

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: PIDA62261

<b>Project Name</b>	Transport and Urban Infrastructure Development Project (P151832)
<b>Region</b>	AFRICA
<b>Country</b>	Burkina Faso
<b>Sector(s)</b>	Rural and Inter-Urban Roads and Highways (55%), Sub-national government administration (25%), General water, sanitation and flood protection sector (10%), General public administration sector (10%)
<b>Theme(s)</b>	Rural services and infrastructure (55%), City-wide Infrastructure and Service Delivery (30%), Administrative and civil service reform (10%), Urban services and housing for the poor (5%)
<b>Lending Instrument</b>	Investment Project Financing
<b>Project ID</b>	P151832
<b>Borrower(s)</b>	GOVERNMENT OF BURKINA FASO
<b>Implementing Agency</b>	Permanent Secretariat of the Transport Sector Program, Ministry of Urban Planning and Housing, Ministry of Infrastructure, Ministère de l'Administration Territoriale et de la Sécurité, Ministry of Transport, Urban Mobility and Road Safety
<b>Environmental Category</b>	B-Partial Assessment
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<b>Estimated Date of Appraisal Completion</b>	15-Apr-2016
<b>Estimated Date of Board Approval</b>	13-Jun-2016
<b>Appraisal Review Decision (from Decision Note)</b>	

## I. Project Context

### Country Context

Burkina Faso is a landlocked, low-income country with high demographic growth and levels of poverty. Per capita GNI (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 3 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.

In spite of limited natural resources, recent economic performance has been relatively strong, but is

not translating 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 slow-down 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 seem misleading with regards to urban poverty as the numbers have almost doubled, rising from 10.4 percent in 1994 to 20 percent today. The country also faces increasingly harsh climatic conditions, which hinder efforts to reduce extreme poverty.

Burkina Faso experienced a major political crisis in October 2014, and again in September 2015. However, presidential and legislative elections were successfully held on November 29, 2015, giving promise of a more politically stable situation. Local governments' elections are planned for May 22, 2016.

### **Sectoral and institutional Context**

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.

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, limiting economic development in rural areas. The transport sector in general has benefited from heavy investments over the last 10 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 (RAI) for BF is only 26 percent, below even the SSA average of 34 percent. In addition, only 20 percent of the 15,300 kilometers of classified roads are paved and at least 50 percent of the classified tertiary road network is impassable during the rainy season. The Road Fund (Fonds d'Entretien Routier du Burkina, FER-B) receives only about 70 percent of funds required to adequately maintain the classified road network.

Urban transport is characterized by a weak stock of urban roads and unclear institutional framework and accountability with increasing use of individual transport, leading to serious mobility issues and roads congestion 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 through ways. 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 World Bank has financed a study on the establishment of the Autorité Organisatrice des Transports Urbains (AOTU) and an urban transport strategy and investment plan. In addition to this, the French Development Agency (Agence Française de Développement, AFD)

has financed the preparation of the traffic master scheme for central Ouagadougou. Continuing support to secondary cities urban roads improvement 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 the clarification of the role of the central and decentralized level given the recent creation of a ministry of transport, urban mobility and road safety by the new Government.

Urban sectoral and institutional context. There is insufficient core infrastructure and urban management and planning capacity in secondary cities to meet 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 BF is estimated at about 27 percent and could reach 42 percent by 2030 (UN-Habitat, 2014). The country's urbanization is occurring mainly in the two primary regional capital cities (Ouagadougou and Bobo-Dioulasso), while the remaining 11 other regional capitals all have populations of below 100,000 with more rural characteristics. The capital city, Ouagadougou, has about 2.5 million inhabitants, but is estimated to be growing at a staggering 9 percent annually (UN-Habitat, 2014). 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. The Burkinabe government system is decentralized and functional mandates for some services are being transferred to local governments. However, so far local governments' 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, the World Bank has supported the improvement of urban infrastructure and urban management capacity. There is thus a need to address, at the policy and operational level, urbanization patterns that are being rapidly locked in, develop sources of financing for urban service delivery, and connect regional capitals to larger urban centers.

Furthermore, the increasingly frequent recurrent natural disasters such as drought and flooding cause loss of life and damage to existing poorly maintained public infrastructure. A reading of recently 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.

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 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 (North-West 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 (TSDS) covering the period 2011-2025 supports the Poverty Reduction Strategy (Stratégie de Croissance Accéléré et de Développement Durable) 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 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 investments in one of the 13 regions hosting the National Independence Day celebrations, but with limited resources. The urban master plans for 12 regional capitals (without Ouagadougou) has been prepared by the Government with the support of IDA and has been completed by an action plan. Based on these plans the government has elaborated an ambitious urban investment program estimated at US\$890 million over 15 years.

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 local government, and improve connectivity with zones of agricultural production and between hinterlands and urban centers.

## II. Proposed Development Objectives

The project development objective (PDO) is to improve mobility and access to infrastructure in targeted rural and urban areas.

## III. Project Description

### Component Name

Component A: Rural transport infrastructure

### Comments (optional)

Component A will contribute to improving connectivity in the five targeted areas. The component activities amounting to about US\$53 million are entirely funded by IDA funds. Also, the Swiss Development Cooperation will fund complementary activities composed of 100 km of rural road and 40 culverts through High-Intensity Labor Method (HILM).

### Component Name

Component B: Urban Infrastructure in targeted regional capitals

### Comments (optional)

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.

### Component Name

Component C: Institutional support, sector reforms and governance

### Comments (optional)

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

### Component Name

Component D: Project coordination, management and safeguards

### Comments (optional)

This component will fund all costs related to coordination and management of project activities as well as costs of monitoring and evaluation of project activities.

### Component Name

Component E: Providing immediate response to an eligible crisis or emergency as needed

**Comments (optional)**

This component is a "zero-dollar" Contingency Emergency Response Component (CERC), which will provide 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.

**Component Name**

Unallocated

**Comments (optional)**

This component will give flexibility to cover contingencies (financial and physical).

**IV. Financing (in USD Million)**

Total Project Cost:	105.00	Total Bank Financing:	100.00
Financing Gap:	0.00		
<b>For Loans/Credits/Others</b>			<b>Amount</b>
BORROWER/RECIPIENT			5.00
IDA Grant			100.00
Total			105.00

**V. Implementation****Institutional and Implementation Arrangements**

Overall project oversight will be assured by a Project Steering Committee (PSC), co-chaired by the MIDT and MUH, and with participation of other key ministries (those responsible for transport, infrastructure, 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 and donor representatives can participate as observers. Finally, Directors of project executing agencies, 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.

The fiduciary, safeguards and M&E functions will be housed in the Ministry in charge of infrastructure (MIDT) specifically SP/TSP due to the fact that it has a proven track record in managing World Bank-funded projects. Technical oversight will be assured by each of the two relevant sector ministries (MIDT and MUH). The municipalities will play a key role in overseeing, planning and implementing the infrastructure and urban planning initiatives under the project.

**Results Monitoring and Evaluation**

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 consolidating, monitoring, and evaluating all project data from project executing agencies 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 MTR and at project closing to evaluate qualitative and quantitative aspects of project results. In particular, surveys will be carried out to: (i) attempt to establish attribution to the PT/DIU of any permanent employment generated and to diminishment of loss of agricultural produce; and (ii) gauge how road users and communities view the PT/DIU activities. In addition, technical audits will be carried out to verify technical quality and cost-efficiency of infrastructure. The information and knowledge generated will be shared widely among project stakeholders at all levels.

The M&E system will be managed by the PCU M&E Specialist and will be linked to the financial management 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 to assure all parties involved in project M&E can fulfill their responsibilities.

### Sustainability

The sustainability of the proposed project roads investments will be ensured through the following:

**Road maintenance.** The long term maintenance of the road infrastructure improved under the proposed project will be ensured by Burkina Faso Road Maintenance Fund (FER-B). The FER-B was restructured in 2007 at the level of its organization, management as well as governance structure, to give it more autonomy, and the private sector is now playing a key role in its management and decision making process. This is starting to improve its operational efficiency. Even though the recent political and economic turmoil in the country has reduced the allocation provided to the road (as in all the economy sectors) the road fund remains a sustainable tool for road maintenance in the country. The roads upgraded are already included in the maintenance program of the country classified roads network. The rural roads to be upgraded under the project will be maintained by the FER-B involving road maintenance crews (for the tertiary road network), a modality that is well established in rural areas in Burkina Faso.

GOBF plans to go for multi-annual maintenance contracts for roads maintenance and the current project will support the country in building this type of contracts to help the road fund be more efficient in procurement process and provide maintenance at the needed time. This should better ensure their long term sustainability.

**Axle load control.** As in other SSA countries, truck overloading remains a major challenge in Burkina Faso, which leads to the premature deterioration of road surfaces. In response, GOBF has created in 2011, with World Bank support, the National Office for Road Safety (Office National de la Sécurité Routière - ONASER), which apart from enforcing road safety laws has also the mandate to enforce axle load regulations. The construction of fixed weighing stations on key road links like the ones supported under the proposed project is underway 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 ensure its long term sustainability.

**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 city technical units to maintain investments under their responsibility. This should also ensure its long term sustainability.

## VI. Safeguard Policies (including public consultation)

<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
Environmental Assessment OP/BP 4.01	<b>x</b>	
Natural Habitats OP/BP 4.04		<b>x</b>
Forests OP/BP 4.36		<b>x</b>
Pest Management OP 4.09		<b>x</b>
Physical Cultural Resources OP/BP 4.11	<b>x</b>	
Indigenous Peoples OP/BP 4.10		<b>x</b>
Involuntary Resettlement OP/BP 4.12	<b>x</b>	
Safety of Dams OP/BP 4.37		<b>x</b>
Projects on International Waterways OP/BP 7.50		<b>x</b>
Projects in Disputed Areas OP/BP 7.60		<b>x</b>

**Comments (optional)**

## VII. Contact point

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