox"/> Grant | <input type="checkbox"/> Other | | | | | |
| Total Project Cost: | 105.00 | Total Bank Financing: | 100.00 | | | | |
| Financing Gap: | 0.00 | | | | | | |
| Financing Source | | Amount | | | | | |
| BORROWER/RECIPIENT | | 5.00 | | | | | |
| IDA Credit | | 100.00 | | | | | |
| Total | | 105.00 | | | | | |
| Expected Disbursements (in US\$, millions) | | | | | | | |
| Fiscal Year | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Annual | 5.00 | 15.00 | 15.00 | 20.00 | 20.00 | 20.00 | 5.00 |
| Cumulative | 5.00 | 20.00 | 35.00 | 55.00 | 75.00 | 95.00 | 100.00 |
| Institutional Data | | | | | | | |
| Practice Area (Lead) | | | | | | | |
| Social, Urban, Rural and Resilience Global Practice | | | | | | | |
| Contributing Practice Areas | | | | | | | |
| Transport & ICT | | | | | | | |
| Cross Cutting Topics | | | | | | | |
| <input checked="" type="checkbox"/> Climate Change | | | | | | | |
| <input type="checkbox"/> Fragile, Conflict & Violence | | | | | | | |
| <input checked="" type="checkbox"/> Gender | | | | | | | |
| <input checked="" type="checkbox"/> Jobs | | | | | | | |
| <input type="checkbox"/> Public Private Partnership | | | | | | | |
| Sectors / Climate Change | | | | | | | |
| Sector (Maximum 5 and total % must equal 100) | | | | | | | |
| Major Sector | | | Sector | | % | Adaptation | Mitigation |

| | | | | | | | | | | | |
|--|---|-----|------------------------------|------------------|--|--|--|--|--|--|--|
| | | | Co-benefits % | Co-benefits % | | | | | | | |
| Transportation | Rural and Inter-Urban Roads and Highways | 70 | 30 | 10 | | | | | | | |
| Water, sanitation and flood protection | General water, sanitation and flood protection sector | 15 | 50 | 3 | | | | | | | |
| Public Administration, Law, and Justice | Subnational Government administration | 10 | 0 | 0 | | | | | | | |
| Public Administration, Law, and Justice | General public administration sector | 5 | 0 | 0 | | | | | | | |
| Total | | 100 | | | | | | | | | |
| <input type="checkbox"/> | I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project. | | | | | | | | | | |
| Themes | | | | | | | | | | | |
| Theme (Maximum 5 and total % must equal 100) | | | | | | | | | | | |
| Major theme | Theme | % | | | | | | | | | |
| Rural development | Rural services and infrastructure | 55 | | | | | | | | | |
| Urban development | City-wide Infrastructure and Service Delivery | 30 | | | | | | | | | |
| Urban development | Urban services and housing for the poor | 5 | | | | | | | | | |
| Public sector governance | Administrative and civil service reform | 10 | | | | | | | | | |
| Total | | 100 | | | | | | | | | |
| Proposed Development Objective(s) | | | | | | | | | | | |
| The objective of the Project is to improve mobility and access to infrastructure in targeted urban and rural areas and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency. | | | | | | | | | | | |
| Components | | | | | | | | | | | |
| Component Name | | | Cost (US\$, millions) | | | | | | | | |
| Component A: Inter-urban Infrastructure | | | 56.00 | | | | | | | | |
| Component B: Urban Infrastructure in Targeted Regional Capitals | | | 30.00 | | | | | | | | |
| Component C: Institutional Support and Sector Governance | | | 13.00 | | | | | | | | |
| Component D: Project Management | | | 6.00 | | | | | | | | |
| Component E: Contingent Emergency Response | | | 0.00 | | | | | | | | |

| Systematic Operations Risk-Rating Tool (SORT) | | |
|---|---------------|-----------|
| Risk Category | Rating | |
| 1. Political and Governance | Substantial | |
| 2. Macroeconomic | Moderate | |
| 3. Sector Strategies and Policies | Low | |
| 4. Technical Design of Project or Program | Moderate | |
| 5. Institutional Capacity for Implementation and Sustainability | Substantial | |
| 6. Fiduciary | Substantial | |
| 7. Environment and Social | Moderate | |
| 8. Stakeholders | Moderate | |
| OVERALL | Substantial | |
| Compliance | | |
| Policy | | |
| Does the project depart from the CAS in content or in other significant respects? | Yes [] | No [X] |
| Does the project require any waivers of Bank policies? | Yes [] | No [X] |
| Have these been approved by Bank management? | Yes [] | No [] |
| Is approval for any policy waiver sought from the Board? | Yes [] | No [X] |
| Does the project meet the Regional criteria for readiness for implementation? | Yes [X] | No [] |
| Safeguard Policies Triggered by the Project | Yes | No |
| Environmental Assessment OP/BP 4.01 | X | |
| Natural Habitats OP/BP 4.04 | | X |
| Forests OP/BP 4.36 | | X |
| Pest Management OP 4.09 | | X |
| Physical Cultural Resources OP/BP 4.11 | X | |
| Indigenous Peoples OP/BP 4.10 | | X |
| Involuntary Resettlement OP/BP 4.12 | X | |
| Safety of Dams OP/BP 4.37 | | X |
| Projects on International Waterways OP/BP 7.50 | | X |
| Projects in Disputed Areas OP/BP 7.60 | | X |

| Legal Covenants | | | |
|---|------------------|-----------------|------------------|
| Name | Recurrent | Due Date | Frequency |
| Annual Work program (Schedule 2, Section I.D.1) | X | | Continuous |
| No later than November 30, of each calendar year, the Recipient shall prepare a draft annual work plan and budget for the Project (including Training and Operating Costs, and counterpart funds to be provided by the Recipient) for, inter alia, the implementation of the Safeguard Instruments, including compensation costs when and if required under a RAP, for the subsequent year of Project implementation, of such scope and detail as the Association shall have reasonably requested. | | | |
| Name | Recurrent | Due Date | Frequency |
| Counterpart funding (Schedule 2, Section I.D.6.a) | X | | Continuous |
| Without limitation upon the provisions of Section 4.03 of the General Conditions, deposit into a designated account within the Recipient's treasury, no later than April 30 of each year, the amount of counterpart funding agreed with the Association to be provided pursuant to the Annual Work Plan and Budget for the then current year of Project implementation; and | | | |
| Ensure that all amounts deposited in the said designated account shall be used exclusively to pay for expenditures included in the Annual Work Plan and Budget (including implementation of the Safeguard Instruments, including compensation costs when and if required under a RAP). | | | |
| Name | Recurrent | Due Date | Frequency |
| Staffing and training (Schedule 2, Section I.A.1.b) | | 12-Apr-2017 | |
| Description of Covenant | | | |
| The Recipient shall by no later than six (6) months after the Effective Date, or any other later date agreed to between the Association and the Recipient: (i) recruit a safeguard specialist and a communication specialist to the PCU, in accordance with Section III of Schedule 2 to the Financing Agreement; and (ii) complete the training of relevant staff within the Participating Ministries on the procurement aspects related to the Project, in a manner acceptable to the Association (no later than 3 months after the effective date). | | | |
| Name | Recurrent | Due Date | Frequency |
| Coordination unit staffing (Schedule 2, Section I.A.1.a) | X | 12-Apr-2017 | Continuous |
| Description of Covenant | | | |
| The Recipient, through MI, shall: (i) designate, and thereafter maintain throughout the implementation of the Project, the SP/PST as Project Coordination Unit (PCU), with qualified staff in sufficient numbers, as well as adequate funds, facilities, and other resources acceptable to the Association, to be responsible for Project implementation and coordination including, <i>inter alia</i> , procurement, financial management, safeguards management, reporting, and monitoring and evaluation; and (ii) ensure that any additional staff of the PCU financed out of the proceeds of the Financing are selected and recruited in accordance with Section III of Schedule 2 to the Financing Agreement. | | | |

| Name | Recurrent | Due Date | Frequency |
|---|-----------|-------------|-----------|
| Accounting software and training (Schedule 2, Section V.1.a) | | 12-Jan-2017 | |
| Description of Covenant | | | |
| Not later than three (3) months after the Effective Date, the Recipient shall update the existing SP/PST Project accounting software and ensure that the training of selected SP/PST staff on the use of said updated software has been completed, pursuant to the criteria and procedures set forth in the PIM, and in a manner acceptable to the Association. | | | |
| Name | Recurrent | Due Date | Frequency |
| External Auditor (Schedule 2, Section V.1.c.) | | 12-Jan-2017 | |
| Description of Covenant | | | |
| Not later than three (3) months after the Effective Date, the Recipient shall appoint an independent auditor in accordance with Section 4.09(b) of the General Conditions and Section III of Schedule 2 to the Financing Agreement; | | | |
| Name | Recurrent | Due Date | Frequency |
| Technical assistance (Schedule 2, Section V.1.b) | | 12-Jan-2017 | |
| Description of Covenant | | | |
| Not later than three (3) months after the Effective Date, the Recipient shall appoint a technical assistant to MUH, with qualifications and terms of reference acceptable to the Association, to support Project implementation within MUH and serve as a liaison between MUH and the Recipient for purposes of the Project. | | | |
| Name | Recurrent | Due Date | Frequency |
| Convention with BUNEE (Schedule 2, Section V.2) | | 12-Jan-2017 | |
| Description of Covenant | | | |
| By no later than three (3) months after the Effective Date, the Recipient shall enter into a collaboration agreement with BUNEE, in form and substance satisfactory to the Association, to clarify the roles and responsibilities of, and facilitate collaboration between, BUNEE and SP/PST with respect to safeguards supervision for the Project. | | | |
| The Recipient should ensure that the proceeds of the Financing shall not be used to finance any expenses related to any duties, fees or other charges payable to BUNEE under the Recipient's <i>Arrêté n°2012-218/MEDD/MEF du 28 décembre 2012. JO N° 09 du 28 février 2013</i> , as it may be amended from time to time. | | | |
| Name | Recurrent | Due Date | Frequency |
| Administrative and Financial Manual of Procedures. (Schedule 2, Section V.1.d) | | 12-Jan-2017 | |

| | | | |
|---|---|-------------|---------------|
| Description of Covenant | | | |
| By no later than three (3) months after the Effective Date, the Recipient shall adopt an updated administrative and financial manual of procedures for SP/PST, in form and substance satisfactory to the Association. | | | |
| Name | Recurrent | Due Date | Frequency |
| Project Steering Committee (Schedule 2, Section I.A.2) | | 12-Jan-2017 | Continuous |
| Description of Covenant | | | |
| By no later than three (3) months after the Effective Date, or any other later date agreed to between the Association and the Recipient, the Recipient shall establish, and thereafter maintain throughout the implementation of the Project, a Project Steering Committee to be responsible for, inter alia: (a) providing strategic and policy guidance for the Project; (b) approving Annual Work Plans and Budgets; and (c) reviewing and endorsing Project progress and financial reports. | | | |
| Name | Recurrent | Due Date | Frequency |
| Project Technical Committee (Schedule 2, Section I.A.3) | | 12-Jan-2017 | Continuous |
| Description of Covenant | | | |
| By no later than three (3) months after the Effective Date, or any other later date agreed to between the Association and the Recipient, the Recipient shall establish, and thereafter maintain throughout the implementation of the Project, a Project Technical Committee to be responsible for, inter alia: (a) reviewing Project implementation progress; (b) ensuring coordination among Participating Ministries; and (c) approving Project progress reports. | | | |
| Name | Recurrent | Due Date | |
| Local Government Activity (Schedule 2, Section I.C.4) | X | | Continuous |
| Description of Covenant | | | |
| For each Local Government Activity to be carried out under Part B of the Project, the Recipient shall: (a) ensure that such activity is selected on the basis of an appraisal conducted in accordance with the requirements of the PIM (including with respect to safeguards) and (b) enter into an agreement with the relevant Selected Municipality in which the Local Government Activity will be implemented which shall include, inter alia, the obligation of the Selected Municipality to operate and maintain the investments supported under said Local Government Activity. | | | |
| | | | |
| Conditions | | | |
| Source Of Fund | Name | | Type |
| IDA | Project Implementation Manual (Schedule 2, Section I.B.1) | | Effectiveness |
| Description of Condition | | | |
| The Recipient has adopted a Project Implementation Manual, in accordance with Section I.B of Schedule 2 of the Financing Agreement. | | | |
| Source Of Fund | Name | | Type |

| IDA | Emergency Expenditures (Schedule 2, Section I.G.1) | | | Disbursement |
|---|--|-------------------------------------|--|--------------|
| Description of Condition | | | | |
| No withdrawals shall be made under Category (3) of the disbursement table for Emergency Expenditures under Part E of the Project unless the following conditions have been met: (a) an Eligible Crisis or Emergency has occurred, (b) the Recipient has prepared and disclosed all safeguards instruments required for activities under Part E of the Project, and the Recipient has implemented any actions which are required to be taken under said instruments; (c) the Recipient’s Coordinating Authority for Part E of the Project has adequate staff and resources, and (d) the Recipient has adopted an CERC Operations Manual in form, substance and manner acceptable to the Association. | | | | |
| Team Composition | | | | |
| Bank Staff | | | | |
| Name | Role | Title | Specialization | Unit |
| Aguiratou Savadogo-Tinto | Team Leader (ADM Responsible) | Senior Transport Specialist | Roads, Urban and Mobility | GTI05 |
| Mamata Tiendrebeogo | Procurement Specialist | Senior Procurement Specialist | Procurement | GGO01 |
| Ngor Sene | Financial Management Specialist | Financial Management Specialist | Financial Management | GGO13 |
| Abdoulaye Gadiere | Safeguards Specialist | Senior Environmental Specialist | Environment | GEN07 |
| Ahmed A. R. Eiweida | Peer Reviewer | Lead Urban Specialist | Urban | GSU08 |
| Aissata Z. Zerbo | Team Member | Senior Procurement Specialist | Procurement | GGO07 |
| Abdoul Wahab Seyni | Team Member | Social Development Specialist | Safeguards | GN07 |
| Alpha Mamoudou Bah | Procurement Specialist | Senior Procurement Specialist | Procurement | GGO01 |
| Anna R. Okola | Peer Reviewer | Transport Engineer | Transport | GTI01 |
| Begnadehi Claude Bationo | Team Member | Senior Operations Officer | M&E | AFMBF |
| Brahim Abdelwedoud | Team Member | Senior Urban Development Specialist | Urban Development Specialist | GSU11 |
| Christian Vang Eghoff | Team Member | Consultant | Consultant, Urban Development, Economic Analysis | GSU13 |
| Elisee Ouedraogo | Team Member | Senior Agriculture | Agriculture Economist | GFA01 |

| | | | | |
|---------------------------|--------------------------|--|---|-------|
| | | Economist | | |
| Emmanuel Y. Nikiema | Environmental Specialist | Senior Natural Resources Mgmt. Specialist | Natural Resource Management | GEN07 |
| Escarlata Baza Nunez | Team Member | Consultant | Legal | LEGAM |
| Faly Diallo | Team Member | Finance Officer | Finance/Disbursement | WFALA |
| Haidara Ousmane Diadie | Team Member | Senior Health Specialist | Health | GHN07 |
| Ibou Diouf | Peer reviewer | Senior Transport Specialist | Transport Engineer | GTI05 |
| Jeremy Robert Strauss | Team Member | Senior Private Sector Development Specialist | Private Sector Development | GTC07 |
| Jonas Ingemann Parby | Team Member | Urban Specialist | Urban | GSU19 |
| Leandre Yameogo | Team Member | Senior Environmental Specialist | Environmental Safeguards | GEN07 |
| Lionel F. Yaro | Team Member | Communications Associate | Communications | AFREC |
| Lucienne M. M'Baipor | Safeguards Specialist | Senior Social Development Specialist | Social Development | GSU01 |
| Martin Maxwell Norman | Team Member | Senior Private Sector Development Specialist | Private Sector Development | GTC07 |
| Shingira Masanzu | Counsel | Counsel | Legal | LEGAM |
| Sung Heng Connie Kok Shun | Team Member | Senior Program Assistant | Operational | GSU13 |
| Sylvie Debomy | Peer Reviewer | Lead Urban Development Specialist | Urban Development | GSU13 |
| Tassere Pitroipa | Team Member | IT Analyst, Client Services | Information, Technology and Communication | ITSCR |
| Yolande Bougouma-Zagre | Team Member | Program Assistant | Operational | AFMBF |
| Suzane Rayaissé Kaboré | Team Member | Procurement Assistant | Procurement | AFMBF |
| Barbry Keller | Team member | Senior Operations Officer | Operations | GSU13 |

| Extended Team | | | | | |
|--|-------------------------------|-----------------|--------------|--------|----------|
| Name | | Title | Office Phone | | Location |
| | | | | | |
| | | | | | |
| Locations | | | | | |
| Country | First Administrative Division | Location | Planned | Actual | Comments |
| Burkina Faso | Centre-Est | Tenkodogo | X | | |
| Burkina Faso | Nord | Ouahigouya | X | | |
| Burkina Faso | Centre | Ouagadougou | X | | |
| Burkina Faso | Centre-Sud | Manga | X | | |
| Burkina Faso | Centre-Ouest | Koudougou | X | | |
| Burkina Faso | Centre-Nord | Kaya | X | | |
| Burkina Faso | Est | Fada N'gourma | X | | |
| Burkina Faso | Sahel | Dori | X | | |
| Burkina Faso | Boucle du Mouhoun | Dedougou | X | | |
| Burkina Faso | High-Basins | Bobo-Dioulasso | X | | |
| Burkina Faso | Cascades | Banfora | X | | |
| Burkina Faso | Southwest | Gaoua | X | | |
| Burkina Faso | Plateau-Central | Plateau-Central | X | | |
| Burkina Faso | Centre-Est | Bagre | X | | |
| | | | | | |
| Consultants (Will be disclosed in the Monthly Operational Summary) | | | | | |
| Consultants Required? Consulting services to be determined | | | | | |

I. STRATEGIC CONTEXT

A. Country Context

1. Burkina Faso is a landlocked, low-income country with high demographic growth and levels of poverty. Per capita gross national income (Atlas method) was US\$750 in 2014 and 45 percent of the population lives in poverty. The population is estimated at about 17 million (2014). With average growth rates at around three percent, the population is estimated to reach 21.5 million by 2020. The country was ranked 181 out of 187 countries on the 2014 Human Development Index.

2. In spite of limited natural resources, recent economic performance has been relatively strong; this has however not translated into substantial poverty reduction. Burkina Faso's economy is heavily reliant on agricultural production (especially cotton) and gold contributes a substantial part of export revenues. Over the last fifteen years, economic growth has averaged about 5.5 percent. However, the recent fall in gold and cotton prices, combined with drops in grain production and political instability, have contributed to low tax revenue collection leading to a slowdown in poverty reduction. A sharp decrease in poverty rates from 54.6 percent in 1998 to 46.7 percent in 2009 has stagnated, with 45 percent of the population living in poverty as of 2014. Yet, this may be misleading with regard to urban poverty as the numbers have increased, rising from 10.4 percent in 1994 to 13.7 percent as of 2014. The country also faces increasingly harsh climatic conditions, which hinder efforts to reduce extreme poverty.

3. Burkina Faso experienced a major political crisis in October 2014 and again in September 2015. Since then, presidential and legislative elections were successfully held (November 29, 2015), giving promise of a more politically stable situation. The local government (LG) elections are planned for May 22, 2016.

B. Sectoral and Institutional Context

4. Transport constraints in rural and urban areas, as well as haphazard and unbalanced urbanization, present interlinked challenges that need to be addressed to unlock the country's development potential. This means that, as described below, large parts of the country's population are excluded from benefiting from and contributing to economic development due to the inadequate access from agricultural production areas to urban centers of consumption. In addition, lack of planning in urban areas and low investments in services have led to intra-urban connectivity problems and low levels of access to urban infrastructure. This situation is aggravated by the fact that Ouagadougou and Bobo-Dioulasso account for over 70 percent of the country's urban population and that regional capitals lack the economic infrastructure and connectivity with these larger urban centers and their hinterlands.

5. The National Planning Framework for Regional Development (*Schéma National d'Aménagement du Territoire*, SNAT) identifies specific high-potential growth poles, among which are two important agricultural production zones with high potential (northwest and south of the country), around which the project is designed.

6. **Transport sectoral and institutional context.** Transport infrastructure bottlenecks are greatly hindering economic activity, diversification, competitiveness, and urban-rural economic

linkages. Rural areas of agricultural production are not adequately connected with centers of consumption, including export markets, thus limiting economic development in rural areas. The transport sector, in general, has benefited from heavy investment over the last ten years, including by the World Bank, but despite the importance of the transport sector for economic development, the road network remains underdeveloped. The Rural Access Index for Burkina Faso is only 26 percent, below even the Sub-Saharan Africa average of 34 percent. In addition, only 20 percent of the 15,300 km of classified roads are asphalted and at least 50 percent of the classified tertiary road network is impassable during the rainy season. As a result, some of the zones of high agricultural potential (such as the Bagré Zone in the south of the country) are underexploited, as farmers have difficulty getting produce to markets. Regional integration is also hampered by the lack of international road connectivity. The Special Fund for Road (*Fonds Spécial Routier du Burkina*, FSR-B, formerly the Road Fund - *Fonds d'Entretien Routier du Burkina*) receives only about 70 percent of funds required to adequately maintain the classified road network, meaning that efforts should be pursued to improve the funds collection.

7. Urban transport is characterized by an inadequate stock of urban roads and unclear institutional framework and accountability with increasing use of individual transport, leading to serious mobility issues and traffic congestion, in turn contributing to high intra-urban displacement, inequalities, and inefficiencies. Existence of paved roads is concentrated around Ouagadougou and Bobo-Dioulasso. In other cities, the paved roads are mostly national throughways. Almost 60 percent of the urban population lives in underserved informal settlements. Most economic and social facilities are located at the center of Ouagadougou, leading to a high demand for mobility from the urban population. A recent operation supported by the Bank financed a study on the establishment of the Ouagadougou Urban Transport Authority (*Autorité Organisatrice du Transport Urbain*, AOTU) and an urban transport strategy and investment plan. In addition, the French Development Agency (*Agence Française de Développement*, AFD) has financed the preparation of the traffic master plan for central Ouagadougou. The Ouagadougou Public Transport Company (SOTRACO) has only about 20 busses in operation at any time, covering 12 lines, 65 percent of the communes and suffers from perennial funding problems.

8. Continuing support to the improvement of secondary cities' urban roads and mobility in Ouagadougou would help provide a basis for economic development, address inefficient urban mobility, generate job opportunities, and improve living conditions. Improving transport and mobility of the population and agricultural value chains are essential to the economic development of rural areas, as well as major cities and their rural hinterlands. There is also a need to address the currently unclear, institutional framework for public transport with clarification of the role of the central and decentralized level, given the mandate provided to the communes by the General Decentralization Code and the recent creation of a Ministry of Transport, Urban Mobility, and Road Safety (*Ministère des Transports, de la Mobilité Urbaine et de la Sécurité Routière*, MTMUSR) by the new Government.

9. **Urban sectoral and institutional context.** There is insufficient core infrastructure and urban management, and planning capacity in secondary cities to meet the increasing urban population needs and foster local economic development. Economic opportunities are concentrated in the regional capitals, which attract migration to these cities. The level of urbanization in Burkina Faso is estimated at about 27 percent and could reach 42 percent by

2030 (United Nations-Habitat 2014). The country's urbanization is occurring mainly in the two primary regional capitals (Ouagadougou and Bobo-Dioulasso), while the remaining 11 regional capitals all have populations of below 100,000 with more rural characteristics. The capital city, Ouagadougou, has about 2.5 million inhabitants, and is estimated to be growing at a staggering nine percent annually ("The State of African Cities 2014". UN Habitat).

10. Much of the urban population growth is happening on the city fringes in a low-density pattern, far from economic opportunities, with many of the inner-city plots lying vacant and urbanization patterns that are not conducive to reaping economies of scale in cities being rapidly locked in. The urban planning legislation does not fully take into account the differences between the planning regimes for urban and rural areas, and some required application decrees have never been issued. The Burkinabe Government system is decentralized and functional mandates for some services are being transferred to LGs. However, so far, LGs suffer from a lack of human resources and their budgets remain inadequate to meet their functional mandates and investment needs, with even regional capitals lacking the necessary resources to invest in infrastructure. In previous and ongoing projects,¹ the Bank has supported the improvement of urban infrastructure and urban management capacity, as well as revenue generation. There is thus a need to address, at the policy and operational level, urbanization patterns, develop sources of financing for urban service delivery, and connect regional capitals to larger urban centers.

11. Furthermore, the increasingly frequent recurrent natural disasters such as drought and flooding cause loss of life and damage to the existing, poorly maintained public infrastructure. A reading of the recently finalized urban master plans for all regional capitals reveals that, to make the cities' economic opportunities accessible to labor, goods, and services, there is a need to address inefficient land use planning and management (including protecting rights-of-way), local economic development issues, and urban mobility.

12. **Government strategy.** Progress has been made to address the above problems through development of strategies and action plans in the relevant sectors, but much remains to be done. The Government's SNAT identifies specific high-potential growth poles, among which are two important agricultural production zones with high potential (northwest and south of the country) for which it intends to improve internal connectivity and connectivity with Ouagadougou and export markets. The Transport Sector Development Strategy, covering the period 2011–2025, supports the Poverty Reduction Strategy (*Stratégie de Croissance Accélérée et de Développement Durable*, SCADD) and aims at developing the infrastructure network to cater to economic needs, improving the transport service level with particular focus on rural areas, facilitating international traffic, and supporting regional integration. The Government has a specific program of upgrading 5,000 km of rural roads yearly. The 2009–2018 National Habitat and Urban Development Policy aims at, among others, building the national and regional urban network, planning and controlling urban growth, reducing urban poverty, and promoting good governance in urban areas. The policy has essentially been implemented through yearly

¹ The Decentralized Urban Capacity Building Project (P084027, US\$10 million IDA funds, closed January 2013); the Ouagadougou Transport Modal Shift Project (P087630, US\$1 million Global Environment Fund, closed June 2015); and the Local Government Support Project (*Projet d'Appui aux Collectivités Territoriales*, PACT) (P120517, US\$60 million IDA, closing December 2016). The latter of these projects was poised to support signing of a revenue collection performance contract between the General Directorate of Tax when the local councils were dissolved after the coup d'état in 2014.

investments in one of the 13 regions hosting the National Independence Day celebrations, but with limited resources. Urban master plans for 12 regional capitals (excluding Ouagadougou) have been prepared by the Government with the support of IDA and have been completed by action plans. Based on these plans the Government has elaborated an ambitious urban investment program estimated at US\$890 million over 15 years. Following the elaboration of the urban master plans, the Government has an objective of not making new urban investments without foundation in planning documents and to develop initiatives to gradually densify urban areas. The Government is in the process of updating its urban policy to reflect these priorities.

13. The proposed project would complement the Government's effort to improve urban infrastructure, as well as, to a limited extent, address financing of infrastructure provision by the LG and improve connectivity with zones of agricultural production and lay the groundwork for better connection between hinterlands and urban centers.

C. Higher Level Objectives to which the Project Contributes

14. The current SCADD (in its Pillar 1 - Development of Accelerated Growth) emphasizes the Government's commitment to establish a performing urban system while reinforcing the economic functions of cities. Pillar 1 also highlights transport services and infrastructure development as a central element for improving the internal and external connectivity and improving trade and economic activities. The Country Partnership Strategy FY13-16 (Report No. 78793-BF) is built on the SCADD and is a result of in-depth consultations with the population and leadership of the country. The consultations confirmed the key priorities for the Bank's support to the country in areas of closing the infrastructure gap, financing the development of lagging and leading regions, and the implementation of infrastructure upgrading in urban areas.

15. The proposed Transport and Urban Infrastructure Development Project (*Projet de Transport et de Développement des Infrastructures Urbaines*, PTDIU) supports the Bank's twin goals of reducing extreme poverty and enhancing shared prosperity, as it invests in infrastructure to support economic growth and facilitate transfer of agricultural products from low-income production areas to consumption zones and also generates jobs for low-income unskilled labor as the majority of the country population is rural (80 percent) and their main activity is farming. The project will also contribute directly to achieving Sustainable Development Goal 9 (industry, innovation and infrastructure) and Goal 11 (sustainable cities and communities), in particular, by supporting positive economic links between urban, peri-urban, and rural areas, contributing to providing access to transport systems for all, and enhancing inclusive and sustainable urbanization.

16. The country's overall development plan, the 2011–2015 SCADD, along with sector strategies, aims to support the development of regions and urban areas that promote specific areas of production and economic activity based on their location, natural endowments, and enabling environment. They also aim to balance economic development between lagging and leading regions and address inadequate rural transport connectivity and infrastructure, which leads to the loss of agricultural production worth millions of dollars.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

17. The objective of the Project is to improve mobility and access to infrastructure in targeted urban and rural areas and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.

Project Beneficiaries

18. The direct beneficiaries of the project are the populations living in the rural areas affected by the road upgrading investments, as well as the residents of the five regional capitals targeted for infrastructure investments (Dédougou, Koudougou, Manga, Ouahigouya, and Tenkodogo), in particular, the regular users of infrastructures to be constructed or upgraded. Other beneficiaries are (a) ministerial departments and LG administrations, which will have their capacity to execute sector-related functions strengthened; (b) farmers in the rural hinterlands of project cities and of roads to be upgraded, who will gain easier access to markets, health, and education centers; (c) the private sector directly involved in construction activities and transport companies using the roads; and (d) civil society organizations benefiting from capacity-building activities.

PDO Level Results Indicators

19. The expected results indicators are the following

- (a) Travel time along the rehabilitated RN29
- (b) Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project (Number) (Core)
- (c) Number of people in urban areas provided with access to other infrastructure under the project (Number)
- (d) Sectors with improved capacity to monitor implementation of sector policies and generate annual sector reports (Number)
- (e) Direct project beneficiaries (Number) of which female (Percentage) (Core).

III. PROJECT DESCRIPTION

A. Project Components

20. The proposed project will finance transport and urban infrastructure, capacity-building activities and thematic studies to support the implementation of the SNAT, the Transport Sector Development Strategy and the priority actions of the urban master plans, and urban mobility improvement activities for Ouagadougou. The project will also provide immediate response to an eligible crisis or emergency as needed.

21. The proposed project will support geographically coordinated investments and activities in the urban and rural areas of five regions of Burkina Faso, as well as Ouagadougou, and thematic studies and technical assistance in all the regional capitals. The proposed project will create synergies between rural economic development, through improved transport connectivity and support to increased export of agricultural products, and urban development and economic growth in the five regional capitals in these two zones (Manga, Tenkodogo, Dédougou, Koudougou, and Ouahigouya). In addition, the project aims at supporting the improvement of urban transport management in Ouagadougou given the link between improved mobility and productivity in the nation's capital and most important urban agglomeration.

Component A: Inter-urban Infrastructure (US\$56.0 million equivalent, of which IDA US\$56.0 million, including Project Preparation Advance of US\$3.1 million equivalent)

22. Component A will contribute to improving connectivity in the five targeted areas. The investments are mainly focused on the south of the country (around Manga and Tenkodogo). It includes four groups of activities:

- (a) **Road upgrading works and telecommunications connectivity** (about US\$52.3 million): (i) paving of about 78 km of the RN29 road between Manga and Zabré (about US\$51.0 million), which is a portion of the 104 km long RN29 road between the Manga-Zabré border of Ghana; (ii) rehabilitation of nine km of the Dindéogo-Zonsé unpaved rural road (RD30) connecting production areas to the Manga-Zabré main road (about US\$0.62 million); (iii) internet connectivity improvement for the agglomerations along the Manga-Zabré road to bring the beneficiary areas out of their 'digital isolation' (about US\$0.27 million); and (iv) construction of two toll stations and an axle load control station on the road between Manga and Zabré (about US\$0.36 million).
- (b) **Supervision and technical control** (about US\$2.4 million) of (i) upgrading of the RN29 between Manga and Zabré, the two toll stations, an axle load control station, and rehabilitation of the Dindéogo-Zonsé road (about US\$2.3 million); and (ii) internet connectivity in the agglomerations along the Manga-Zabré road (US\$ 0.05 million).
- (c) **Feasibility studies and engineering designs** (about US\$0.97 million) for (i) upgrading of 100 km of existing rural unpaved roads in the hinterland rural areas of Manga, Tenkodogo, Ouahigouya, Koudougou, and Dédougou) by high-intensity labor method (HILM) (to be funded by the Swiss Development Cooperation [SDC] in a separate project) (about US\$0.24 million); (ii) construction/rehabilitation of about 40 culverts opening up production areas in the targeted zones (in the hinterland rural areas of Manga, Tenkodogo, Ouahigouya, Koudougou, and Dédougou) by HILM (to be funded by the SDC in a separate project) (about US\$0.33 million); (iii) construction of 200 km of rural roads (about US\$0.36 million) in connection with the selected five cities' hinterlands agriculture production areas; and (iv) technical feasibility study for internet connectivity (about US\$0.045 million). The PTDIU only finances the studies and the Government will

seek other sources of funding for works. Internet connectivity works will be funded by IDA.

- (d) **Safeguards studies.** Environmental and Social Impact Assessments (ESIAs) and Resettlement Action Plans (RAPs) (if needed) for all the above investments (US\$0.4 million).

23. The SDC is financing CHF 7 million of complementary activities for the upgrading of about 100 km of existing rural unpaved roads using HILM and the construction of about 40 culverts to open up agricultural production areas and health and education centers. The PTDIU will lay the groundwork (through technical and safeguards studies) for the SDC to invest in upgrading of 100 km of rural road and 40 culverts through HILM in a separate but strongly coordinated project (implemented by the same implementing agency [IA] as the PTDIU) and for the Government to implement its yearly rural road upgrading program. Both the 100 km road upgrading and the 40 culverts to be implemented through the SDC-funded project (project amount - CHF 7 million) will be located in the rural hinterlands of the five PTDIU cities.

Component B: Urban Infrastructure in Targeted Regional Capitals (US\$30.0 million equivalent, of which IDA US\$30.0 million)

24. This component will fund physical investments in the five targeted regional capitals (Manga, Tenkodogo, Ouahigouya, Koudougou, and Dédougou) with the objective of improving access of the population to various types of urban infrastructure. These cities were selected based on criteria of proximity to the RN29, the level of poverty in the respective regions, as well as how they fit with the priorities in the SNAT. Some of the regional capitals (Manga and Tenkodogo) are located in high-potential agriculture area of of Bagré irrigated agricultural zone. The other three cities (Ouahigouya, Koudougou, and Dédougou, in the Northwestern corridor) in addition to the criteria above, have been selected due to the agricultural potential of their rural hinterlands² and the interlinkage in agricultural produce transfer between those regions. Component B consists of a list of potential investments, which have all been inspected by the Bank's task team and discussed with the client during project preparation. The list is to be further refined in consultation with the Ministry of Urban Planning and Housing (*Ministère de l'Urbanisme et de l'Habitat*, MUH) and the new LGs to be elected. A pre-feasibility study will be launched after the new elected mayors take office, to assess institutional, socioenvironmental, technical, and financial feasibility of all proposed investments. All physical investments are subject to preparation and implementation of the relevant safeguards instruments when needed and positive outcome of feasibility studies.

25. The indicative list of investments is (a) asphaltting of about 20 km of unpaved urban roads; (b) construction of about 2.5 km of storm water drainage channels; (c) upgrading and expansion of markets gardens in Manga and Ouahigouya; and (d) upgrading and/or construction of existing bus stations in Dédougou and Manga, a market in Dédougou, a cattle market in Manga, and an abattoir in Manga. In addition to these investments, the feasibility studies may

² The main economic activity of the hinterland of Dédougou is market gardening (onions, tomatoes, and cabbage), as well as sesame production. The areas surrounding Koudougou and Ouahigouya are specialized in production of sorghum and millet; market gardening (potatoes, onions, tomatoes, and cabbage); and livestock. The Bagré Zone is dedicated to agribusiness with a variety of production. Currently the major products are rice and fish.

cover two to three additional investments of a similar nature pertaining to each city, to be proposed by the new mayors and councils in case of adjustment of priorities following LG elections but also allowing flexibility should the initially proposed investments prove unfeasible. Each city has a fixed investment ceiling, determined as described in Annex 2. The Government will prepare and enter into an agreement with the relevant Selected Municipality in which the Local Government Activity will be implemented which shall include, inter alia, the obligation of the Selected Municipality to operate and maintain the investments supported under said Local Government Activity.

Component C: Institutional Support and Sector Governance (US\$13.0 million equivalent, of which IDA US\$10.0 million and counterpart funding US\$3.0 million)

26. Component C is targeted toward activities that will improve the institutional and operational capacity of ministries and municipalities involved in project implementation and further support reforms for improved performance in the sectors covered by the project.

Subcomponent C1: Infrastructure Sector (US\$1.3 million equivalent)

27. This subcomponent supports the infrastructure sector (Ministry of Infrastructure [*Ministère des Infrastructures*, MI]: General Secretariat, central, regional, and provincial directorates involved in the project) in the continuation and implementation of sector reforms:

- (a) **Sector reforms:** (i) technical assistance to multiyear contracting of road maintenance activities; and (ii) technical assistance to improving sector statistics and management skills.
- (b) **Capacity building:** (i) training and participation in seminars and workshops; (ii) equipment (logistical means and information technology); and (iii) support to the Directorates of the Ministry of Economy, Finance and Development involved in the project monitoring (General Directorate of Cooperation, the General Directorate of Economy and the General Directorate of Treasury).

Subcomponent C2: Transport Sector (US\$0.9 million equivalent)

28. This subcomponent supports the transport sector MTMUSR (General Secretariat, central, regional, and provincial directorates involved in the project) for the continuation and implementation of sector reforms:

- (a) **Sector reforms:** (i) technical assistance to improve urban transport institutional framework and (ii) technical assistance to improve sector statistics and sector management skills.
- (b) **Capacity building:** (i) training and participation in relevant seminars and workshops and (ii) equipment (logistical means and information technology).

Subcomponent C3: Urban Sector (US\$10.8 million equivalent)

29. This subcomponent will provide technical assistance to line ministries and LGs to improve urban planning and management for better access to urban infrastructure. The line ministries supported by the component are the MUH; the Ministry of Territorial Administration, Decentralization, and Homeland Security (*Ministère de l'Administration Territoriale, de la Décentralisation et de la Sécurité*, MATDSI); and the LGs, particularly the five targeted regional capitals and Ouagadougou.

30. The support to the MUH will focus on activities contributing to the new Government's two overarching objectives for the sector. The Bank will likely continue to support the MATDSI through a phase two of the ongoing PACT and, therefore, support under the PTDIU will be limited to activities that will allow the MATDSI to contribute effectively to achieving project outcomes. The component's activities are the following:

- (a) **Support to implementation of planning tools** (operationalizing urban master plans and extending and upgrading the existing urban information system) and capacity building for demarcation of zoning designations. The support to demarcation is subject to the positive outcome of a social impact assessment.
- (b) **Support to the MUH, MATDSI, and municipalities** for own-source revenue generation and management of investments funded by the project; implementation of participatory and transparent urban management processes; and clear management, control, and monitoring procedures.
- (c) **Training and equipment for the MUH, MATDSI, and municipal staff** in infrastructure asset management, urban planning, urban management, geographic information system, and project management, and participation to seminars and workshops.
- (d) **Community engagement** for community-based organizations (CBOs) and civil society organizations (CSOs) on urban management issues and facilitation of their involvement in project activities.
- (e) **Updating** of the urban sector regulatory frameworks.
- (f) **Implementation** of a sector monitoring mechanism.
- (g) **Urban mobility in Ouagadougou** (focus area 1). (i) support to establishing and operationalizing the AOTU; (ii) support to implementing the traffic plan for Ouagadougou; (iii) feasibility study on implementing a bus rapid system in Ouagadougou; and (iv) study on the extension and the restructuring of SOTRACO's bus network.
- (h) **Urban environment** (focus area 4). Study on storm water drainage management plans for 12 regional capitals (excluding Ouagadougou).
- (i) **Economic activity zones** (focus area 5). Feasibility study for construction of economic activity zones in 12 regional capitals (excluding Ouagadougou).

Component D: Project Management (US\$4.0 million equivalent, of which IDA US\$4.0 million)

31. **Project management cost, monitoring and evaluation (M&E), and communication** (US\$4.0 million equivalent). This component will fund provision of support for the implementation and M&E of the project, including, among others, safeguards management and supervision, the financing of operating costs, and fiduciary management, including the carrying out of the project's technical and financial audits (about US\$4.0 million).

32. **Implementation of social and environmental safeguard instruments and cost for focal points and committees sessions** (US\$2.0 million equivalent counterpart funding). The Government will, through its counterpart funding, finance implementation costs for the Environmental and Social Impact Assessment (ESIA)/Environmental and Social Management Plan (ESMP) and Resettlement Action Plan (RAP) for the roads and urban infrastructure works. The Government will also finance the cost for the focal points nominated in each implementing agency to serve as an entry point and technical expert for the project implementation (about US\$2.0 million). The Government will also finance any management cost not eligible for the Bank funds, including inter alia the steering committee and the technical committee.

Component E: Contingent Emergency Response (US\$0.0 million equivalent)

33. This contingent emergency response component (CERC) is included under the project in accordance with OP/BP 10.00, paragraphs 12 and 13, for situations of urgent need of assistance. This will allow for rapid reallocation of project proceeds in the event of a natural or man-made disaster or crisis that has caused or is likely to imminently cause a major adverse economic and/or social impact.

34. To trigger this component, the Government needs to officially declare an emergency or provide a statement of fact justifying the request for the activation of the use of emergency funding. To allocate funds to this component, the Government may request the Bank to reallocate project funds to support response and reconstruction.

35. If the Bank agrees with the determination of the disaster and associated response needs, this component would allow the Government to request the Bank to re-categorize and reallocate financing from other project components to cover emergency response and recovery costs.

36. Disbursements would be made against a positive list of critical goods or the procurement of works and consultant services required to support immediate response and recovery needs. A specific Emergency Response Operations Manual will apply to this component, detailing financial management (FM), procurement, safeguards, positive list, and any other necessary implementation arrangements.

37. The details of the operational procedures, based on the flexibility provided by the OP/BP 10.00 - Investment Project Financing, are provided in Annex 2. This component is included, in line with the climate change screening to safeguard investments and avoid or minimize the effects of such trigger events on project investments or other critical infrastructure. The Permanent Secretariat of the Transport Sector Project (*Secrétariat Permanent du Programme Sectoriel de Transport*, SP/PST) will ensure the coordination of the CERC implementation.

B. Project Financing

Project Cost and Financing

38. An IDA credit of US\$100³ million equivalent is proposed. The Government's contribution is US\$5 million equivalent, of which US\$2 million will fund 100 percent of the activities related to the implementation of social and environmental safeguard instruments, and the costs for focal points and steering and technical committee sessions. The remaining US\$3 million of counterpart funding will support activities under Component C (Institutional Support and Sectors Governance) for which IDA will finance 77% of the expenditures and the counterpart funding will finance the remaining 23% of expenditures. To ensure timely availability for counterpart funds, the Government will be required to deposit into a designated account within the Recipient's treasury, no later than April 30 of each year, the amount of counterpart funding agreed with the Association to be provided pursuant to the Annual Work Plan and Budget for the then current year of Project implementation. The IDA credit is provided through an Investment Project Financing denominated in Euros. The project will be implemented over a six-year period from effectiveness. The closing date will be October 31, 2022.

| Project Components | Project Cost (US\$ million) | IDA Financing (US\$ million) | Borrower Financing | % Bank Financing |
|---|--------------------------------|---------------------------------|-----------------------|------------------|
| A: Inter-urban Infrastructure | 52.90 | 52.90 | 0.00 | 100.00 |
| B: Urban Infrastructure in Targeted Regional Capitals | 30.00 | 30.00 | 0.00 | 100.00 |
| C: Institutional Support and Sector Governance | 13.00 | 10.00 | 3.00 | 77.00 |
| D: Project Management | 4.00 | 4.00 | 0.00 | 100.00 |
| Social and environmental measures and cost for focal points and committees sessions | 2.00 | 0.00 | 2.00 | 0.00 |
| E: Contingent Emergency Response | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 101.90 | 96.90 | 0.00 | — |
| Project Preparation Advance | 3.10 | 3.10 | 0.00 | — |
| Total Financing Required | 105.00 | 100.00 | 5.00 | 100.00 |

C. Lessons Learned and Reflected in the Project Design

39. In recent years, the Bank has funded several transport and urban sector projects in Burkina Faso. Some of the most salient characteristics of successful implementation of the Bank-financed road transport sector projects in Burkina Faso, and elsewhere in Sub-Saharan Africa, are that there should be strong client ownership and sustained and long-term engagement of the

³ The credit will be financed under Single Currency IDA credit terms, with a 38-year maturity including a six-year grace period. The single currency amounts (EUR 87.8 million) will be converted to the final SDR amount for commitment authority and country allocation management purposes on the day of project approval. For information, the estimated value of the credit in Special Drawing Rights (SDR) SDR 70.6 million

Bank and client. This is the case, as the PTDIU follows Bank investments in the transport sector through the SP/PST since 2003 and the new Government's stated objective of rehabilitating roads.

40. The SDC has extensive experience in funding upgrading of rural roads using labor-intensive construction methods in the eastern part of the country. This has proven to not only contribute to retaining youth in the rural areas during the dry season by creating jobs, but also to improve the level of incomes. Furthermore, it allows for awareness raising of local potential and, through training of village road crews, develops a technical, administrative, and financial framework for the development of economic activities.

41. Lessons learned from previous road projects have shown that there is a risk of premature deterioration of roads. Some causes of road deterioration have been identified such as axle overload and inadequate behavior of road users when trucks are broken. Therefore, it has been agreed to establish a viable maintenance system to ensure that the roads are maintained regularly. This includes general support to multiyear contracting, as well as for the roads to be rehabilitated under the project and the existing network, measures related to axle load control to eliminate the negative behavior of truck drivers on the road network. Axle load control is already the subject of reforms at the regional level, including Burkina Faso, and the project will fund a weighing station to reduce axle overload. In addition, toll stations will be constructed under the project to collect revenue to contribute to funding road maintenance and rigorous control of the road execution quality will be undertaken during road construction.

42. In the urban sector, the main lesson to incorporate in the PTDIU is that institutional and financing arrangements for infrastructure operations should be clarified up front. Some of the infrastructure of the Bank-financed Urban Environment Project (closed in 2005) is currently inoperable (for example, the sanitary landfill in Bobo-Dioulasso, a drainage canal in Ouagadougou), as the municipalities do not have the financial means to operate them or do not consider themselves responsible for maintenance, as the infrastructure has never been formally transferred. To avoid this situation, all Component B infrastructure investments are contingent on involvement of beneficiaries in investment selection and design phase and the presentation and approval of adequate plans for institutional arrangements and operation and maintenance (O&M) funding. Compliance with the O&M plan will be monitored during project implementation.

43. Other Bank-financed projects in Burkina Faso (for example, the Decentralized Urban Capacity Building Project) have shown that mainstreaming project management responsibility in Government entities under the fiduciary management of a central Project Coordination Unit (PCU) requires consistent and rigorous implementation support and systematic efforts to address coordination challenges and targeted actions to speed up procurement. To mitigate this risk, the Project Implementation Manual (PIM) will include service standards and time requirements for elaboration of terms of reference (TOR) and procurement processing.

44. In terms of implementation arrangements, the main lessons learned from previous projects (Transport Sector Project and West Africa Transport and Transit Facilitation Project) are that the designated focal points in charge of the technical implementation of the project became demotivated over time due to the fact there were not enough financial support to allow them to carry out their responsibilities and substantially contribute to project implementation. To mitigate

this, as the project is relying on focal points at the Ministry level, the project design includes financial support for the focal points in charge of the implementation within the different ministries to mitigate the risk of their lack of interest to the project implementation. Also, a technical assistant will be recruited or designated to support the MUH for the first year of project implementation. The Government will commit to ensuring adequate incentives for focal points that participate in the project implementation.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

45. Overall project oversight will be ensured by a Project Steering Committee (PSC), co-chaired by the MI, MTMUSR, and MUH, and with participation of other key ministries (those responsible for transport, economy and finance, and decentralization), as well as representatives of project cities. The Association of Municipalities of Burkina Faso (*Association des Municipalités du Burkina Faso*, AMBF) and the Association of Regions of Burkina Faso (*Association des Régions du Burkina Faso*, ARBF) will also be part of the PSC. Donor representatives can participate as observers. Finally, directors of project executing agencies (EAs), or their representatives, will participate. The main role of the PSC will be to provide guidance to the project, approve annual work programs and budgets, and coordinate with other sector interventions. In addition, a Project Technical Committee (PTC) will be responsible for overseeing operational implementation aspects and operational coordination between the different structures, as detailed in Annex 3.

46. The fiduciary, safeguards, and M&E functions will be housed in the MI, specifically the SP/PST, because it has a proven track record in managing Bank-funded projects and substantial technical expertise in the transport sector (which accounts for the majority of PTDIU funding). Technical oversight will be ensured by each of the two relevant sector ministries (MI and MUH). The municipalities will play a key role in overseeing, planning, and implementing the infrastructure and urban planning initiatives under the project, as detailed in Annex 3.

B. Results Monitoring and Evaluation

47. The project's M&E system will be established in the SP/PST and will build on the existing reporting mechanisms for the SP/PST. The SP/PST M&E specialist will be responsible for monitoring, evaluating and consolidating all project data in collaboration with the focal points of the project EAs and cities. This monitoring will be complemented by small surveys as needed. The baseline data will be established before any project intervention starts and will be followed up with impact assessments for the midterm review (MTR) and at project closing to evaluate qualitative and quantitative aspects of project results. In particular, surveys will be carried out to (a) attempt to establish attribution to the PTDIU of any permanent employment generated and to the diminishment of loss of agricultural produce; and (b) gauge how road users and communities view the PTDIU activities. In addition, technical audits will be carried out to verify the technical quality and cost-efficiency of infrastructure. The information and knowledge generated will be shared widely among project stakeholders at all levels.

48. The M&E system will be managed by the SP/PST M&E specialist and will be linked to the FM system to allow the monitoring of activities against disbursement. The PIM will provide detailed step-by-step guidelines on the M&E methodology, including baseline development and indicator calculation. Training will be carried out to ensure that all parties involved in project M&E can fulfill their responsibilities.

C. Sustainability

49. Lessons learned from previous roads projects have shown that there is a risk of premature deterioration of roads due among others to weak quality at the execution phase and external causes (axle loading of trucks, improper behavior of road users). After discussions and analysis, the MI and the Bank team have agreed on the necessity to pay attention to establish corrective measures to ensure adequate responses to the identified risks. The sustainability of the proposed project roads investments will be ensured through rigorous control of the road quality during construction, as well as the measures explained in the following paragraphs.

50. **Road maintenance.** The long-term maintenance of the road infrastructure to be improved under the proposed project will be ensured by the FSR-B (former FER-B). The FSR-B has recently been converted into a special road maintenance fund with the possibility of receiving funds directly from fuel levy and road tolls, as those to be collected from the toll stations to be constructed by the project. The restructuring is starting to improve its operational efficiency. Even though the recent political and economic turmoil in the country has reduced the allocation for road maintenance (as in other sectors of the economy), the FSR-B remains a sustainable tool for road maintenance in the country. Furthermore, the proposed PTDIU will provide technical assistance to piloting of multiyear contracting for road maintenance to avoid the bottlenecks linked to lengthy procurement processes and the enhancement of the road maintenance program will be supported by a planned Bank-funded Transport Sector Technical Assistance Project. The upgraded roads are already included in the maintenance program of the country classified roads network. The rural road (RD30), to be upgraded under the project, will be maintained by the FSR-B involving road maintenance crews, a modality that is well established in Burkina Faso's rural areas.

51. The Government has a policy of implementing multiannual contracts for road maintenance and the current project will support the country in building this type of contracts to help the FER-B be more efficient in the procurement process and provide maintenance at the needed time. This should ensure long-term road sustainability.

52. **Axle load control.** As in other Sub-Saharan African countries, truck overloading remains a major challenge in Burkina Faso, which leads to the premature deterioration of road surfaces. In response, in November 2008, with the Bank's support, the Government created the National Office for Road Safety (*Office National de la Sécurité Routière*), which, apart from enforcing road safety laws, also has the mandate to enforce axle load regulations. The construction of fixed weighing stations on key road links, such as the one supported under the proposed project, is under way throughout the country. This means that with the gradual introduction of axle load controls in Burkina Faso, the road infrastructure funded under the proposed project will be less affected by premature degradation caused by overloading. This should also contribute to long-term sustainability.

53. **Other infrastructure maintenance.** All other infrastructure funded by the project will be screened up front for sustainability of O&M arrangements. Investments will need to be accompanied by an O&M plan that demonstrates adequate institutional arrangements, human resources, and technical and financial means (for example, through user fees, city budget, or the Government), to ensure continued flow of benefits from the investments. The project will further build capacity in LG technical units to maintain investments under their responsibility. This should also contribute to long-term sustainability.

54. **Sustainability of urban management systems.** The Government has had difficulty maintaining and regularly updating the previously implemented urban management tools and maintaining the committees established to monitor urban master plans. As these difficulties are essentially grounded in a lack of sustainable funding and staff allocation, it has been agreed that the ongoing update of the Government's urban sector policy shall be finalized and include an operational strategy to clearly show the future sources of funding to operate the tools before launching studies to determine technical specifications and institutional setup of the urban management tools to be supported by the PTDIU.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

55. The overall risk rating is Substantial, mainly due to the recent political and institutional instability, the macroeconomic context, and implementation capacity and sustainability risks.

- **Political and governance risks are Substantial.** Following the overturn of the Government in October 2014, with a transitional Government and LGs in place, the elections on November 29, 2015, (presidential and legislative) took place without any adverse incidents. These elections are expected to help the country get back on track toward a normal institutional situation, but the municipal elections scheduled for May 22, 2016, introduce an additional element of risk with regard to transition and continuity. In addition, the newly elected officials and their administrations may take some time to fully take on their tasks, and although the situation should stabilize, a substantial risk remains.
- **Macroeconomic risks are Moderate.** The main risk comes from timely mobilization of project counterpart funding, as the country goes through a difficult situation after the political crisis. Despite the stated engagement of the current government to comply with counterpart funding, experiences from other projects have shown some delays. To mitigate the risk of physical implementation delays, some measures were taken, including getting the commitment of the Government through a letter to mobilize the counterpart funds needed according to an annual work plan and budget, a dated covenant specifying the deadline for the Government to make available counterpart funds in an account.
- **Institutional capacity for implementation and sustainability risks are substantial.** The SP/PST has the capacity to coordinate all project activities, and its strong role in implementation will contribute to mitigating the capacity constraints in

EAs in particular, the Ministry of Urban Planning and Housing (MUH). As further mitigation, a technical assistant will be recruited to support the MUH during the project startup phase. There is also a risk that the indicative list of investments that has been identified for implementation in municipalities under Component B of the project could be changed by the new LG authorities once they have been elected; for this reason, a prefeasibility study will be launched after the election of new mayors and councils to make sure that the project can quickly advance toward a final Component B investment program.

- **Fiduciary capacity risks are substantial.** The implementing agencies, MUH and municipalities have limited capacity to carry out fiduciary management and procurement process is very long in Burkina Faso. To mitigate these risks, the fiduciary management will be the responsibility of the SP/PST who has qualification in implementing Bank projects. Also the Bank team has discussed with the Government to eliminate the dual review of procurement document by the Bank team and the Client to simplify the process.

56. Other generic risk mitigation includes strong implementation support and close Bank supervision in the first two years of the project to enable fast implementation and resolve any early emerging issues. The project will include targeted training and capacity building to IAs and EAs and key project stakeholders such as the municipalities and other relevant actors.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

Development Impact - Expected Benefits and Costs

57. The project is expected to remove some of the connectivity gaps in the targeted rural and urban areas and contribute to local and national economic growth. In addition, the project will contribute to reducing unemployment through job creation resulting from the implementation of investments and the conditions offered for individual economic activities. Agricultural producers and the private sector in the Bagré Zone and the Northwestern corridor will obtain easier access to markets. The population of targeted areas will directly benefit from improved living conditions and urban services.

58. The main quantifiable and non-quantifiable economic benefits of the project will be (a) time and cost savings due to improved connectivity and mobility; (b) generation of temporary and permanent jobs; (c) lower cost of agricultural produce in urban areas better connected to the agricultural hinterland; (d) decreased loss of agricultural produce; (e) increased economic activities and job creation along the rehabilitated roads in and around the economic infrastructure to be constructed as part of Component B; (f) improved service levels; (g) improved access to urban services; (h) improved revenues of LGs; and (i) more efficient and effective urban planning and management in project cities.

59. Economic analysis will be carried out as part of the feasibility studies for each project investment to ensure that returns on investments are above the opportunity cost of capital

(estimated at five percent). In the case of revenue-generating investments, a financial analysis will be carried out to evaluate the financial implications for involved entities. All the above benefits will, to the extent possible, be captured through impact assessments to be carried out at the mid-term review (MTR) and at the end of the project, which will also be used to evaluate the project's efficiency.

60. An initial economic analysis, based on traffic counting and the Highway Development and Management-4 road economic analysis software, has been conducted on the upgrading of the 104 km of the RN29 Manga-Zabré border of Ghana, of which 78 km (Manga-Zabré) will be financed by the project. The result is that the internal rate of return (IRR) is 19 percent in the baseline scenario. It remains higher (13 percent) than the opportunity cost of capital even if considering an eventuality of a combination of 20 percent higher investments costs and 20 percent lower benefits.

61. For Component B, the exact investment program and cost is not currently known and therefore an ex ante economic analysis cannot be carried out. However, it is expected that investments will have similar rates of return as other urban projects. The Bank-financed Burkina Faso Urban Environment Project funded the upgrading of about 31 km of urban roads in Ouagadougou and Bobo-Dioulasso with an IRR of 33 percent. The PTDIU urban road investments will likely also have an IRR above the opportunity cost of capital. Other types of urban infrastructure are also expected to have IRRs above the opportunity cost of capital, as the beneficiaries will identify them and participate in designing the investments, which would ensure a response to their specific needs. Where feasible, the urban investments will be constructed through use of HILM, strongly contributing to employment generation during the construction phase. Economic analysis of Component B investments will be carried out as part of the feasibility studies.

Rationale for Public Sector Provision/Financing, if Applicable

62. The Government has set ambitious targets for economic growth and the development of cities, which cannot be met without public financing. The project seeks to assist the Government in addressing gaps in provision of infrastructure and helping key institutions in strengthening their capacity to better manage and maintain their services. As such, the project is assisting the Government in expanding the provision of strategic infrastructure and accelerating this expansion given the fiscal constraints and the immense need resulting from the rapid urbanization that puts pressure on existing infrastructure and increases the demand for services in and between urban areas. Where relevant, the project will explore opportunities to build partnerships with the private sector, for example, in the provision of services through public-private partnerships and in the design and development of special economic zones in the regional capitals. Given that the current targeted investments are all public, the project will be entirely financed through public funds.

Value Added of Bank's Support

63. The Government does not have the required financial means to cover all the needs identified in its investment strategies. IDA support will contribute the financial resources to overcome some of the numerous challenges to the country's development. IDA is currently

financing the Bagré Growth Pole Project, PACT, and agricultural projects such as the Agricultural Productivity and Food Security Project in different areas of the country. These projects are complementary to the current project and the presence of IDA in the different sectors will likely attract other donors as cofinanciers in the sectors. The first result with regard to leveraging funding has already materialized, as the SDC has decided to finance a project (using the studies elaborated by the PTDIU) to finance the construction of rural roads through the HILM approach.

B. Technical

64. Investments to be financed under this project consist of road upgrading and urban infrastructure. The roads to be paved under the proposed project total about 78 km from Manga to Zabré and about 20 km of urban roads in the cities of Ouahigouya, Tenkodogo, Koudougou, and Manga. A rural road connecting with the Manga-Zabré main road would also be rehabilitated. Other urban infrastructures are indicatively composed of (a) rehabilitation and expansion of market gardening zones in Manga and Ouahigouya; (b) upgrading of bus stations in Dédougou and Manga; (c) construction of a cattle market in Manga; (d) upgrading of the abattoir in Manga; (e) construction of a market in Dédougou; and (f) construction of a drainage canal in Koudougou. Investments in road upgrading will be implemented using technology and methods that are well-known in Burkina Faso (asphalt surfacing of urban and inter-urban roads and upgrading using HILM techniques for the rural road) and no technical difficulties are foreseen in this area. As for urban investments, all investments will be designed to correspond to local conditions and when possible will make use of HILM accessible to local, small, and medium enterprises. To ensure adequate technical design, ownership, and accountabilities for maintenance, end users or beneficiary representatives will be kept updated during the design phase of all investments.

65. **Design of the road Manga-Zabré –Zoaga-border of Ghana.** The feasibility study is available in preliminary version, and will be finalized before effectiveness. The road will be a two-lane paved road with shoulders in the main agglomerations. The final characteristics of this infrastructure will be defined by the engineering design study. It is expected that the final technical and cost details will be available by the end of June 2016 and bidding documents will be ready for the launch of the procurement process by the end of August 2016. The technical design of the Dindéogo-Zonsé road will be conducted by the same consultant doing the technical study of the RN29 Manga-Zabré-Border of Ghana. The section will be unpaved and emphasis will be placed on removing major trouble spots leading to traffic interruption. The proposed rehabilitation of the RN29 will improve safety conditions for the movement of vehicles and other road users and provide targeted infrastructure improvements benefitting street vendors, commercial areas, parking, pedestrian and vehicle access, sidewalks, drainage, etc., in urban areas, particularly in the localities of Manga, Gombousgou, Dindéogo, and Zabré.

66. **Urban roads.** According to the plan agreed with the Client, the detailed design work for the urban roads will be carried out during the first year of the project to allow the confirmation of the roads section and their characteristics in coordination with the future LGs. Consultants will be hired to conduct these studies and carry out economic analysis. The technical design will include security infrastructure to curtail car speed.

67. **Road safety** is a major concern in Burkina Faso and according to available police and gendarmerie statistics, the number of annual mortal road accidents over the past decade is 969 on average. The risk of accidents is most pronounced for road users, the residents along the roads, and for school children. To further reduce the risk of accidents, technical design elements are included at the technical level to improve road safety along the road, such as speed breakers in built up areas aiming at reducing the cars speed. Also, the National Road Safety Agency has developed a road safety information campaign to be implemented along the RN29. It will be carried out through awareness raising events in schools and information in local radios and combined with speed control by radar. Further support to improving road safety is included in the upcoming Bank-funded Transport Sector Technical Assistance Project.

C. Financial Management (FM)

68. An FM assessment of the SP/PST was carried out in January 2016. The objective of the assessment was to determine whether the SP/PST has adequate FM arrangements in place to ensure that the PTDIU funds will be used only for the intended purposes with due attention to considerations of economy and efficiency. The assessment complied with the FM Manual for Bank-Financed Investment Operations, that became effective on March 1, 2010, updated on February 4, 2015, as well as the Bank's FM Assessment and Risk Rating Principles.

69. The FM assessment indicates that the SP/PST's existing FM arrangements satisfy the Bank's minimum requirements under OP/BP 10.00. Indeed, the SP/PST has considerable experience in implementing programs financed by IDA. The SP/PST is implementing the West Africa Regional Communications Infrastructure Project-APL-1B (P122402 - H7120 - closing date December 2016) and supporting the Burkina Faso Open Data Initiative and addressing drought risks by introducing innovative use of data and Open Data solution Project (P151740 - Trust Fund of US\$300,000) and has implemented the West Africa Regional Transport and Transit Facilitation Project (P079749 - IDA44380) (closed in June 2015). The overall performance of these projects in FM was rated Satisfactory during the last implementation support missions. In addition, the SP/PST has (a) qualified FM staff; (b) a computerized accounting system; (c) a reliable internal control system with a detailed Administrative, Financial and Accounting Procedures Manual and an internal audit function; and (d) the external auditors issued unqualified opinions on the 2014 financial statements of IDA-funded projects managed by the SP/PST. In addition, the management letter issued by the external auditors did not raise any major internal control issue. There will be an update of the SP/PST's financial and administrative manual after project effectiveness.

70. Regarding governance and anticorruption measures, in addition to the involvement of the SP/PST internal auditor, national audit institutions such as the general inspectorate of finance and the general inspectorate of the MI may periodically review the Transport and Urban Infrastructure Development Project (TUIDP) activities and financial information.

71. The CERC Operations Manual and the Disbursement Letter will include the detailed disbursement arrangements applicable under the Contingent Emergency Response part of the proposed project. As part of such arrangements, a positive list could be used, which would feature in the CERC Operations Manual and would include the items against which disbursements will be made. Where a positive list of expenditures is used, the documentation

required to support disbursement requests should be agreed (for example, invoices and bills of lading for food imports) and recorded in the CERC Operations Manual and the Disbursement Letter.

72. The overall FM risk rating for the project is assessed as Moderate. The Bank's Guidelines: On Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006, and revised January 2011 will apply to the project.

D. Procurement

73. Procurement activities for the project will be carried out by the procurement unit within the SP/PST. While the SP/PST will be fully responsible for all the administrative aspects of procurement, the technical aspects of procurement will remain with the relevant sector ministries and municipalities. Municipalities will play a key role in overseeing, planning, and implementing the infrastructure and urban planning activities under the project. Procurement activities will be carried out in accordance with the Bank's Guidelines and the provisions stipulated in the Financing Agreement. It was agreed with the client that all procurement processes of the contracts subject to the Bank's prior review will be reviewed only by the Bank. The process will be described in the project implementation manual. Contracts subject to post review may be reviewed by the Client reviewing mechanism.

74. The procurement risk is rated Substantial, given (a) the country context and associated risk; (b) the fact that the technical procurement aspects will remain with the sector ministries and municipalities, which will need to be proactive and efficiently play their role in the project context; and (c) the MUH has limited Bank project management experience and will have to interact with the municipalities who do not have all the necessary skills, capacity, and experience to fulfill their responsibility in the project. Details are provided in Annex 3.

E. Social (including Safeguards)

75. The project is expected to deliver significant social benefits by improving the living and mobility conditions of the communities, which have a poor and limited infrastructure base, to accommodate the needs of a fast-growing population and the transport of goods. Further, by improving mobility and access to services, the project will also contribute to addressing human and social development issues, as these vulnerable communities will have better access to the required social services (health, education) and economic assets, such as markets. The roads likely to be upgraded pass through a series of traditional villages, rural districts, and provinces and benefits their economic development. In addition, during construction, the project will contribute to fighting poverty in the project areas for both men and women, through revenue generation resulting from the use of HILM construction for the rural road works and some urban works, as well as unskilled labor jobs for the local population in the villages along the roads.

76. The project is Category B and triggers the Involuntary Resettlement Safeguard Policy (OP 4.12). In the PTDIU, most of the road upgrading follows the existing alignment. Urban roads to be rehabilitated are existing unpaved roads. Other investments are site specific and localized. In addition, rural roads are unpaved and will be rehabilitated to improve traffic

conditions. The project is expected to have limited and reversible adverse impacts on human populations and vulnerable social groups. The potentially negative social impacts of activities carried out under the project are limited and site specific. There is a risk of possible influx of workers. It is unlikely that the proposed activities will entail major resettlement such as the relocation of dwellings. The proposed activities are likely to cause limited temporary displacements and rarely resettlements. The potential negative social impacts of the road rehabilitation and upgrading activities carried out under the project are expected to be site specific and typical of such projects and can be mitigated or avoided entirely.

77. For the inter-urban road, the precise characteristics will be known only after the feasibility study is completed. This study is under way and is expected to be completed by project effectiveness. Road upgrading is expected to have temporary adverse impacts through interruption of commercial activities for populations settled along the road in some agglomerations, mostly during the market days (every three days).

78. For the urban investments, one of the criteria in their final selection will be a minimal need to take land and/or relocate people. A Resettlement Policy Framework (RPF) has been prepared and, if despite the precaution taken, resettlement is necessary, an RAP will be prepared and submitted to the Bank for approval and implemented before commencement of any of the planned road works.

79. For the urban investments, technical studies have not started. The precise location and characteristics will be known only after these studies are completed. As the precise locations and characteristics of the investments are not yet known, the RPF prepared will be used. The RPF for the project was prepared by the Government, reviewed by the Bank, and disclosed in-country and at the InfoShop on March 24, 2016. The SP/PST includes a safeguards unit that has overseen implementation of several projects funded by IDA. Although the SP/PST is already familiar with Bank safeguards procedures, additional training sessions will be organized for staff on Bank safeguards policies and an additional social safeguards specialist will be hired to strengthen the safeguards unit. Capacity building will also involve municipalities, staff of line ministries, CSOs, and engineering firms participating in project implementation.

80. All project sites will be screened for involuntary resettlement based on the RPF, and, as needed, specific social impact assessment and RAPs will be prepared in consultation with affected people, reviewed, submitted for Bank approval, and disclosed at the InfoShop. The RAPs will be implemented before commencement of any activity that triggers OP 4.12. All costs associated with compensation for land and structures will be borne (in cash or land for land) by the Government and will be paid before the commencement of the works.

81. The Government is required to prepare and submit to the Bank, for prior approval and disclosure, any required RAP in accordance with the RPF, for the activities proposed to be carried out under the project. Before commencing any works, the Government will take all actions required by the RAP and obtain the Bank's clearance for the commencement of the civil works.

82. **Targeting citizen engagement in the project.** The project recognizes the importance of community participation. The identification and the preparation of the PTDIU has been

undertaken through a robust citizen engagement process in all cities. Consultations were led and managed by the SP/PST team, and local stakeholders comprising men and women residents in the targeted neighborhoods, district decentralized civil servants and their technical staff, opinion leaders, local experts, Community Based Organizations and Civil Society Organizations (CBOs/CSOs), and those from the central Government were consulted. During the technical feasibility study and thereafter, a Social Assessment will be prepared to feed any technical input as necessary. Social M&E Surveys will be undertaken before and after implementation of the contracts for the upgrading of the roads, to gauge how road users and communities view the PTDIU activities. These surveys will also provide data that capture citizen feedback, social outcomes, and effectiveness of HIV/AIDS mitigation measures. The survey will use gender-disaggregated data to measure and explain how the roads are improving stakeholders' living condition and changing women's lives, particularly in reducing travel times, improving access to markets, and enhancing social capital and economic and financial capability of the population. The findings will serve as a tool to define road network social issues and recommendations for further improvements in the sector.

83. To promote accountability and enhance transparency, the project will partner with relevant CSOs or CBOs, such as professional associations, during project implementation to ensure due diligence to strengthen the process in a participatory manner. The project will also place emphasis on formalizing ways through which CSOs and local actors can provide feedback. This will be through means such as locally based community radios, monitoring of behavioral changes, implementation of RAPs, and ensuring of transparent disclosure of project information in addition to strengthening of grievance redress mechanisms (GRMs) for stakeholders.

84. **Safeguards GRM.** The RPF and the Environmental and Social Management Framework (ESMF) describe a mechanism for receiving and addressing complaints at the community, city, and national level that may arise with the planning, preparation, and implementation of the proposed subprojects under the PTDIU. The project will use the Government-established GRM, which operates at the district level and is based on several legal provisions (for example, the Expropriation Law and the *"Règlementation Agraire et Foncière (RAF)"*). The project will be responsible for the establishment of the GRM in each of the provinces and familiarization of the public with the GRM. All construction-related complaints and other complaints linked to the project investments (for example, lack of compensation, dumping of waste, and inappropriate behavior of the workers) that are brought to the attention of the project management will be handled according to the mechanisms described in the RPF and the ESMP. The project implementation teams, drawing on support from the CSOs, and local authorities, and traditional leaders, will remain engaged with the community in each of the cities and villages to provide a feedback loop for information sharing and receiving and mitigating complaints.

85. **Gender issues.** The project will equitably benefit women and men, children, and the elderly by improving access to markets, social infrastructure, and services. Attention will be given to markets at the borders, by providing safe and enhanced access to the market places; this will benefit the rural women more, since they represent the majority of small-scale, cross-border traders.

86. **HIV/AIDS prevention.** The project will build on the experience of the implementation of HIV/AIDS prevention activities during the implementation of the Transport Sector Project and

the West African Transport and Transit Project. An HIV/AIDS assessment along the road corridor will be carried out as part of the social infrastructure and services needs assessment, and mitigation measures will be implemented. This will link up with the National HIV Program. The HIV/AIDS assessment will focus on the hot spots (service and rest stops, towns, provinces, and villages). In addition, the civil works contracts will have provisions for awareness campaigns for the workers, the community, and drivers, aiming to address HIV/AIDS risks during the construction period.

87. Finally, the Government, through the SP/PST, will report quarterly to the Bank on the social safeguard measures taken through a specific Safeguard Monitoring Report and a summary of this report is to be included in the periodic project progress reports.

F. Environment (including Safeguards)

88. The project will fund roads (urban and inter-urban) rehabilitation and upgrading. With regard to inter-urban roads, the project will fund upgrading of about 78 km of the road Manga-Zabré border of Ghana and a rural road connecting to the main road. As for urban roads, some cities among the five (Manga, Tenkodogo, Koudougou, Ouahigouya, and Dédougou) will benefit from the upgrading or rehabilitation of existing roads and also some infrastructures such as markets, warehouses, animal health facilities, and possible infrastructure requested later on by the LGs.

89. The project is rated Environmental Assessment Category B and triggers two environmental safeguard policies, namely OP/BP 4.01 - Environmental Assessment and OP/BP 4.11 - Physical Cultural Resources. The environmental rating is justified by the fact that investments are site specific, moderate, on a limited scale, and associated with reversible potential adverse impacts on the environment.

90. Because design details are not yet known for the roads currently subject to technical studies and details of the urban investments are not yet known, an ESMF has been prepared to cover the entire project. The ESMF outlines an environmental and social screening process, including institutional responsibilities for screening, review and clearance, and implementation of mitigation and monitoring measures for future investments. It is also designed to serve as a guide for developing ESIA's and ESMPs as needed, when the exact sites are known. In addition to the ESMF, a Physical Cultural Resources Management Framework (PCRMF) has been prepared to address all issues related to OP/BP 4.11 - Physical Cultural Resources. Both the frameworks have been reviewed by the Bank and disclosed in-country on February 1, 2016 and March 22, 2016, and at the Bank's InfoShop on March 24, 2016.

91. To properly manage possible adverse environmental impacts, once the site locations and investment characteristics are known, ESIA's will be prepared, reviewed, consulted upon, and disclosed in Burkina Faso and at the InfoShop before the works.

92. The ESIA's will evaluate potential adverse impacts associated with civil works, which will lead to the development of ESMPs with mitigation measures to avoid, reduce, or offset these adverse impacts. Furthermore, institutional arrangements, budgets, and environmental monitoring programs will be developed and implemented during works to ensure that all positive

or adverse impacts were adequately addressed. Public consultations, including at the local level, will be held on the ESIA's to make sure that stakeholders' concerns and suggestions have been taken into account into final documents before their disclosure in-country and at the Bank's InfoShop.

93. The capacity of the SP/PST to implement the requirements of safeguard instruments (ESMF, PCRMF, and RPF) has also been evaluated. As a result, there is a need to reinforce its capacity on two aspects. First, the current safeguards specialist will continue to receive implementation support and technical guidance from the Bank's safeguards specialists during supervision missions. In addition to that, another safeguards specialist with social background will be hired. This staff member will work with the first one on the implementation and monitoring of environmental and social safeguards aspects. Both staff will ensure regular screening, monitoring, evaluation, and managing of potential positive or adverse environmental and social impacts that the proposed project is expected to generate. The Bank's supervision missions will also include environmental and social safeguards specialists to make sure that all safeguards issues are properly addressed on time.

94. The "*Bureau National des Evaluations Environnementales BUNEE*" is the Government's agency in charge of ensuring that safeguards measures are properly implemented in the execution of investments. To allow BUNEE to undertake its tasks, the Government has issued legal documents "*the Arrêté n°2012-218/MEDD/MEF du 28 décembre 2012. JO N° 09 du 28 février 2013*" to provide BUNEE with authority to collect duties, fees or other charges payable from the project promoters through an agreement be they private or public. These fees are shared between the public treasury and BUNEE for its management costs. For the PTDIU, the Government will enter into a collaboration agreement with BUNEE to clarify the roles and responsibilities of, and facilitate collaboration between BUNEE and SP/PST with respect to safeguards supervision for the Project. IDA proceeds of the Financing shall not be used to finance any expenses related to any duties, fees or other charges payable to BUNEE under the Recipient's *Arrêté n°2012-218/MEDD/MEF du 28 décembre 2012. JO N° 09 du 28 février 2013*, as it may be amended from time to time.

95. **The project will pay special attention to climate change vulnerability.** By enhancing the level of road service and constructing storm water drains and gutters along the rehabilitated roads in rural areas and within cities, the project contributes to reducing the vulnerability of beneficiary rural areas and cities to climatic changes which are likely to increase instances of flooding with risk to people and infrastructure. This will also increase resilience. Particular attention will be paid to this aspect in technical designs, in line with the climate change screening carried out during project preparation.

96. **Climate change screening summary.** The climate change screening was undertaken for the project area. It was concluded that the risk for earthquake is very low if not non-existent, while the risks for flooding and high temperature are present but limited.

97. **Greenhouse gas (GHG) emissions and co-benefits.** It is known that the transport sector contributes to GHG emissions derived in general from fuel consumption of vehicles. The PTDIU does not implement a specific program of public transport, which could contribute substantially to reducing GHG emissions. The major relevant activities consist of upgrading about 20 km of

urban roads and asphaltting 78 km of inter-urban road between Manga and Zabré. The activities related to urban mobility in Ouagadougou are provided as institutional support.

98. Due to the nature of the investments, the impact on GHG reduction is limited. The investment on the Manga-Zabré inter-urban road will improve the travel conditions of the road users and reduce the occurrence of vehicle deterioration. Private transport companies are likely to establish themselves in the region as the road is improved and the region will be better connected. The assumption is that road users will, to some extent, use collective rather than individual modes of transport and this way contribute to reduce the number of vehicle-kilometers traveled and, in consequence, probably reduce GHG emissions. The combination of safe and cheaper transport and the assurance of reaching the desired destination will be the key elements that determine collective rather than individual modes of transport.

99. Based on the above assumptions, the project will increase the use of the rehabilitated roads but this investment by itself will have limited impact on GHG emissions. There will be a need to raise awareness to convince users to prioritize collective modes of transport over the use of individual cars. In Ouagadougou, the project will continue the actions of the Transport Modal Shift Project by supporting the municipalities to set up an adequate institutional framework and have a continuous policy dialogue on urban transport. The available data do not allow specific calculation of direct and indirect GHG emissions. An older study, from 2004, projected a growth of CO₂ emissions from all modes of transport in Ouagadougou from 855 tons per day in 2003 to 1,958 tons per day in 2015 under a do-nothing scenario. Therefore, in Ouagadougou, an improved traffic plan is necessary to reduce the urban transport efficiency and limit the GHG emission. Due to these reasons, a qualitative assessment of the impact of the project in the four cities would be more indicative (travel condition improvement) and will be carried out as part of the impact assessment.

G. World Bank Grievance Redress

100. Communities and individuals who believe that they are adversely affected by a Bank-supported project may submit complaints to existing project-level GRMs or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project affected communities and individuals may submit their complaints to the Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of Bank noncompliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the Bank's attention, and Bank management has been given an opportunity to respond. For information on how to submit complaints to the Bank's corporate GRS, visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank Inspection Panel, visit www.inspectionpanel.org.

Annex 1: Results Framework and Monitoring

Burkina Faso: Transport and Urban Infrastructure Development Project (P151832)

Results Framework

| Project Development Objectives | | | | | | | | |
|---|---|---------------|-----|-------|--------|---------|---------|------------|
| PDO Statement: The PDO is to improve mobility and access to infrastructure in targeted rural and urban areas and in the event of an eligible crisis or emergency, to provide immediate and effective response to said eligible crisis or emergency. | | | | | | | | |
| These results are at | Project Level | | | | | | | |
| Project Development Objective Indicators | | | | | | | | |
| | | Target Values | | | | | | |
| Indicator Name | Baseline | YR1 | YR2 | YR3 | YR4 | YR5 | YR6 | End Target |
| Travel time along the rehabilitated RN29 | Manga-Zabré: Four-wheel drive vehicle 130 mn. | 130 | 130 | 130 | 130 | 60 | 60 | 60 |
| Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project (Number) - (Core) | 0 | 0 | 0 | 0 | 7,900 | 13,750 | 18,000 | 18,000 |
| Number of people in urban areas provided with access to other infrastructure under the project (Number) | 0 | 0 | 0 | 1,350 | 21,000 | 23,750 | 23,750 | 23,750 |
| Sectors with improved capacity to monitor implementation of sector policies and generate annual sector reports (Number) | 0 | 0 | 0 | 0 | 1 | 2 | 2 | 2 |
| Direct project beneficiaries (Number) - (Core) | 0 | 0 | 0 | 1,350 | 28,900 | 160,000 | 165,000 | 165,000 |
| Female beneficiaries (Percentage - Subtype: Supplemental) - (Core) | 51 | 51 | 51 | 51 | 51 | 53 | 53 | 53 |

| Intermediate Results Indicators | | | | | | | | |
|--|----------|---------------|--------|--------|---------|---------|---------|------------|
| | | Target Values | | | | | | |
| Indicator Name | Baseline | YR1 | YR2 | YR3 | YR4 | YR5 | YR6 | End Target |
| Component A: Inter-urban Infrastructure | | | | | | | | |
| Roads rehabilitated (non-rural) (Kilometers) - (Core) | 0 | 0 | 0 | 10 | 40 | 78 | 78 | 78 |
| Roads rehabilitated (rural) (Kilometers) - (Core) | 00 | 0 | 0 | 0 | 0 | 9 | 9 | 9 |
| Person-days of employment created (Number) | 0 | 0 | 15 000 | 62 500 | 172 000 | 250 000 | 310 000 | 310,000 |
| Component B: Urban Infrastructure in Targeted Regional Capitals | | | | | | | | |
| Roads rehabilitated (non-rural) (Kilometers) - (Core) | 0 | 0 | 0 | 0 | 8 | 15 | 20 | 20 |
| Number of economic and other infrastructures constructed (Number) | 0 | 0 | 0 | 2 | 7 | 8 | 8 | 8 |
| Shops and other economic activities installed along the rehabilitated roads (Number) | 0 | 0 | 0 | 0 | 0 | 160 | 300 | 300 |
| Component C: Institutional Support and Sector Governance | | | | | | | | |
| Cities with capacity to implement urban master plans (Number) | 0 | 0 | 0 | 1 | 4 | 8 | 12 | 12 |
| Regulatory acts and policies prepared (Number) | 0 | 0 | 2 | 3 | 4 | 5 | 5 | 5 |
| Annual training plan execution level (percent) | 0 | 50 | 80 | 80 | 80 | 80 | 80 | 80 |
| Component D: Project Management | | | | | | | | |
| Grievances registered related to delivery of project benefits that are effectively addressed in accordance with the grievance mechanism (Percentage) | 0 | 90 | 90 | 90 | 90 | 90 | 90 | 90 |

| Component E: Contingent Emergency Response | | | | | | | | |
|---|---|-----|-----|-----|-----|-----|-----|-----|
| If the CERC is triggered: number of beneficiaries benefiting from emergency response and recovery activities. | 0 | TBD | TBD | TBD | TBD | TBD | TBD | TBD |

| Indicator Description | | | | |
|---|--|------------------|---|---|
| Project Development Objective Indicators | | | | |
| Indicator Name | Description (Indicator Definition) | Frequency | Data Source/Methodology | Responsibility for Data Collection |
| Travel time along the rehabilitated RN29 | This is the average travel time on the RN29 measured on the 78 km stretch between Manga and Zabré, average speed 40 km per hour before and 100 km per hour on open road and 50 km per hour in built-up areas after (by four-wheel drive in both cases). | Annual | M&E reports. | DGIR/DGNETC and SP/PST |
| Number of people in urban areas provided with access to all-season roads within a 500 meter range under the project (Number) - (Core) | All-season road is defined as a road that is motorable all year by the prevailing means of transport. Predictable interruptions of short duration during inclement weather (for example, heavy rainfall) are acceptable. Data on the number of people provided with access will be measured by multiplying the length of roads upgraded with the estimated population density along the road, with any double counting excluded. | Quarterly | M&E reports. The target value is cumulative and based on the expected (but not yet confirmed) program of road rehabilitation. It should be updated if needed. | DGUVT, municipalities and SP/PST |
| Number of people in urban areas provided with access to other infrastructure under the project (Number) | This indicator captures beneficiaries of other infrastructure (other than roads) constructed under Component B (direct and regular users). | Quarterly | M&E reports. The target value is cumulative and based on the expected (but not yet confirmed) program of urban investments. It should be updated if needed. | DGUVT, municipalities and SP/PST |
| Sectors with improved capacity to monitor | The indicator measures the improved capacity of the infrastructure and transport sectors | Quarterly | M&E reports. The target value is cumulative. | MI, MTMUSR, MUH, and SP/PST |

| | | | | |
|---|---|------------------|--|--|
| implementation of sector policies and generate annual sector reports (Number) | (counted as one sector) to monitor sector performance and produce improved annual sector report as well as the capacity of the urban sector to produce an annual sector report (against none produced presently). | | | |
| Direct project beneficiaries (Number) - (Core) | Direct beneficiaries are people benefiting from project interventions under Components A and B. The beneficiaries corresponding to the Rural Access Index indicator (the number of people in the project area who live within 2 km) are also considered as direct beneficiaries, although the road is open to traffic all seasons before the project. | Quarterly | M&E reports. The target value is cumulative. It should be updated when the infrastructures and number of beneficiaries become known. | DGIR/DGPR/DGNETC, DGUVT, municipalities and SP/PST |
| Female beneficiaries (Percentage - Subtype: Supplemental) - (Core) | The percentage of female beneficiaries is estimated based on the composition of the population of Burkina Faso as well as the specific gender composition of the population in the two provinces traversed by the RN29 and RD30. More detailed estimates will be made in connection with project impact assessments. | Quarterly | M&E reports. The target value is cumulative percentage of direct beneficiaries. | SP/PST |
| Intermediate Results Indicators | | | | |
| Indicator Name | Description (Indicator Definition) | Frequency | Data Source /Methodology | Responsibility for Data Collection |
| Component A: Inter-urban Infrastructure | | | | |
| Roads rehabilitated, (non-rural) (Kilometers) - (Core) | Length (km) of all non-rural roads reopened to motorized traffic, rehabilitated, or upgraded under the project. Indicator covers Component A (inter-urban roads). | Quarterly | M&E reports. The target value is cumulative. | DGIR/DGNETC and SP/PST |
| Roads rehabilitated (rural) (Kilometers) - (Core) | Rural roads are defined as rural access and agricultural roads. They connect small urban centers/towns/settlements of less than 2,000 to 5,000 inhabitants to higher classes of road, market towns, and urban centers. | Quarterly | M&E reports. The target value is cumulative. | DGPR/DGNETC and SP/PST |
| Person-days of employment created (Number) | The works supervisors will be required to keep track of and report on the number of people employed at the construction sites. | Quarterly | M&E reports. The target value is cumulative and based on historical data on | DGIR/DGPR/DGNETC and SP/PST |

| | | | | |
|--|--|-----------|--|---|
| | | | labor content provided by the SP/PST. | |
| Component B: Urban Infrastructure in Targeted Regional Capitals | | | | |
| Roads rehabilitated (non-Rural) (Kilometers) - (Core) | Length (km) of all non-rural roads reopened to motorized traffic, rehabilitated, or upgraded under the project. Indicator covers Component B (urban roads). | Quarterly | M&E reports. The target value is cumulative. It should be updated if needed. | MUH, municipalities, and SP/PST |
| Number of economic and other infrastructures constructed (Number) | Indicator measures the total number of infrastructures constructed under Component B. | Quarterly | M&E reports. The target value is cumulative. It should be updated if needed. | MUH, municipalities, and SP/PST |
| Shops and other economic activities installed along the rehabilitated roads (Number) | The indicator is a proxy for economic activity generated. The opening of shops will not be directly indicative of increased economic activity (as shops can have relocated from elsewhere or other macroeconomic factors can influence the opening of shops) but the extent to which this economic activity can be attributed to the project will be sought and established through surveys. | Annual | M&E reports and surveys. The target value is cumulative. | MUH, municipalities, and SP/PST |
| Component C: Institutional Support and Sector Governance | | | | |
| Cities with capacity to implement urban master plans (Number) | The 12 regional capitals each dispose of urban master plans and the indicator measures how many of the 12 cities are able to carry out demarcation of zoning designations. | Annual | M&E reports. The target value is cumulative. | MUH and SP/PST |
| Regulatory acts and policies prepared (Number) | The number of policies, legal acts, and related regulation prepared by the project. | Annual | M&E reports. The target value is cumulative. | MTMUSR, MUH, and SP/PST |
| Annual training plan execution level (percent) | Measures the percentage of annually updated training plans implemented as the number of persons trained compared to the number of persons to be trained in the annual training plan. | Annual | M&E reports. The target value is annual. | MI, MTMUSR, MUH, MATDSI, municipalities, and SP/PST |

| Component D: Project Management | | | | |
|--|---|-----------|--|---|
| Grievances registered related to delivery of project benefits that are effectively addressed in accordance with the grievance mechanism (Percentage) | This indicator measures the effectiveness of the grievance mechanism, to be established by the project, with regard to the percentage of grievances received from intended beneficiaries that are effectively addressed. (This is a citizen engagement indicator) | Annual | M&E reports. The target value is annual. | SP/PST |
| Component E: Contingent Emergency Response | | | | |
| If the CERC is triggered: Number of beneficiaries benefiting from emergency response and recovery activities. | This indicator captures beneficiaries of the CERC mechanism if it is activated. | Quarterly | CERC implementation status reports. The target value is based on emergency occurrence. | DGIR/DGNETC, DGUVT, municipalities and SP/PST |

Note: DGIR = Department of Road Infrastructure (*Direction Générale des Infrastructures Routières*); DGPR = Department of Rural Roads (*Direction Générale des Pistes Rurales*); DGUVT = Department of Urban Planning and Topography (*Direction Générale de l'Urbanisme de la Viabilisation et de la Topographie*); DGNETC = Department of Norms, Technical Studies and Control (*Direction Générale de la Normalisation, des Etudes Techniques et du Contrôle*).

Annex 2: Detailed Project Description

Burkina Faso: Transport and Urban Infrastructure Development Project (P151832)

1. The project approach is to support geographically coordinated investments in five regions of Burkina Faso and in Ouagadougou. The project will create synergies between rural economic development, through improved transport connectivity and support to increased export of agricultural produce, and urban development and economic growth in the five regional capitals. The project interventions are designed to provide an integrated package of support linking infrastructure investments with existing and emerging economic activities, as well as ongoing investments, in the Bagré Growth Pole and in the regions immediately north and west of Ouagadougou. The project will thus strengthen rural-urban linkages. Simultaneously, the project targets strengthening the capacity of regional capitals to enable them to manage rapid urbanization with regard to urban planning and provision of key strategic urban services with the aim of accommodating a rapidly growing population and supporting the local economic growth. Finally, the project aims at supporting the improvement of urban transport management in Ouagadougou, given the link between improved mobility and productivity in the nation's capital and most important urban agglomeration.

2. The areas of intervention have been selected with the Government during project preparation. The investments in the Bagré Zone have high priority for the Government and the Bank, as the Bank is financing (through the Bagré Growth Pole Project and with other donors) irrigation of agricultural land. Bagré is identified as one of the growth poles for its high potential for agribusiness, horticulture, livestock, fish farming, and staple crops production. The Bagré Development Zone was initiated in 1989 with the construction of a hydropower dam. The development zone covers about 500,000 hectares around the lake created by the dam, with 57,800 hectares of irrigable land downstream of the dam. However, the Bagré Growth Pole Project does not have the necessary funds for required road investments and the production zone remains isolated during the rainy season. Component A will finance some of the road works needed to open up the Bagré Zone and link it to main markets in Ouagadougou and Ghana. Two of the cities benefiting from Component B (Manga and Tenkodogo) are in this area and have been retained due to the links and synergies with these ongoing activities.⁴ The other three cities benefiting from physical investments under the project (Ouahigouya, Koudougou, and Dédougou, in the Northwestern corridor)⁵ have been selected due to their agricultural potential and synergies with ongoing investments to pave classified roads linking these three cities with Ouagadougou. The other criterion for selecting the five project cities is the level of poverty in the respective regions.

3. The proposed project is ready for implementation. Tenders of activities for about 65 percent of the project amount will be launched shortly after effectiveness (all Component A

⁴ The populations of the cities are (a) Manga: urban population 19,860 (total LG population of 20,101) and (b) Tenkodogo: urban population 44,919 (total LG population of 124,985). Population numbers are from the urban master plans prepared in 2012 but date back to the 2006 census.

⁵ The populations of the cities are (a) Dédougou: urban population 38,862 (total LG population of 86,965); (b) Koudougou: urban population 88,184 (total LG population of 138,209); and (c) Ouahigouya: urban population 73,153 (total LG population of 125,03). Population numbers are from the urban master plans prepared in 2012 but date back to the 2006 census.

physical investments and Component B feasibility studies). Components C and D will be implemented at an even pace throughout the project. Component E will only be activated if a trigger event occurs. An amount of US\$2.0 million is provisioned to cover any physical and price contingencies.

Component A: Inter-urban Infrastructure (US\$56.0 million equivalent, of which IDA US\$56.0 million including Project Preparation Advance of US\$3.1 million equivalent)

4. Component A will contribute to improving connectivity in the five targeted areas. The component will fund infrastructure to improve connectivity between areas of agricultural production and their rural hinterlands to the targeted regional capitals and to Ouagadougou and Ghana, which are centers of consumption, and thus contribute to increasing the economic benefits to producers. This component will focus on the production area of the Bagré Growth Pole around Manga and Tenkodogo (Bagré Zone). However, the project will lay the groundwork (through studies) for the SDC to invest in upgrading of 100 km of rural road and 40 culverts through HILM in a separate but strongly coordinated project (implemented by the same IA as the PTDIU) and for the Government to implement its yearly rural road upgrading program. It includes four groups of activities:

- (a) **Road upgrading works and telecommunications connectivity** (about US\$52.23 million):
 - (i) upgrading of about 78 km of the RN29 between Manga and Zabré from earth road to asphalt. This constitutes the majority of the 104 km of the Manga-Zabré-Zoaga-Ghana border road, for which engineering designs will be prepared;
 - (ii) rehabilitation of the nine km of the rural road RD30 from Dindéogo to Zonsé. These road investments will contribute to connecting the Bagré area with the south of the country and with Ghana. These roads are all in a very high state of degradation and it takes over 2 hours to drive 78 km on the RN29;
 - (iii) the feasibility of including a digital connectivity activity (for example, fiber optic or wireless antennae) is being studied in connection with the road designs and coordinated with the Burkina National Backbone Project operating in the area, with the objective of developing information and communication technology services for the agglomerations along the road, to bring the beneficiary areas out of their ‘digital isolation’. If feasibility is confirmed, the activity will be funded by the project; and
 - (iv) construction of two toll stations and an axle load control station.
- (b) **Supervision and technical control (about US\$2.35 million)** of (i) upgrading of the RN29 between Manga and Zabré, the two toll stations, an axle load control station and rehabilitation of the Dindéogo-Zonsé road (about US\$2.30 million) and (b) Internet connectivity in the agglomerations along the Manga-Zabré road (US\$0.05 million).

- (c) **Feasibility studies and engineering designs (about US\$0.97 million)** for (i) upgrading of about 100 km of rural roads by HILM in the rural hinterlands of the five targeted cities (to be funded by the SDC in a separate project) (about US\$0.236 million); (ii) construction/rehabilitation of about 40 culverts opening up production areas in the targeted zones by HILM (to be funded by the SDC in a separate project) (about US\$0.327 million); (iii) construction of about 200 km of rural roads in connection with the agriculture production areas in selected cities' hinterland (selected in coordination with the Ministry of Agriculture) (about US\$0.364 million); and (iv) technical feasibility for internet connectivity (about US\$0.045 million). The PTDIU only finances the studies and the Government will seek other sources of funding for works. These rural roads are intended to open up production zones to connect rural hinterlands and facilitate transport of agricultural produce to markets.
- (d) **Safeguards studies.** ESIA's and RAPs (in case of need) for all the above investments (US\$0.43 million).

5. Preparation of Component A investments is advanced and feasibility studies are expected to be ready by project effectiveness. Tender documents will be prepared along with the engineering design studies. Both the 100 km road upgrading and the 40 culverts to be implemented through the SDC-funded project (project amount - CHF 7 million) will be located in the rural hinterlands of the five PTDIU cities.

Component B: Urban Infrastructure in Targeted Regional Capitals (US\$30.00 million equivalent, of which IDA US\$30.0 million)

6. This component will fund physical investments in the five targeted regional capitals (Manga, Tenkodogo, Ouahigouya, Koudougou, and Dédougou) with the objective of improving access to various types of urban infrastructure. It will also generate synergies with the connectivity infrastructure constructed under Component A and with existing and emerging economic activities. All 12 regional capitals in the country have recently benefited from updated urban master plans (developed as part of the Bank-funded Decentralized Urban Capacity Building Project). Investments in the five cities will be made in four of the six focus areas identified in the Government's urban investment program, drawn from the urban master plans: focus areas 2 (urban roads), 4 (urban environment), 5 (activity zones), and 6 (structuring urban facilities). It is expected that these investments will contribute to better integrating the cities and developing economic activities and, over time, densifying the urban fabric by promoting investments along the rehabilitated roads. In addition, the investments will be used as entry points to improve the O&M of urban infrastructure and generate revenue (through user fees and various taxes on economic activity). These impacts will be quantified by establishing the pre-intervention baselines and carrying out a study to assess the changes after the project.

7. The process of setting investment priorities in consultation with the authorities of the project cities is under way. Potential activities have been identified based on the urban master plans and the MUH urban development program. Component B therefore consists of a potential list of investments, inspected by the Bank's task team and discussed with the client and city

authorities during project preparation and to be further refined in consultation with the MUH and newly elected LGs after May 22, 2016.

8. A pre-feasibility study will be launched to assess institutional, socioenvironmental, technical, and financial feasibility of proposed investments and assist newly elected mayors to adapt the investment program if needed. The pre-feasibility study TORs have been prepared and the study will be launched before project effectiveness with the objective of having the finalized program of investments shortly after project effectiveness, with TORs available for feasibility studies. The following list is therefore indicative and investments can be replaced; any new proposal must respond to the following criteria: (a) be included in the urban master plan; (b) contribute to achieving the project PDO; (c) fall within the functional mandates formally transferred to the communes; and (d) be within the envelope allocated to the city. The proposed new investments have to be covered by the pre-feasibility study. Up to their allocated investment amount, each LG will be allowed to choose the final list of investments among the subprojects confirmed as feasible.

9. The investment amounts are, as shown in Table 2.1, based on the amounts of proposed investments, as confirmed by a project preparatory study and based on the criteria of level of poverty in the respective regions, infrastructure deficit in the cities and population, and an equal share for each city, as determined by a project preparatory study. This formula was adjusted to take into account recent investments in Dédougou in connection with the annual independence evaluation.

Table 2.1. Repartition of Component B Investment Funds

| Region | City | CFAF (millions) | US\$ Equivalent (million) |
|---------------------------|-------------|------------------------|----------------------------------|
| North-West (Mouhoun area) | Dédougou | 985 | 1.79 |
| Central-East | Tenkodogo | 2,597 | 4.72 |
| Central-West | Koudougou | 4,222 | 7.68 |
| Central-South | Manga | 3,350 | 6.09 |
| Northern | Ouahigouya | 4,647 | 8.45 |
| Amount allocated | – | 15,801 | 28.73 |
| Reserve (contingencies) | – | 699 | 1.27 |
| Total | – | 16,500 | 30.00 |

10. The indicative list of investments is as follows:

- (a) **Urban roads (focus area 2).** Asphaltting of about 20 km of urban roads in four of the five targeted regional capitals (i) Koudougou - 7.0 km; (ii) Ouahigouya - 6.5 km; (iii) Tenkodogo - 5.0 km; and (iv) Manga - 1.5 km.
- (b) **Urban environment (focus area 4).** Construction of about 2.5 km of storm water drainage in Koudougou.
- (c) **Activity zones (focus area 5).** Upgrading and expansion of market gardening in each of the cities of Manga and Ouahigouya through irrigation and improved conditions for producers and purchasers.
- (d) **Structuring urban facilities (focus area 6).** (i) upgrading of existing bus stations in Dédougou and Manga; (ii) construction of a market in Dédougou; (iii) construction

of a cattle market in Manga; and (iv) rehabilitation and upgrading of the abattoir in Manga.

11. The investments include feasibility studies, including economic analysis, social and environmental studies, and works supervision. The studies will be carried out before a final decision is taken on whether to include investments in the project. In addition to these investments, the feasibility studies may cover two or three additional investments of similar nature per city, to be proposed by the new mayors and municipal councils in case of changed priorities following LG elections and also cater to the eventuality that proposed investments may prove unfeasible.

Component C: Institutional Support and Sector Governance (US\$13.0 million equivalent, of which IDA US\$10.0 million and counterpart funding US\$3.0 million)

12. Component C is targeted toward activities that will contribute to improve the operational capacity of ministries and municipalities involved in project implementation and further support reform for improved performance in the sectors covered by the project.

Subcomponent C1: Infrastructure Sector (US\$1.33 million equivalent)

13. This subcomponent supports the infrastructure sector (MI, General Secretariat, central, regional, and provincial directorates involved in the project) in the continuation and implementation of sector reforms.

- (a) **Sector reforms:** (i) technical assistance to multiyear contracting of road maintenance activities and (b) technical assistance to improving sector statistics and management for results.
- (b) **Capacity building:** (i) training and participation to seminars and workshops; (ii) equipment (logistical means and information technology); and (iii) support to the Directorates of the Ministry of Economy, Finance and Development involved in the project monitoring (General Directorate of Cooperation, the General Directorate of Economy and the General Directorate of Treasury).

Subcomponent C2: Transport Sector (US\$0.91 million equivalent)

14. This subcomponent supports the transport sector MTMUSR (General Secretariat, central, regional, and provincial directorates involved in the project) for the continuation and implementation of sector reforms.

- (a) **Sector reforms:** (i) technical assistance to develop urban transport institutional framework; and (ii) technical assistance to improve sector statistics and sector management skills.
- (b) **Capacity building:** (i) training and participation in relevant seminars and workshops; and (ii) equipment (logistical means and information technology)

Subcomponent C3: Urban Sector (US\$10.8 million equivalent)

15. This subcomponent will provide technical assistance to line ministries and LGs to improve urban planning and management for better access to urban infrastructure. The line ministries supported by the component are the MUH, MATDSI, and the project municipalities, most notably the five regional capitals and Ouagadougou.

16. The support to the MUH will target activities contributing to the new Government's two overarching objectives for the sector. They are (a) improvement of urban planning to control urban development of cities, improvement of the urban environment, and making investments only according to agreed plans; and (b) the densification of cities to rationalize the use of space and facilitate access of the population to urban services and lay the foundations for better connection between workers and jobs. It will include support for the preparation of a coherent and realistic program for the rapid operationalization of urban master plans. It may also include support for the implementation of policies, procedures, and tools to mobilize all public and private actors and donors to contribute to the servicing and promotion of parceled and unoccupied zones and plots.

17. As for aspects related to intergovernmental relations and decentralization, the Bank will likely continue to support the MATDSI through a PACT phase two. Support under the PTDIU will be limited to activities that will allow the MATDSI to contribute effectively to achieving project outcomes. In addition, the MATDSI departments that support municipalities in infrastructure management may benefit from capacity-building programs to be funded by the project.

18. The objective of the support to municipalities is to improve their capacity to efficiently manage the city (planning, access to services), particularly urban infrastructure, with a focus on economic and commercial infrastructure. This support may include the implementation of (a) planning tools; (b) participatory approaches in the planning and management of infrastructures; (c) resource mobilization strategies; and (d) management, control, and monitoring procedures. It will also include strengthening municipal administration through training and small equipment.

19. The subcomponent activities are listed below.

- (a) **Support to implementation of planning tools** (including through studies, training, and small equipment to operationalize urban master plans and extend and upgrade the existing urban information system managed by the MUH to the five targeted project cities, for improved management of infrastructure and revenue generation) and capacity building for demarcation of zoning designations. The support to demarcation is subject to the positive outcome of a social impact assessment. These tools are designed to respond to the Government's strategy to address the urbanization patterns that are being rapidly locked in.
- (b) **Support to the MUH, MATDSI, and municipalities** for own-source revenue generation and management of investments funded by the project; implementation of participatory and transparent urban management processes; and clear

management, control, and monitoring procedures. The project will thus contribute to develop sources of financing for urban service delivery at the local level.

- (c) **Capacity building.** Training and equipment for the MUH, MATDSI, and municipal staff involved in infrastructure asset management, urban planning, urban management, geographic information system, project management, and participation to seminars and workshops. A long-list of training activities and equipment is available and will be refined to develop an annual training program sequenced to train relevant stakeholders to participate in project activities as they are implemented.
- (d) **Community engagement** for CBOs and CSOs on urban management issues and facilitation of their involvement in project activities.
- (e) **Updating** of the urban sector regulatory frameworks.
- (f) **Implementation of a sector monitoring mechanism** (either through an urban observatory in the MUH or a more decentralized arrangement with stronger involvement of urban LGs). The MUH has presented a proposal for implementation of an urban observatory, but the institutional arrangements, funding modalities, and data gathering process are to be clarified through a more detailed study and in relation with the new sector policy and strategy before a final decision on the setup is determined.
- (g) **Urban mobility in Ouagadougou** (focus area 1). (i) support to establishing and operationalizing the AOTU, including funding modalities and interface with national-level coordination mechanisms being implemented by the MTMUSR; (ii) support to implementing the traffic plan for Ouagadougou; (iii) feasibility study of implementing a bus rapid system in Ouagadougou; the project will build on previous Bank support in this area (Ouagadougou Transport Modal Shift Project, funded by the Global Environmental Facility) and is coordinated with interventions supported by the AFD and Municipality of Lyon); and (iv) study on operationalizing SOTRACO. This will contribute to laying the groundwork for improved public transport in conjunction with the other urban mobility activities.
- (h) **Urban environment** (focus area 4). Study on storm water drainage management plans for 12 regional capitals (excluding Ouagadougou).
- (i) **Economic activity zones** (focus area 5). Feasibility study for construction of economic activity zones in 12 regional capitals (excluding Ouagadougou).

Component D: Project Management (US\$6.0 million equivalent, of which IDA US\$4.0 million)

20. Project management cost, monitoring and evaluation (M&E), and communication (US\$4.0 million equivalent). This component will fund provision of support for the implementation and M&E of the project, including, among others, safeguards management and

supervision, the financing of operating costs, and fiduciary management, including the carrying out of the project's technical and financial audits (about US\$4.0 million).

21. Implementation of social and environmental safeguard instruments and cost for focal points and committees sessions (US\$2.0 million equivalent counterpart funding). The Government will, through its counterpart funding, finance implementation costs for the ESIA/Environmental and Social Management Plan (ESMP) and RAP for the roads and urban infrastructure works. The Government will also finance the cost for the focal points nominated in each IA to serve as an entry point and technical expert for the project implementation (about US\$2.0 million). The Government will also finance any management cost not eligible for the Bank funds, including inter alia the steering committee and the technical committee.

Component E: Contingent Emergency Response: (US\$0 million)

22. This component is a 'zero-assignment' CERC that will provide funding for immediate response in the event of an eligible crisis or emergency, defined as an event that has caused or is likely to imminently cause a major adverse economic and/or social impact associated with natural or man-made crises or disasters. This component would contribute to avoid further damage to or temporarily restore infrastructures, ensure business continuity, and enable early recovery and reconstruction. This component is included in line with the climate change screening to safeguard investments and avoid or minimize the effects of such trigger events on project investments or other critical infrastructure.

23. Building upon the flexibility made available by OP/BP 10.00, Investment Project Financing, this component will be governed by specific operational procedures, to be referenced in the PIM.

24. In the event that the component is triggered, then the CERC-specific objective of 'provide immediate and effective response to an eligible crisis or emergency' will be measured in the results framework. The component will be monitored using appropriate indicators identified as part of the approved emergency activities response at the time of triggering. The SP/PST will ensure the coordination of the CERC implementation.

Cross-cutting Sectors Implication in the Project

25. The project, by its multisectoral nature, will directly or indirectly affect some key sectors, including agriculture, education, health, trade and competitiveness, and information and communications.

26. The project intends to provide access to digital connectivity in some agglomerations along the Manga-Zabré border road of Ghana. The feasibility of including a digital connectivity activity (for example, fiber optic or wireless antennae) is being studied in connection with the road designs and coordinated with the Burkina National Backbone Project operating in the area. The objective is to take the opportunity of the physical connectivity established through the road upgrading to develop information and communication technology services for the agglomerations along the road, to bring the beneficiary areas out of their 'digital isolation'. With regard to agriculture, the opening up of the rural hinterlands of the cities would bring substantive connectivity to producers for the easy transfer of products and their enhanced value. Health and

education centers would be reachable due to the roads being upgraded. With improved transport, trade would be efficient, thus helping avoid inflation of prices for basic services.

Annex 3: Implementation Arrangements

Burkina Faso: Transport and Urban Infrastructure Development Project

Project Institutional and Implementation Arrangements

1. The institutional and implementation arrangements are aligned with the practice for similar projects financed by the Bank in Burkina Faso. The governing bodies of the project consist of a PSC, which ensures the overall guidance and supervision of the project, and a PTC, responsible for overseeing operational implementation aspects, as described.

2. The regulatory framework in Burkina Faso prescribes that multisectoral projects are to be implemented under the technical oversight of the ministry that benefits from the major part of investments and that implementation responsibility should be attributed to an already existing and effective project implementation unit (if such a unit exists). Based on these instructions, the MI is charged with project implementation, as road investments account for the major part of financing. The existing SP/PST hosted in the MI and working under the two Ministries (Infrastructure and Transport) has been appointed as the IA. It is an existing and well-performing IA and has knowledge of Bank procedures from having implemented, since 2003, a number of transport sector projects financed by the Bank and the European Union. In addition, the relevant departments in sector ministries will serve as EAs, while the LGs and municipal administrations will also play a role in implementing the project, as described.

Project Steering Committee

3. The PSC, which will be established within three months of project effectiveness, will be responsible for providing overall guidance to the project. The SP/PST has a steering committee for the currently managed projects. Due to the recent changes in the Government, the PSC will be established, taking into account the ministries involved in the project implementation. It will specifically (a) provide strategic orientation for the project; (b) approve annual work plans and budgets; (c) review project progress and evaluation reports; (d) review annual audits and activity reports; (e) monitor implementation of the PSC recommendations; (f) ensure synergy with other projects; and (g) examine all other documents submitted for its review.

4. The PSC will be co-chaired by the secretary generals of the MI, MTMUSR, and MUH. It will meet twice annually and for special sessions when convened by one of the co-presidents. It is composed of representatives from central, deconcentrated, and decentralized entities and the SP/PST assumes the role of secretariat:

- (a) Ministry of Economy, Finance, and Development
- (b) MI (president)
- (c) MUH (co-president)
- (d) MTMUSR (co-president)
- (e) MATDSI

- (f) The mayors of project cities or their representatives
- (g) The AMBF
- (h) The Association of Regions of Burkina Faso (*Association des Régions du Burkina Faso*,)
- (i) Representatives of donors (the Bank may participate as observer as well as the SDC)
- (j) Directors of project EAs or their representatives

Project Technical Committee

5. The PTC, which will be established within three months of project effectiveness, will be responsible for monitoring the project functioning. It will, in particular, (a) take stock of project progress, implementation of action plans, and financial performance on a monthly basis; (b) ensure adherence of agreed management modalities for the SP/PST and each EA; (c) identify difficulties and propose solutions; (d) submit to the permanent secretary any encountered or potential difficulties and proposed solutions; and (e) approve quarterly project progress reports to be submitted to authorities and donors.

6. The PTC will be chaired by the permanent secretary and is composed of the focal points and alternates of each EA. The PTC will hold monthly meetings and special meetings can be called by the PTC president.

Project Implementing Agency - the Project Coordination Unit

7. The SP/PST assumes the role of PCU and will be responsible for coordinating implementation and will manage all project funds and holds responsibility for procurement. Further responsibilities are to (a) ensure day-to-day coordination of project implementation; (b) ensure the timely availability of funds; (c) coordinate all project activities at the central level (preparation of TOR, tender documents, and so on); (d) carry out quality control before submitting documents to the Bank for 'No Objection' or for information; (e) maintain records and accounts of project activities and produce financial reports; (f) monitor and evaluate project implementation and its impacts; (g) coordinate and ensure project procurement; (h) consolidate information on project progress and results and carry out quality control of all information and documentation submitted by EAs and project cities; and (i) report project progress and results to the relevant stakeholders. The SP/PST has qualified staff in place but will need to be strengthened in some areas, given the increased workload from the PTDIU.

8. The MUH has limited project management capacity and will receive technical assistance to allow it to effectively participate in implementation of investments under its sector of responsibilities.

Executing Agencies

9. The departments of the three line ministries (MI, MTMUSR, and MUH) will oversee execution of activities under their areas of responsibility. For these activities, the role of the EAs

will be to (a) provide the draft TORs of all investments and studies to the SP/PST; (b) validate the investment choices made by project cities, based on the criteria to be set out in the PIM; (c) participate in procurement committees; (d) verify delivery of goods and services and assure quality control of these; (e) verify finalization of works and carry out quality control of these; (f) report quarterly to the SP/PST on project progress and results for activities under their responsibility. The executing agencies (EAs) are the following:

- (a) In the Ministry of Infrastructure (MI): The Department of Road Infrastructure (DGIR), the Department of Rural Roads (DGPR), the Department of Norms, Technical Studies and Control (DGNETC), the Department in charge of M&E, and the Department in charge of procurement
- (b) In the Ministry of Transport, Urban Mobility and Road Safety (MTMUSR): The Department of Urban Mobility and the Department in charge of M&E
- (c) In the Ministry of Urban Planning and Housing (MUH): the Department of Urban Planning and Topography (DGUVT); the Department of Habitat, Architecture and Construction; the Department in charge of M&E; and the Department in charge of procurement
- (d) In the Ouagadougou Municipality: The Department of Road Infrastructure and Urban Mobility.

Project Cities

10. Component B funds physical investments to benefit each of the five project cities and Subcomponent C3 finances cross-cutting capacity support, which will also benefit project cities. The role of city administrations will be to (a) determine the investment needs to be funded by Component B and facilitate implementation; (b) participate in developing design specifications for investments; (c) participate in consultations with beneficiaries; (d) comment (through the AMBF, as their representative) on the draft TORs of all studies and technical assistance to their direct benefit; (e) participate in procurement committees for works to benefit their respective cities; (f) participate (through the AMBF, as their representative) in evaluation committees for studies and technical assistance for their benefit; (g) contribute to ensuring post completion O&M arrangements for all project-funded infrastructure under their responsibility; (h) second staff to participate in works supervision; and (i) report on project results to the SP/PST. Each mayor will sign, on behalf of the local council, a contract engaging the municipality to ensure adequate O&M of all infrastructures funded by the project.

Financial Management, Disbursements, and Procurement

Financial Management

11. An FM assessment of the SP/PST of the MI was carried out in January 2016. The objective of the assessment was to determine whether the SP/PST has adequate FM arrangements in place to ensure that the PT/DIU funds will be used only for the intended purposes with due attention to considerations of economy and efficiency. The assessment complied with the FM Manual for Bank-Financed Investment Operations, that became effective

on March 1, 2010, but was issued (retrofitted) on February 4, 2015, as well as the Governance Global Practice FM Assessment and Risk Rating Principles.

12. The FM assessment revealed that the SP/PST's existing FM arrangements satisfy the Bank's minimum requirements under OP/BP 10.00. Indeed, the SP/PST has strong experience on implementing programs financed by IDA. For example, the SP/PST is implementing the West Africa Regional Communications Infrastructure Project-APL-1B (P122402 - H7120) and the supporting Burkina Faso Open Data Initiative Project (P151740) and has implemented the West Africa Regional Transport and Transit Facilitation Project (P079749 - IDA44380). In addition, the SP/PST has (a) qualified FM staff; (b) a computerized accounting system; (c) a strong internal control system with a detailed Administrative, Financial, and Accounting Procedures Manual and an internal audit function; and (d) the SP/PST financial statements of IDA-funded projects of last year received unqualified opinions by the external auditors. In addition, the management letter issued by the external auditors for the fiscal year 2014 did not raise any major issue. The overall FM risk rating for the project is assessed as Moderate.

13. **Internal control system.** The internal control system comprises a steering committee (to be set up) to oversee the project activities; a PIM which is being developed and will be available before project effectiveness; the Administrative, Financial, and Accounting Procedures Manual, which is being revised and will be available before project effectiveness; and the Internal Audit Unit to evaluate the performance of the overall internal control system. The SP/PST Internal Audit Unit will be in charge of reviewing the internal control system and producing an internal control review report. The SP/PST will furnish to the Bank, no later than 45 days following the end of each semester, a copy of the internal control review report, which summarizes the key findings of the reviews completed during the semester.

14. **Planning and budgeting.** The SP/PST will prepare a detailed annual work plan and budget (AWPB), which should be approved by the PSC. The SP/PST will submit the approved AWPB to the Bank, for comments, before the start of the next calendar year.

15. **Accounting.** The SYSCOHADA, an assigned accounting system in West African Francophone countries, will be applicable. The SP/PST will customize the existing multiprojects accounting software (TOMPRO) to host the project.

16. **Financial reporting.** The SP/PST will submit the Interim Financial Report (IFR) to the Bank within 45 days after the end of the calendar semester period. The IFRs should provide sufficient, pertinent, and true information for a reader to establish whether: (a) funds disbursed to sub-projects are being used for the purpose intended, (b) project implementation is on track, and (c) budgeted costs will be exceeded. The SP/PST will use the IFR format of the ongoing IDA-funded projects. The report may include:

- an introductory narrative discussion of project developments and progress during the period, to provide context to (or other explanations of) financial information reported;
- a Sources and Uses of Funds Statement, both cumulatively and for the period covered by the report, showing separately funds provided under the project (IDA,

recipient, and so on);

- a Uses of Funds by Components Statement, cumulatively and for the period covered by the report;
- the DA reconciliation, including bank statements and general ledger of the bank account;
- the disbursement forecasts of the upcoming six months; and
- an explanation of variances between the actual and planned activities and budget.

17. Annually, the SP/PST will produce project financial statements, which will comply with SYSCOHADA and Bank requirements. The annual financial statements may comprise:

- project presentation and project developments and progress during the year, to provide context to (or other explanations of) financial information reported;
- a Statement of Sources and Uses of Funds, which recognizes all cash receipts, cash payments, and cash balances;
- a Statement of Commitments;
- accounting policies adopted and explanatory notes; and
- a management assertion that project funds have been expended for the intended purposes as specified in the relevant Financing Agreements.

18. **Auditing.** The SP/PST will submit audited project financial statements satisfactory to the Bank every year within six months after closure of the fiscal year. A single opinion on the audited project financial statements in compliance with the International Federation of Accountants will be required. In addition, a Management Letter will be required. The Management Letter will contain auditor observations and comments and recommendations for improvements in accounting records, systems, controls, and compliance with financial covenants in the Financial Agreement.

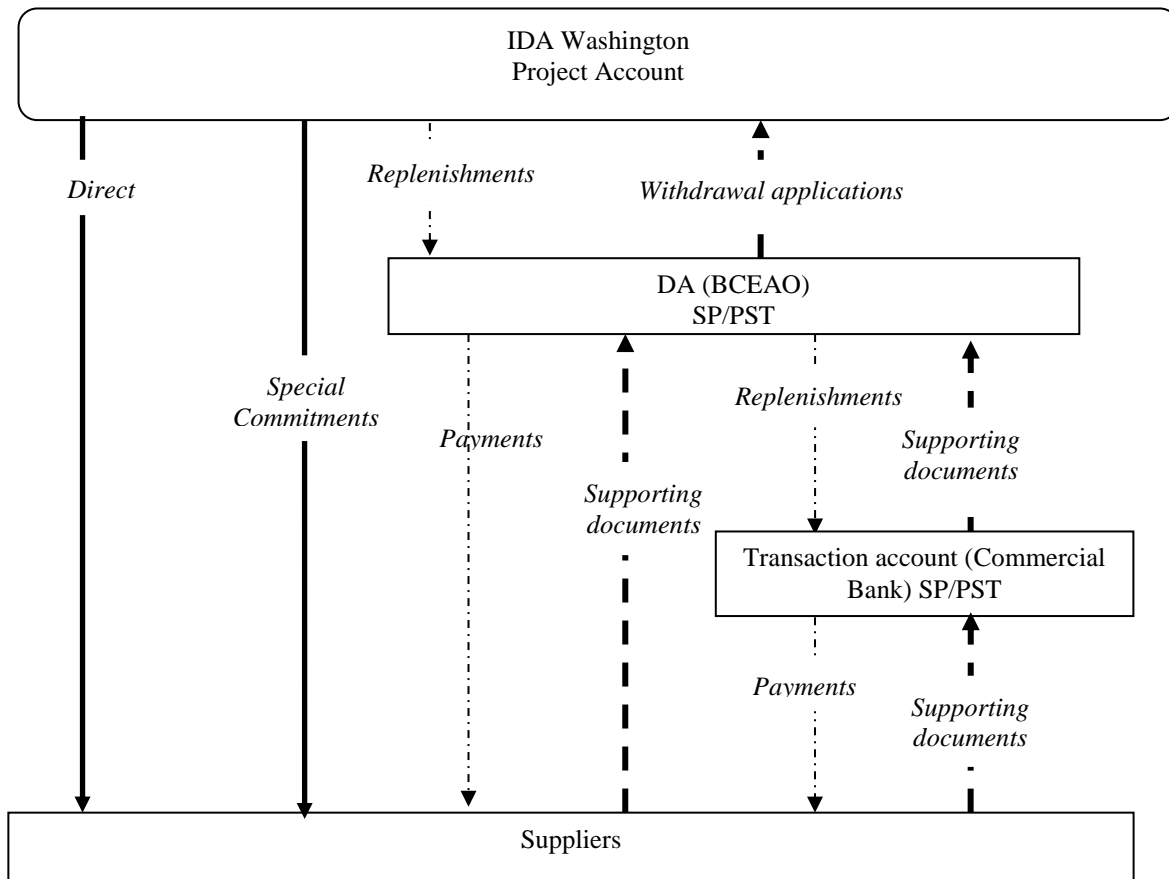
19. As the last fiscal year covered by contract of the auditor of the ongoing IDA-funded projects is 2015, the SP/PST will group the audit of the TUIDP Project, the West Africa Regional Communications Infrastructure Program Project, and the Burkina Open Data Initiative and recruit one auditor. Therefore, the SP/PST will recruit an external auditor three months after effectiveness.

Disbursement

20. Disbursements under this project will be carried out in accordance with the provisions of the IDA Disbursement Guidelines ('World Bank Disbursement Guidelines for Projects, by Loan Department' dated May 1, 2006), the Disbursement Letter, and the Financing Agreements.

21. Disbursements under the PTDIU will be transactions based. In addition to making advances to the DA, other disbursement methods (reimbursement, direct payment, and special commitment) will be available for use under the project. Further instructions on disbursement and details on the operations of the withdrawal applications and direct payments will be outlined in the Disbursement Letter.
22. The SP/PST will open and manage a DA in the Central Bank of West African Countries (BCEAO) in CFAF BCEAO and a transaction account in CFAF BCEAO in a commercial bank acceptable to IDA.
23. For the CERC, the existing flexibility in OP 12.00 - Disbursement will be used to provide significant advances to provide the necessary liquidity for a fast response. The level of the advance needed for the CERC will be established independently of any existing advances for the project components and recorded in the revised Disbursement Letter. The advances for the CERC will be deposited in a separate DA established for the purpose.
24. The DA will be replenished through the submission of withdrawal applications. Replenishment (requests for reimbursement) and reporting on the use of advances will be accompanied by a Statement of Expenditure and records required by the Bank for specific expenditures in the Disbursement Letter. All supporting documentation will be retained at the SP/PST and must be made available for periodic review by the Bank missions and external auditors.

Figure 3.1. Funds Flowchart



25. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category. **The withdrawal conditions are in Schedule 2, Section IV.B.1.**

| Category | Amount of the Financing Allocated (expressed in EUR) | Percentage of Expenditures to be Financed (inclusive of Taxes) |
|--|--|--|
| (1) Goods, works, non-consulting services, consultants’ services, Training and Operating Costs for Components A, B, and D of the Project | 76,200,000 | 100% |

| | | |
|---|------------|---|
| (2) Goods, works, non-consulting services, consultants' services, Training and Operating Costs for Component C of the Project | 8,800,000 | 77% |
| (3) Emergency Expenditures under Component E of the Project | 0 | 100% |
| (4) Refund of Preparation Advance | 2,800,000 | Amount payable pursuant to Section 2.07 of the General Conditions |
| TOTAL AMOUNT | 87,800,000 | |

Procurement

26. **Applicable guidelines.** Procurement for the project will be carried out in accordance with the Bank's 'Guidelines: Procurement of Goods, Works, and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers' dated January 2011, revised in July 2014 (Procurement Guidelines); 'Guidelines: Selection and Employment of Consultants Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers' dated January 2011, revised in July 2014 (Consultant Guidelines); 'Guidelines: On Preventing and Combatting Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants' (October 15, 2006 and revised in January 2011); and the provision stipulated in the Financing Agreement. The various items under different expenditures are described in general below. For each contract to be financed by the Credit, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements and time frame are agreed between the Borrower and the Bank in the Procurement Plan, which will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. All procuring entities, bidders, suppliers, and contractors shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.16 and 1.17 of the Procurement Guidelines and paragraphs 1.23 and 1.24 of the Consultant Guidelines.

Items to be Procured and the Methods to be used

27. **Advertisement:** General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest, and results of the evaluation and contracts award should be published in accordance with advertising provisions in the Bank's Procurement and Consultant Guidelines. For this purpose, the SP/PST will prepare and submit a General Procurement Notice to the Bank. The Specific Procurement Notice for all goods, non-consulting services, and works to be procured under International Competitive Bidding (ICB) and Requests for Expressions of Interests for all consulting services costing the equivalent of US\$200,000 and above will be published in 'DgMarket' on the Bank's external website and in the national press, in addition to

other media with wide circulation. All other Specific Procurement Notices and other Requests for Expression of interest shall be published at a minimum in the national press with wide circulation.

28. **Procurement of goods and non-consulting services.** Goods procured under this project include mainly items that will contribute to bettering the operational capacity of ministries and municipalities involved in the implementation of the project. Non-consultancy services include training and workshops in the region and abroad. Procurement will be done under ICB or National Competitive Bidding (NCB) using the Bank's Standard Bidding Documents for all ICB and NCB. Small-value procurement for goods may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the Procurement Plan, in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines. The following additional methods may be used where appropriate: Limited International Bidding; Framework Agreement; and Community Participation in Procurement.

29. **Procurement of works.** Works procured under this project include mainly the upgrading of about 78 km of the Manga-Zabré-Zoaga-Ghana border road; infrastructure in five regional capitals; and asphaltting of urban roads in targeted regional capitals. Procurement will be done under ICB or NCB using the Bank's Standard Bidding Documents for all ICB and NCB. Small-value procurement for works may be procured under shopping procedures. Direct contracting may be used where necessary if agreed in the Procurement Plan, in accordance with the provisions of paragraph 3.7 to 3.8 of the Procurement Guidelines. The following additional methods may be used where appropriate: Limited International Bidding and Community Participation in Procurement.

30. **Selection and employment of consultants.** Consultancy services will include mainly studies, works supervision, technical assistance, feasibility studies, and audits. The selection method will be Quality- and Cost-Based Selection method whenever possible. Contracts for specialized assignments estimated to cost less than US\$200,000 equivalent may be contracted through the Selection based on the Consultants' Qualifications (CQS) method.

31. The following additional methods may be used where appropriate: Quality-Based Selection; Selection under a Fixed Budget; and Least-Cost Selection. Single-Source Selection (SSS) may be employed with prior approval of the Bank and will be in accordance with paragraphs 3.8 to 3.11 of the Bank's Consultant Guidelines. Short lists of consultants for services estimated to cost less than the equivalent of US\$100,000 per contract for ordinary services and US\$200,000 for design and contract supervision may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines. However, if foreign firms express interest, they will not be excluded from consideration.

32. All services of Individual Consultants will be procured under contracts in accordance with the provisions of paragraphs 5.1 to 5.6 of the Consultant Guidelines.

33. **Operating costs.** These costs mean reasonable cost of goods and non-consulting services required for the day-to-day implementation of the project, incurred by the recipient (expenditures of which would not have been incurred if the project was not implemented), including consumable materials and supplies, communications services (postage, telephone, and Internet),

media and printing services, translation and interpretation services, office space rental and utilities, leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel costs, bank and insurance charges required for the project, administrative support staff, and project staff travel, lodging and per diems but excluding salaries (including bonuses, fees, and honoraria or equivalent payments) of officials of the recipient's civil service.

34. **Training and workshops.** Training and workshops will be based on capacity needs assessment. Detailed training plans and workshops will be developed during project implementation and included in the AWPB for the Bank's review and approval.

Implementation Arrangements for Procurement and Capacity Assessment

Implementation Arrangements

35. **Implementation of the procurement.** Procurement will be carried out by the procurement unit within the SP/PST, which is a well-established project management unit. The SP/PST has considerable experience in implementation of Bank-financed projects. The SP/PST has a procurement manual, which will need to be updated according to the revised procurement guidelines. The existing archiving system is acceptable. However, the SP/PST's well-experienced procurement specialist resigned few months ago, after having worked for the SP/PST for more than ten years, and a new procurement specialist was recently recruited. The Bank reviewed the hiring process and found it acceptable, although the new procurement specialist lacks the substantial experience of his predecessor. While the SP/PST will have the full responsibility of the administrative matters of procurement, the technical matters (preparation of the technical specifications, TORs, and evaluation of bids) will remain with the sector ministries.

Assessments of the Risks and the Related Mitigation Measures

36. The main risks identified in this project are the following: (a) the procurement unit within the SP/PST is staffed by the new recruited procurement specialist who may not be able to manage the additional procurement activities of this project appropriately considering that another Bank-funded project is being implemented; (b) sector ministries responsible for carrying out the technical matters of the procurement may not be familiar with the procurement procedures according to the Bank's guidelines and rules; (c) the MUH, one of the sector ministries, has limited Bank project management experience and will have to interact with the municipalities, who may not have all the necessary skills, capacity, and experience to oversee, plan, and implement the infrastructure and urban planning initiatives under the project; (d) control and regulation mechanism according to the provisions of the country procurement rules and its application procedures could delay the procurement process. The overall unmitigated risk for procurement is Substantial.

37. **Mitigation measures.** Proposed corrective measures agreed to mitigate the risk are summarized in the following table.

Table 3.1. Action Plan Corrective Measures

| Ref. | Tasks | Responsibility | Due Date |
|-------------|--|-----------------------|--|
| 1 | Train and coach the sector ministries specialists responsible for assuring technical aspects of procurement by the | SP/PST | Three months after project effectiveness |

| | | | |
|---|--|---------------------------------|--|
| | procurement specialist of the SP/PST. | | |
| 2 | Recruit a consultant who will support the MUH and the municipalities to better fulfill their role in the project | SP/PST, MUH, and municipalities | Three months after project effectiveness |
| 3 | Update the Procurement Manual of the SP/PST, as part of the PIM, to include mainly the procurement methods to be used in the project along with their step-by-step explanation as well as the key role to be played by the sector ministries and municipalities. | SP/PST | By project effectiveness |
| 4 | Organize a launch workshop involving all stakeholders. | All stakeholders | Three months after project effectiveness |
| 5 | Identify the root cause of procurement delays at national level and propose appropriate solutions (global). | SP/PST, DCMP and the Bank | 12 months after project effectiveness |
| 6 | Establish performance indicator of procurement process for all stakeholders involved in the project implementation | SP/PST, DCMP and the Bank | As soon as possible |

Note: DGCMEF = Direction Général du Contrôle des Marchés et des Engagements Financiers

38. The prevailing risk can be improved to Moderate provided the above corrective measures are implemented.

Procurement Planning

39. **Procurement Plan.** The recipient has prepared a Procurement Plan for the first 18 months of project implementation, specifying the procurement method for each contract. This plan was agreed between the Client and the Bank during negotiations. Immediately upon approval of the Credit, with the recipient's agreement and following revisions if needed, the plan will be published on the Bank's public website and the recipient's intranet website. Once it is approved, the Procurement Plan shall be updated in agreement with the Bank on an annual basis or as required to reflect the actual project implementation needs and improvements in institutional capacity.

40. **Procurement methods and review thresholds.** Procurement methods and Bank review requirements for the procurement risk rated Substantial are summarized in Table 3.2.

Table 3.2. Thresholds for Procurement Methods and Prior Review

| Expenditure Category | Contract Value Threshold (US\$) | Procurement Method | Contracts Subject to Prior Review (US\$) |
|----------------------|---------------------------------|---|--|
| 1. Works | ≥ 10,000,000 | ICB | All |
| | < 10,000,000 | NCB | None |
| | < 200,000 | Shopping | None |
| | All amounts | Direct contracting | All contracts ≥ 100,000 |
| 2. Goods | ≥ 1,000,000 | ICB | All |
| | < 1,000,000 | NCB | None |
| | < 500,000 | Shopping from all major brands of vehicle dealers or distributors of petroleum products | Short list of (a) vehicles dealers and (b) distributors of petroleum products. The technical specifications of vehicles. |

| Expenditure Category | Contract Value Threshold (US\$) | Procurement Method | Contracts Subject to Prior Review (US\$) |
|-------------------------------|--|---------------------------|---|
| | < 100,000 | Shopping | None |
| | All amounts | Direct contracting | All contracts ≥ 100,000 |
| 3. Services | | | |
| Firms | ≥ 200,000 | – | All contracts ≥ 500,000 |
| | < 200,000 | CQS | None |
| | All amounts | SSS | All contracts ≥ 500,000 |
| Individual Consultants | All amounts | IC | All contracts ≥ 200,000 |
| | All amounts | SSS | All contracts ≥ 100,000 |

Note: All TORs regardless of the value of the contract are subject to prior review.

All justifications for Direct Contracting/Single Source included the estimated value of the contract regardless of the value of the contract are subject to prior review.

The contracts submitted to IDA for prior review will not be reviewed by the Government. The contracts subject to IDA post review are subject to national prior review according to the thresholds. The strategy is to have all the contracts reviewed either by the Bank or by the client and avoid double review.

Frequency of Procurement Supervision

41. In addition to the prior review to be carried out, it has been recommended that two supervision missions are conducted to visit the field once a year and carry out post review of procurement actions once annually. As agreed with the Government, contracts will be published on the web. Annual compliance verification monitoring will also be carried out by an independent consultant and would aim to: (a) verify that the procurement and contracting procedures and processes followed for the projects were in accordance with the Financing Agreement; (b) verify technical compliance, physical completion, and price competitiveness of each contract in the selected representative sample; (c) review and comment on contract administration and management issues as dealt with by the implementation entity; (d) review capacity of the implementation entity in handling procurement efficiently; and (e) identify improvements in the procurement process in the light of any identified deficiencies.

Environmental and Social (including safeguards)

Social

42. The project is expected to deliver significant social benefits by improving the living and mobility conditions of the communities, which have a poor and limited infrastructure base to accommodate the needs of the fast-growing population and the transport of goods. Further, by improving mobility and access to services, the project will also contribute to addressing human and social development issues as these vulnerable communities will have better access to needed social services (health and education). The roads likely to be upgraded pass through a series of traditional villages, rural districts, and provinces, which will draw benefits for their economic development.

43. The project is Category B and triggers the Involuntary Resettlement Safeguard Policy (OP 4.12). In the PTDIU, most of the road upgrading follows the existing alignment. The

proposed activities are likely to cause temporary displacements and some isolated involuntary resettlements of mainly small-scale roadside shops usually illegally built on part of the road platform. Road construction is expected to have potential temporary adverse impacts on commercial activities for populations settled along the road in some agglomerations. The potentially negative social impacts of activities carried out under the project are known and site specific. It is unlikely that the proposed activities will entail major resettlement such as the relocation of dwellings and likely be limited to temporary displacements. The potential temporary displacements are mostly temporary settlements along the roads composed of small-scale roadside trading and small shops usually illegally built along the roads. The probable negative social impacts of activities to be carried out under the project will affect sites that are typical of such projects.

44. For the inter-urban and rural roads, the precise characteristics are not yet known. They will be only known after the technical studies are completed. Road construction is expected to have temporary adverse reversible impacts through interruption of commercial activities for populations settled along the road in some agglomerations, especially during the market days (every three days).

45. For the above investments and other investments for which locations are not yet known, the RPF prepared will be used. The RPF has been reviewed by the Bank and cleared and disclosed in the country on February 1, 2016 and March 22, 2016 and at the Bank's InfoShop on March 24, 2016. Once the sites are known and technical studies completed, specific RAPs will be prepared if needed, reviewed, and disclosed upon consultation within Burkina Faso and particularly in project-targeted areas and thereafter at the InfoShop. For any change in the location of already known investments, the prepared and approved RAP will be updated, reviewed, and submitted for RSA approval before commencement of the activity.

46. **Targeting citizen engagement in the project.** The project recognizes the importance of community participation and will carry out social M&E surveys before and after implementation of the contracts for the upgrading of the roads, to gauge how road users and communities view the PTDIU activities. These surveys will also provide data that capture citizen feedback, social outcomes, and HIV/AIDS mitigation measures. The survey will use gender-disaggregated data to measure and explain how the roads are improving stakeholders' living conditions and changing women's lives, particularly in reducing travel time, improving access to markets, and enhancing social capital. The findings will serve as a tool to define road network social issues and recommendations for further improvements in the sector.

47. To promote accountability and enhance transparency, the project will partner with relevant CSOs or CBOs, such as professional associations, during project implementation to ensure due diligence to strengthen the process in a participatory manner. The project will also place emphasis on formalizing ways through which CSOs and local actors can provide feedback. This will be through means such as locally based community radios, monitoring of behavioral changes, implementation of RAPs, and ensuring transparent disclosure of project information in addition to strengthening GRMs for stakeholders.

48. **Gender issues.** The program will benefit women and men, children, and the elderly by improving access to markets, social infrastructure, and services. Attention will be given to

markets at the border, by providing safe and enhanced access to the market places; this will benefit the rural women more because they represent the majority of small-scale cross-border traders.

49. **HIV/AIDS prevention.** The project will build on the experience of the implementation of HIV/AIDS activities during the implementation of the PST and the West African Transport and Transit Project. An HIV/AIDS assessment along the road corridor will be carried out as part of the social infrastructure and service needs assessment, and mitigation measures will be implemented. This will link up with the National HIV Program. The HIV/AIDS assessment will focus on the hot spots (service and rest stops, towns, provinces, and villages). In addition, the civil works contracts will have provision for awareness campaigns for the workers, community, and drivers aiming to address HIV/AIDS risks during the construction period.

50. The Financing Agreement will require the Government to prepare and submit to the Bank for prior approval and disclosure any required RAP in accordance with the RPF, for the activities proposed to be carried out under the project. Before commencing any works, the Government will take all actions required by the RAP and obtain the Bank's confirmation that the works may commence. Finally, the Government, through the SP/PST, will report quarterly to the Bank on the social safeguard measures taken through a specific Safeguard Monitoring Report and a summary of this report is to be included in the periodic project progress reports.

Environment

51. The project will fund road (urban and inter-urban) rehabilitation and upgrading. With regard to inter-urban roads, the project is planning to upgrade part of the Manga-Zabré border road of Ghana (around 78 km) and a rural road connecting to the main road. As for urban roads, some cities among the five (Manga, Tenkodogo, Koudougou, Ouahigouya, and Dédougou) will benefit from the upgrading or rehabilitation of existing roads and also some infrastructures such as regional markets, warehouses, animal health facilities, and possible infrastructure requested later on by the LGs.

52. The project is rated Environmental Assessment category 'B' and triggers two environmental safeguard policies, namely OP/BP 4.01 - Environmental Assessment and OP/BP 4.11 - Physical Cultural Resources. This environmental rating was linked to the fact that investments are site specific, moderate, of limited scale, and associated to reversible potential adverse impacts on the environment. Because technical studies are not yet completed and other investments locations are not yet known to date, an ESMF has been prepared to cover the entire project. In addition to the ESMF, a PCRMF was prepared.

53. The ESMF outlines an environmental and social screening process, including institutional responsibilities for screening, review and clearance, and implementation of mitigation and monitoring measures for future investments. This screening process consists of (a) an environmental and social screening form to determine potential adverse environmental and social impacts and record the outcome of consultations; (b) an environmental and social checklist with generic mitigation measures to be adapted to the specific investment; (c) a summary of the Bank's safeguard policies; (d) an ESMP including environmental monitoring indicators and capacity-building activities; (e) environmental guidelines for contractors; and (f) generic

environmental impact assessment TORs. It is also designed to serve as a guide for developing ESIA and ESMPs, as needed, when the exact sites and their technical characteristics are known. The PCRMF was prepared to address all issues related to OP 4.11 - Physical Cultural Resources. Both frameworks have been reviewed by the Bank, consulted upon, and disclosed in-country on February 1, 2016 and March 22, 2016 and at the Bank's InfoShop on March 24, 2016.

54. To properly manage possible adverse environmental impacts, once the site locations and investments characteristics are known, ESIA will be prepared, reviewed, and disclosed upon consultation within Burkina Faso and particularly in project-targeted areas and thereafter at the InfoShop and implemented along with the works.

55. The ESIA will allow identification and evaluation of potential adverse impacts associated with civil works that will be undertaken during the project implementation. In addition, the ESIA will lead to the development of ESMPs with mitigation measures to avoid, reduce, or offset these adverse impacts. Furthermore, the institutional arrangements, budgets, and environmental monitoring program will be developed and implemented during works to ensure that all adverse impacts were adequately addressed. After their elaboration, local consultations will be held on those ESIA to make sure that stakeholders' concerns and suggestions have been taken into account into final documents before their disclosure in country and at the Bank's InfoShop.

56. The capacity of the SP/PST that will host the ongoing operation to implement the requirements of safeguard instruments (ESMF, PCRMF, and RPF) has also been evaluated. As a result, there is a need to reinforce its capacity on two aspects. First, the current safeguard specialist will continue to receive implementation support and technical guidance from the Bank's safeguard specialists during supervision missions. In addition to that, another safeguard specialist will be hired within six months of project effectiveness. This staff member will work with the first one on the implementation and the monitoring of environmental and social safeguard aspects. Both staff will regularly assure the screening, monitoring, and managing of potential adverse environmental and social impacts that the proposed project is expected to generate. The Bank's supervision missions will also include environmental and social safeguards specialists to make sure that all safeguards issues are properly addressed and on time. The Financing Agreement will require the Government to prepare and submit to the Bank for prior approval and disclosure any required ESIA and ESMPs in accordance with the ESMF and RAPs in accordance with the RPF for the activities proposed to be carried out under the project. Before commencing any works, the Government will take all actions required by the relevant safeguards instruments and obtain the Bank's confirmation that the works may commence. Finally, the Government, through the SP/PST, will report quarterly to the Bank on the environmental safeguard measures taken through a specific Safeguard Monitoring Report and a summary of this report is to be included in the periodic project progress reports.

57. **Stakeholder consultation.** In accordance with the applicable Bank policies, public consultations at the local level have been carried out throughout project-targeted areas. The consultation process for the project includes a range of formal and informal on-site discussions, interviews, and meetings with the participation of stakeholders. Workshops were held to discuss the draft ESMF, RPF, and PCRMF. The objective was to obtain inputs on the draft documents and to seek views on the approach toward minimization and mitigation of potential negative

impacts on people and on environmental resources and amplification of positive impacts. A communication specialist will be hired to support the project in its effort to provide accurate and timely information on the project and to make the project better understood. This specialist will be hired within six months of project effectiveness.

58. **The project will pay special attention to climate change vulnerability.** By constructing storm water drains and gutters, the project contributes to reducing the beneficiary cities' vulnerability to climatic changes, which are likely to increase instances of flooding with risk to people and infrastructure. Particular attention will be paid to this aspect in technical designs. As agreed during project preparation, a specific component with zero amount is reserved to help fund responses to any future emergency brought on by extreme weather.

Policy Exceptions and Readiness

59. The proposed project does not require any exceptions to Bank policies. The PTDIU complies with the regional criteria for readiness for implementation. A Procurement Plan for the first 18 months of project implementation has been prepared and validated during negotiations. Core PCU staff are in place. Environmental and social safeguard frameworks have been prepared for the entire project scope and were disclosed in country on February 1, 2016 and at the Bank's Infoshop on March 24, 2016.

Monitoring & Evaluation

60. The project's M&E system will be established in the PCU and will build on the existing reporting mechanisms for the TSP. The SP/PST M&E specialist, who assumes the secretariat of the PTC, will be responsible for consolidating, monitoring, and evaluating all project data from project EAs and cities and for conducting or initializing additional site visits and surveys as needed. Many indicators can be monitored directly in reports from works supervisors or through site visits.⁶ This monitoring will be complemented by small surveys as needed. The baseline situation will be established before any project intervention starts. This will be followed up with impact assessments for the MTR and at project closing. These assessments will cover a broad spectrum of qualitative and quantitative issues, such as beneficiary satisfaction, achievement of economic growth objectives, sustainability of operating and maintenance arrangements, and improvements in access to services. In addition, technical audits will be carried out at least twice during the project implementation stage to assess the technical quality of infrastructure.

61. The information and knowledge generated will be shared widely among project stakeholders at all levels and will support the PCU to (a) develop and submit progress reports on a quarterly basis to the PSC and the Bank as per the structure to be agreed with the Bank; (b) develop timely corrective actions, communicate these actions to stakeholders, and monitor their implementation; (c) disseminate information about project achievements to stakeholders and the general public on time; and (d) use the project M&E data to drive key decisions on project and transport sector management.

⁶ Annex 1 provides the list of PDO indicators, as well as the detailed list of result indicators for each of the project components. These are indicative, as the project investments are still being refined.

62. The M&E system will be managed by the SP/PST M&E specialist and will be linked to the FM system to allow the monitoring of activities against disbursement. The PIM will provide detailed step-by-step guidelines on M&E methodology, including baseline development and indicator calculation. Training will be carried out and technical assistance provided to build capacity for relevant stakeholders at the central level and for the municipal authorities. It is expected that the project activities will help build good practices regarding data collection to improve project and sector M&E. These good practices will then be disseminated at the project stakeholders level in a format tailored to each actor. The M&E specialist will work closely with the project communication specialist on this specific need.

Role of Partners (if applicable)

63. Coordination is ongoing with other donors active in the transport and urban development sectors. Presently the SDC has confirmed that it will fund a parallel project to the amount of CFAF 7 million for rehabilitation of rural roads in the hinterlands of regional capitals, with use of labor-intensive construction techniques. Studies are being carried out during preparation of the PTDIU and funded by the Project Preparation Advance, for these rehabilitation works. The SDC will also potentially support the MUH in relation to facilitation of participation of beneficiaries to decision-making regarding investments, especially regarding construction of storm water drainage using labor-intensive construction techniques.

64. The SDC-funded road links will complement ongoing investments through the IDA-funded Bagré Growth Pole Project in the south and Central-East of the country covering two regional capitals (Manga and Tenkodogo) as well as investments funded by the Government and other donors such as the Millennium Challenge Corporation and African Development Bank.

Annex 4: Implementation Support Plan

Burkina Faso: Transport and Urban Infrastructure Development Project

Strategy and Approach for Implementation Support

1. The project will be implemented by the SP/PST (the IA), which will also play a coordinating role for EAs and ensure full association of project cities and beneficiaries to project implementation. The Implementation Support Plan (ISP) takes into account added tasks and workload from the PTDIU and the capacity to prepare the PTDIU. The SP/PST will be reinforced with additional specialists and use engineering consultants to supervise construction activities.
2. The ISP aims to focus implementation support in the areas where the SP/PST and EAs are less experienced (that is, institutional aspects, strategy formulation, and planning) and where it needs to be strengthened further. In addition to technical support, the Bank will play an active role during implementation to support the full association of project cities and implication of beneficiaries in subproject selection, implementation, and O&M, as well as in capacity-building activities.
3. The SP/PST will assure overall quality assurance and quality control, and M&E. Focused operations training (in project management, safeguards, procurement, FM, operations and maintenance, technical, and so on) is included in the project for the IA and EAs.

Implementation Support Plan (ISP)

4. The ISP is built around semiannual missions; project implementation support from the task team leader (TTL) in the country office; regular video conference calls between the country office, Washington D.C, and client; regular visits to project cities, including site visits; and fiduciary compliance reviews. An MTR will be held after about 36 months of implementation to review performance in depth, based on progress and studies commissioned for the MTR, and make any necessary adjustments to project substance and schedule.
5. The use of an existing and tested structure for implementation minimizes risks, and the ISP lays out the necessary activities for the Bank to meet its fiduciary obligations in this context. The Bank will devote some 44 staff weeks per year and a total of about 292 staff weeks through FY22 to help the Government implement the project and supervise progress. The risk categories rated Substantial relate to political and governance aspects, fiduciary, and institutional capacity for implementation and sustainability. The ISP highlights the Bank's support to implement adequate risk mitigation and to facilitate achieving the PDO.
6. Specific elements of the ISP are the following:
 - Monitoring adherence of safeguards instruments through including safeguards specialists in semiannual missions. These specialists will also assure knowledge transfer and development of adequate training program for the IA, EA, and city staff. Additionally, municipal authorities will play a key role in supervising and evaluating project activities.

- Support will be provided to developing and implementing an investment screening approach to ensure operations and maintenance of all infrastructures is built into subproject design and the beneficiaries will be associated to design of investments.
- Support to developing and regular monitoring of a communication strategy.
- The targeted project cities will receive technical assistance as needed, but the Bank will need to play a role in supporting the establishment of working relationships between the IA, EAs, Government ministries, and agencies on one side and city administrations on the other and support the cities to take on their role as service providers.
- Fiduciary missions will focus on the IA's performance in managing contracts, procurement, and financial matters, as well as on completing the agreed implementation plans.
- The Bank's fiduciary responsibility in relation to the involvement of city administrations, to the extent they will be involved in project implementation, will be assured through regular implementation support missions to project cities.

7. The following skills mix and resources needs are estimated:

Table 4.1. Main Focus in Support to Implementation

| Time | Focus | Skills Needed | Resources Estimates (US\$) | Partners Roles |
|--------------------------|---|--|------------------------------------|---------------------------|
| First twelve months | Start-up phase, road upgrading works, preparation and implementation of urban investments, elaboration of TORs and recruitment of consultants | Infrastructure, urban planning, procurement, FM, safeguards, M&E, and communication | 150,000 | Coordination with the SDC |
| Until MTR (year 2–3) | Works supervision, technical design studies and start of construction of urban investments, capacity building, and review of studies | Infrastructure, urban planning, procurement, and FM | 100,000 per year 200,000 total | Coordination with the SDC |
| MTR (year 3) | MTR | Infrastructure, urban planning, procurement, FM, social development, M&E, communication, and economic analysis | 150,000 | Coordination with the SDC |
| Following MTR (year 4–6) | Continued works implementation, implementation of study recommendations, capacity building | Infrastructure, urban planning, procurement, FM, social development, M&E, and economic analysis | 100,000 per year, 300,000 total | Coordination with the SDC |
| Total (6 years) | – | – | 800,000 | Coordination with the SDC |

Table 4.2. Skills Mix Required

| Skills Needed | Number of Staff | Number of | Comments |
|---------------|-----------------|-----------|----------|
|---------------|-----------------|-----------|----------|

| | Weeks (for Duration of Project) | Trips | |
|---------------------------------------|--|----------------------|---|
| TTL (transport) | 90 | 20 | Ongoing implementation support to the client, twice-yearly implementation support missions, exchanges of experience on urban mobility, and field visits |
| Urban development | 50 | 10 | Ongoing implementation support to the client, twice-yearly implementation support missions |
| Procurement | 20 | 0 | Twice-yearly missions |
| FM | 12 | 0 | Twice-yearly missions for start-up phase, then yearly |
| M&E | 12 | 0 | Start-up (3), MTR, closing |
| Social development | 12 | 10 | Annual mission and team support |
| Communication specialist | 6 | Country office based | To participate in mission planning and communication strategy |
| Information and technology specialist | 12 | 5 | Ongoing implementation support to the client, twice-yearly implementation support missions |
| Program assistant | 16 | Country office based | Ongoing team support |
| Language program assistant | 6 | HQ based | Ongoing team support |
| Environmental safeguards | 12 | 10 | Participate in twice-yearly implementation support missions and MTR |
| Social safeguards | 12 | 10 | Participate to twice-yearly implementation support missions and MTR |
| Legal | 1 | 0 | Staff weeks for any restructuring |
| Disbursement | 1 | 0 | – |
| Local consultant for roads works | 21 | 5 | Ensure regular supervision of the roads construction in support to the TTL |
| Local consultant for urban component | 21 | 5 | Ensure regular supervision of the urban component in support to the TTL |
| Total | 292 | – | – |

Annex 5: Map of Project Zones

