

**PROJECT INFORMATION DOCUMENT (PID)
ADDITIONAL FINANCING**

Report No.: PIDA7401

Project Name	Urban Water Sector Project - Additional Financing (P149556)
Parent Project Name	Urban Water Sector Project (P106909)
Region	AFRICA
Country	Burkina Faso
Sector(s)	Water supply (100%)
Theme(s)	Urban services and housing for the poor (100%)
Lending Instrument	Investment Project Financing
Project ID	P149556
Parent Project ID	P106909
Borrower(s)	Government of Burkina Faso
Implementing Agency	ONEA (Office National de l'Eau et de l'Assainissement)
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	04-Jun-2014
Date PID Approved/Disclosed	25-Jun-2014
Estimated Date of Appraisal Completion	16-Sep-2014
Estimated Date of Board Approval	11-Nov-2014
Decision	

I. Project Context

Country Context

Burkina Faso is a landlocked sub-Saharan country with limited natural resources. A low-income country, per capita income was at \$635 in 2012. Its population was estimated at almost 17 million in 2013, and is characterized by a high percentage of youth (60%). The population growth rate averages around 3%. Burkina Faso's economy is heavily reliant on agricultural production, with cotton being its main cash crop. With the discovery of large mineral deposits, gold exports have soared to record levels in the past three years. The country's economy remains vulnerable to external shocks as low rainfall, international financial and oil crises, and regional instability.

Sectoral and institutional Context

Burkina Faso urban water sector operational management capacity has substantially improved during the last decade. ONEA, the national urban water utility, is today ranked among the top performing water utilities in Sub-Saharan Africa with (i) a global access rate of 86% in urban cities of which 59% through household connections, (ii) a staff productivity of 3.4 staff per 1,000 connections, and a bill collection ratio of 97%. However, the urban development of Ouagadougou

creates specific challenges for the development and sustainability of water services.

Before 2004, the situation of the water services in Ouagadougou, which represents more than 50% of the urban water activity in Burkina Faso, was particularly difficult and the capital city faced chronic water shortages due to the insufficient production capacity (40,800 m³ per day). The situation improved in October 2004 with the construction of the first phase of the Ziga water treatment plan (60,000 m³ per day), which was reinforced with a second module of 30,000 m³ per day commissioned in 2011, then enabling 24/7 water service in the capital city. The annual growth rate of Ouagadougou population in the recent years (over 6.5 percent) has, however, substantially exceeded the assumptions made in the design of Ziga treatment facilities. In addition, newcomers tend to spread over peri-urban areas, occupying even more space than the previous city residents. The urbanized areas of Ouagadougou have grown to more than 310 km².

ONEA developed in 2012 a strategy to address the above challenges by:

- (a) designing and executing an interim investment program to increase quickly the production capacity by 29,300 m³ per day through the rehabilitation of water treatment facilities and the drilling of boreholes within the city;
- (b) developing new solutions to serve informal settlements through public-private partnerships (PPP) with local operators that were successfully tested; and identifying a longer-term solution to ensure sustainable water supply for Ouagadougou.
- (c) identifying a longer-term solution to ensure sustainable water supply for Ouagadougou.

II. Proposed Development Objectives

A. Current Project Development Objectives – Parent

The overall objective of the project is to increase access to sustainable water and sanitation services in selected urban areas. This will contribute to achievement of the water and sanitation MDGs. The project will achieve the objective through: (a) facilitating access to services through programs for constructing social water service connections, public standpipes, and on-site sanitation facilities; and (b) consolidating the achievements of the urban water supply sub-sector reforms and strengthening capacities to deliver and manage services. The project will help to provide clean water to 527,000 additional people and to provide improved sanitation services to 246,000 additional people."

III. Project Description

Component Name

Water transmission mains

Comments (optional)

Works will help build a 23.7-km ductile cast iron (DCI) pipe with a 1,600 mm nominal diameter to which the following feeders will be connected:

- (a) a 8.1-km DCI gravity pipe (DN 1,400 mm) to supply the South branch of the water distribution network,
- (b) a 10-km DCI gravity pipe (DN 1,200 mm) to supply the North branch,

Component Name

Water storage and pumping stations

Comments (optional)

Works will include the following activities:

- (a) Increasing water storage capacity by 6,000 m3 (US\$3.19 million):
 - (i) Construction of two ground tanks (2 x 2,000 m3) upstream of pumping stations,
 - (ii) Construction of one elevated tank (2,000 m3) at a strategic position of the water distribution system,
- (b) Pumping stations (US\$4.69 million): to build and connect to the grid (also equipped with standby generators) four pumping stations in different locations of the water distribution network to ensure adequate water pressure in the system.

Component Name

Water Distribution

Comments (optional)

Works will include the following activities:

- (a) Expansion of water distribution networks (US\$5.93 million), to help construct about 344 km of secondary and tertiary water distribution pipes,
- (b) Construction of Social Water Connections (US\$2.48 million), to help build about 26,000 water service connections,
- (c) Construction of public standposts (US\$0.17 million), to help build about 80 standposts, in areas where the density of population does not warrant the construction of social connections, including two autonomous water systems in selected informal settlements that will be managed by local private operators,
- (d) Supply of 52,200 water connection kits (US\$4.30 million).

Component Name

Consultant services for the supervision of works

Comments (optional)

This sub-component will finance consulting services: (i) to supervise the execution of above mentioned civil works (US\$1.50 million); and (ii) technical and institutional studies (US\$1.44 million).

IV. Financing (in USD Million)

Total Project Cost:	80.00	Total Bank Financing:	80.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
BORROWER/RECIPIENT			0.00
IDA Grant			80.00
Total			80.00

V. Implementation

The implementation arrangements under the AF will remain unchanged. ONEA will remain the executing agency under the AF. Due to the diverse nature of the components of the original project, several departments of ONEA were involved in implementation. As the additional activities focus on water supply in Ouagadougou, they will be implemented exclusively by the Ouagadougou Works Department (DMOZ), which will plan activities, manage procurement, control execution and prepare the progress reports.

Financial Management. Activities funded through the Additional Financing will be subjected to the same arrangements for financial management as the original Grant. The un-audited Interim Financial Report (IFR) format of the original project will be updated to include the new elements introduced under additional financing. In addition, in order to maintain the continuous security and reliability of information produced by ONEA and the safeguard of the assets and funds, the internal audit department will be more involved in the risk analysis of the projects, carry out ex-post reviews of the project and follow up the implementation of the key recommendations to strengthen the control environment.

Disbursement. A separate designated account (DA) will be established to deposit the Additional Financing proceeds separately from the proceeds of the original Grant. The DA will be opened at the Central Bank in Ouagadougou and will receive funds on the basis of the project cash needs. The DA will be used as a transit account and as such, funds will be transferred from the DA to a transactions account, which will be opened at a commercial bank.

Procurement. The current Guidelines Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, dated January 2011, and Selection and Employment of Consultants under IBRD Loans and IDA Credits & Grants by World Bank Borrowers, dated January 2011) will apply and replace the Guidelines referred to in the FA of Grant H4820 (Guidelines dated May 2004 and revised October 2006). An updated procurement plan, including updated thresholds for applicable procurement methods and prior reviews, has been prepared by ONEA for Bank's review and will be finalized and agreed at negotiations.

VI. Safeguard Policies (including public consultation)

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

Comments (optional)

VII. Contact point

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Borrower/Client/Recipient

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Implementing Agencies

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