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Report No: PAD1927

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF EURO 18.3 MILLION

(US\$20 MILLION EQUIVALENT)

TO

BURKINA FASO

FOR A

TRANSPORT SECTOR MODERNIZATION AND CORRIDOR TRADE FACILITATION

PROJECT

December 20, 2016

Transport & ICT Global Practice  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective October 31, 2016)

Currency Unit = EUR  
EUR .913 = US\$1  
US\$1.375 = SDR 1

FISCAL YEAR  
January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AEO	Authorized Economic Operator
AFAPM	Administrative, Financial and Accounting Procedures Manual
AfDB	African Development Bank
AFD	French Development Agency
APR	Annual Progress Report
ASYCUDA	Automated System for Customs Data
AWPB	Annual Work Plan and Budget
BAAC	Road Accident Analysis Bulletin ( <i>Bulletin d'analyse des accidents de la circulation</i> )
BCEAO	Central Bank of West African States ( <i>Banque Centrale des Etats de l'Afrique de l'Ouest</i> )
BF	Burkina Faso
BUNEE	National Bureau of Environmental Assessments
CBC	Burkina Shippers' Council
CBO	Community Based Organizations
CCI-BF	Chamber of Commerce and Industry – Burkina Faso
CCVA	Motor Vehicle Control Centre
CFTRA	Training Center for Road Transport and Auxiliary Activities
CI	Côte d'Ivoire
CO <sub>2</sub>	Carbon Dioxide Emissions
Corridor	Abidjan – Ouagadougou regional transport corridor
CPF	Country Partnership Framework
CSO	Civil Society Organization
DGCMEF	Directorate General for Control of Procurement and Financial Management ( <i>Direction Générale du Contrôle des Marchés et des Engagements Financiers</i> )
DGD	Directorate General of Customs
DGI	Directorate General of Taxes
DGTTM	General Directorate of Land and Maritime Transport
DPO	Development Policy Operation
EA	Environmental Audit
EIRR	Economic Internal Rate of Return

EIRP	Emergency Infrastructure Rehabilitation Project
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
FBS	Fixed-budget Based Selection
FDI	Foreign Direct Investment
FM	Financial Management
GDP	Gross Domestic Product
GHG	Greenhouse Gas emissions
GoBF	Government of Burkina Faso
GRS	Grievance Redress Service
GRSF	Global Road Safety Facility
HDI	Human Development Index
IA	Implementing Agency
ICT	Information Communications Technology
IDA	International Development Agency
IDB	Islamic Development Bank
IFR	Interim Financial Reports
IMF	International Monetary Fund
IPF	Investment Project Financing
IPR	Independent Procurement Review
IRAP	International Road Assessment Program
IRAPOL	Police-Gendarmerie
IRU	International Road Transport Union
LCS	Least-cost-based Selection
MINEFID	Ministry of Economy, Finance and Development
MITMUSR	Ministry of Transport, Urban Mobility and Road Safety
MTR	Mid-term Review
NGO	Non-governmental Organization
NPV	Net Present Value
ODA	Overseas Development Aid
OIC	Ivorian Shippers' Council ( <i>Office Ivoirien des Chargeurs</i> )
ONI	National Identification Office
OHADA	Organization for the Harmonization of Business Law in Africa ( <i>Organisation pour L'Harmonisation du Droit des Affaires en Afrique</i> )
ONASER	National Road Safety Agency ( <i>Office National de Sécurité Routière</i> )
OP/BP	Operational Policy/Bank Procedures
PACIR	Trade and Regional Integration Support Program ( <i>Programme d'Appui au Commerce et à l'Intégration Régionale</i> )
PAD	Project Appraisal Document
PDO	Project Development Objectives
PIA	Project Impact Area
PIM	Project Implementation Manual
PNDES	National Economic and Social Development Plan
PP	Procurement Plan
PPR	Post Procurement Review
PSIA	Poverty and Social Impact Analysis

PSC	Project Steering Committee
PTC	Project Technical Committee
PTDIU	Transport and Urban Infrastructure Development Project
QBS	Consultants Quality-based Selection
QCBS	Consultants Quality and Cost-based Selection
RTFCC	Regional Trade Facilitation and Competitiveness Credit
SCD	Systematic Country Diagnostic
SP-PST	Permanent Secretariat of the Transport Sector Project ( <i>Secrétariat Permanent du Programme Sectoriel des Transport</i> )
SPR	Semestral Progress Report
SORT	Systematic Operation Risk-rating Tool
SYGESTRAN	Transport Management System
SYSCOHADA	OHADA Accounting System ( <i>Systeme Comptable de l'OHADA</i> )
TA	Technical Assistance
TAC	Friendship and Cooperation Treaty
ToR	Terms of Reference
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
VOC	Vehicle Operating Costs
WAEMU	West African Economic and Monetary Union
WATTFP	West Africa Transport and Transit Facilitation Project
WBG	World Bank Group
WCO	World Customs Organization
WTO	World Trade Organization

Regional Vice President:	Makhtar Diop
Country Director:	Pierre Frank Laporte
Senior Global Practice Director:	Jose Luis Irigoyen (Acting)
Practice Manager:	Nicolas Peltier-Thiberge
Task Team Leaders:	Fabio Galli/Aguiatou Savadogo Tinto

**BURKINA FASO**  
**Transport Sector Modernization and Corridor Trade Facilitation Project**

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# PAD DATA SHEET

*Burkina Faso*

*BF-Transport Sector Modernization and Corridor Trade Facilitation Project (P156892)*

## PROJECT APPRAISAL DOCUMENT

*AFRICA*

*Transport and ICT Global Practice*

Report No.: PAD1927

Basic Information			
Project ID P156892	EA Category B - Partial Assessment	Team Leader(s) Fabio Galli, Aguiratou Savadogo-Tinto	
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [ ]		
	Financial Intermediaries [ ]		
	Series of Projects [ ]		
Project Implementation Start Date 12-Jan-2017	Project Implementation End Date 31-Dec-2021		
Expected Effectiveness Date 30-May-2017	Expected Closing Date 30-Jun-2022		
Joint IFC No			
Practice Manager/Manager Nicolas Peltier-Thiberge	Senior Global Practice Director Jose Luis Irigoyen	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	Title: Email:	Permanent Secretary of PST pst-2@pst-2.bf
Responsible Agency: Ministry of Transport, Urban Mobility and Road Safety			
Contact: Telephone No.:	Souleymane Soulama 22625316891	Title: Email:	Minister cab-mef@yahoo.fr
Responsible Agency: Ministry of Economy, Finance and Development			
Contact: Telephone No.:	Hadizatou Rosine Coulibaly/Sori 0022625312715	Title: Email:	Minister sorirosine@gmail.com

<b>Project Financing Data(in USD Million)</b>										
<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:		25.00				Total Bank Financing:		20.00		
Financing Gap:		0.00								
<b>Financing Source</b>							<b>Amount</b>			
BORROWER/RECIPIENT							5.00			
International Development Association (IDA)							20.00			
Total							25.00			
<b>Expected Disbursements (in USD Million)</b>										
Fiscal Year	2017	2018	2019	2020	2021	2022	0000	0000	0000	0000
Annual	0.00	4.00	6.00	6.00	3.00	1.00	0.00	0.00	0.00	0.00
Cumulative	0.00	4.00	10.00	16.00	19.00	20.00	0.00	0.00	0.00	0.00
<b>Institutional Data</b>										
<b>Practice Area (Lead)</b>										
Transport & ICT										
<b>Contributing Practice Areas</b>										
Governance, Macro Economics & Fiscal Management, Trade & Competitiveness, Social, Urban, Rural and Resilience Global Practice										
<b>Proposed Development Objective(s)</b>										
The proposed PDO is to improve the efficiency and safety of transport services on the Burkinabé section of the Ouagadougou (Burkina Faso) - Abidjan (Côte d'Ivoire) - road transport corridor.										
<b>Components</b>										
<b>Component Name</b>							<b>Cost (USD Millions)</b>			
Institutional strengthening and capacity building support for public and private sector participants in the transport sector							2.90			
Development of a heavy cargo truck renewal scheme							11.00			
Support to customs modernization and trade facilitation on the Burkinabé section of the Corridor							3.00			
Road safety on the Burkinabé section of the Corridor							2.10			
Project management, monitoring, and evaluation							1.00			

<b>Systematic Operations Risk- Rating Tool (SORT)</b>		
<b>Risk Category</b>	<b>Rating</b>	
1. Political and Governance	High	
2. Macroeconomic	High	
3. Sector Strategies and Policies	Moderate	
4. Technical Design of Project or Program	Substantial	
5. Institutional Capacity for Implementation and Sustainability	Substantial	
6. Fiduciary	Substantial	
7. Environment and Social	Moderate	
8. Stakeholders	High	
9. Other		
<b>OVERALL</b>	High	
<b>Compliance</b>		
<b>Policy</b>		
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 [ ]
<b>Safeguard Policies Triggered by the Project</b>	<b>Yes</b>	<b>No</b>
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



<b>Legal Covenants</b>			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Project Steering Committee Schedule 2, Section I.A.1 (a)		30-Aug-2017	
<b>Description of Covenant</b>			
The Recipient shall, no later than three (3) months after the Effective Date, establish and maintain, throughout Project implementation, a Project Steering Committee with terms of reference, composition and resources, satisfactory to the Association.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Project Technical Committee Schedule 2, Section I.A.1 (b)		30-Aug-2017	
<b>Description of Covenant</b>			
The Recipient shall, no later than three (3) months after the Effective Date, establish and maintain, throughout Project implementation, a Project Technical Committee with terms of reference, composition and resources, satisfactory to the Association.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Permanent Secretariat of the Transport Sector Project (SP-PST) Schedule 2, Section I.A.3 (a)		30-Aug-2017	
<b>Description of Covenant</b>			
The Recipient shall, no later than three (3) months after the Effective Date, recruit for SP-PST a procurement specialist, with terms of reference (ToR), qualifications and experience satisfactory to the Association.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
Project Implementation Manual (PIM) Schedule 2, Section I.B.1		30-Aug-2017	
<b>Description of Covenant</b>			
The Recipient shall prepare and adopt no later than three (3) months after the Effective Date, in accordance with terms of reference acceptable to the Association, a project implementation manual, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project as well as the roles and obligations of the Implementing Agencies; (b) monitoring, evaluation, reporting and communication; (c) eligibility criteria, detailed rules and procedures for identification, registration and selection of selected towns, (f) administration, financial management and accounting including the hiring of the procurement expert; and (g) such other administrative, technical and organizational arrangements and procedures as shall be required for purposes of implementation of the Project.			
<b>Name</b>	<b>Recurrent</b>	<b>Due Date</b>	<b>Frequency</b>
External Auditor Schedule 2, Section II.B.4		30-Nov-2017	
<b>Description of Covenant</b>			
No later than six (6) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association in writing, the Recipient shall have recruited and external auditor for the			

Project, for the purpose of completing the audit referred to in Section II.B.3 of this Schedule, with terms of reference, qualifications and experience satisfactory to the Association.

Name	Recurrent	Due Date	Frequency
Mid-term Review Schedule 2, Section V.A		30-Nov-2018	

**Description of Covenant**

No later than eighteen (18) months after the Effective Date, or such later date as may be agreed upon by the Recipient and the Association in writing, the Recipient and the Association shall carry out a mid-term review of the Project, covering the progress achieved in the implementation of the Project. The Recipient shall prepare, under terms of reference satisfactory to the Association, and furnish to the Association three (3) months prior to the beginning of such mid-term review of the Project, or on such other date agreed upon with the Association in writing, a report integrating the results of the monitoring and evaluation activities performed pursuant to this Agreement, on the progress achieved in the carrying out of the Project during the period preceding the date of such report, and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives of the Project during the period following such date.

Name	Recurrent	Due Date	Frequency
Counterpart Funding Schedule 2, Section V.B	X		Annual

**Description of Covenant**

Without limitations upon the provisions of Section 4.03 of General Conditions, the Recipient has agreed to contribute an amount equivalent to US\$5,000,000 as counterpart contribution to finance activities to be implemented under Part 2 (b) of the Project (“Counterpart Funds”). These Counterpart Funds shall be included in the Annual Work Plans and budgets for the Project and shall be made to finance Part 2 (b) of the Project in the following installments: (1) US\$1,000,000 for 2018, (2) US\$2,000,000 for 2019 and (3) US\$2,000,000 for 2020, or such other timing as the Association may approve.

**Conditions**

Source Of Fund	Name	Type

**Description of Condition**

**Team Composition**

**Bank Staff**

Name	Role	Title	Specialization	Unit
Fabio Galli	Team Leader (ADM Responsible)	Lead Transport Specialist	Transport	GTI08
Aguiratou Savadogo-Tinto	Team Leader	Sr Transport. Spec.	Transport	GTI08

Mohamed El Hafedh Hendar	Procurement Specialist (ADM Responsible)	Senior Procurement Specialist	Procurement	GGO07
Ngor Sene	Financial Management Specialist	Financial Management Specialist	Financial Management	GGO26
Abdoul Wahabi Seini	Safeguards Specialist	Senior Social Development Specialist	Social	GSU01
Abdoulaye Gadiere	Safeguards Specialist	Senior Environmental Specialist	Environment	GEN07
Cheick Omar Tidiane Diallo	Team Member	Transport Specialist	Transport	GTI08
Ibou Diouf	Team Member	Program Manager	Transport	GTI07
Isabella Micali Drossos	Team Member	Senior Counsel	Legal	LEGLE
Konjit Negash Gebreselassie	Team Member	Temporary	Program assistant	GTISO
Leandre Yameogo	Environmental Specialist	Senior Environmental Specialist	Environment	GEN07
Mariam Diop	Team Member	Senior Economist	Economy	GMF08
Monica Augustina Cristina Moldovan	Team Member	Transport Specialist	Transport	GTI08
Saba Nabeel M Gheshan	Team Member	Legal Analyst	Legal	LEGAM
Yolande Bougouma-Zagre	Team Member	Program Assistant	Program assistant	AFMBF

#### Extended Team

Name	Title	Office Phone	Location
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#### Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Burkina Faso	Centre	Ouagadougou	X		
Burkina Faso	Centre-Ouest	Koudougou	X		
Burkina Faso	High-Basins	Bobo-Dioulasso	X		
Burkina Faso	Cascades	Banfora	X		

## I. STRATEGIC CONTEXT

### A. Country Context

1. Burkina Faso is a landlocked low-income country with a gross domestic product (GDP) (Atlas method) of US\$12.7 billion and a rapidly (+2.8 percent per annum) increasing population of 16.9 million inhabitants. Burkina Faso has seen rapid economic growth in recent years, with an average GDP growth of about 5 percent over the last decade. The key drivers of economic growth during this period have been increasing gold production, improved performance of the cotton industry and expansion of the services sector. Burkina Faso also has a good record of accomplishment in terms of sound macroeconomic management and structural reforms. However, Burkina's economy remains highly vulnerable to exogenous factors, including erratic weather patterns, downward trend in commodity prices, political instability and reductions in Foreign Direct Investment (FDI)/Overseas Development Aid (ODA). Furthermore, the country went through major political upheaval since October 2014 that forced the resignation of the president after 27 years in power. Presidential elections were held in November 2015, which have led to the establishment of a democratically elected government.

2. Despite the good economic performance of the last decade, Burkina Faso has had limited success to foster broad-based growth, employment creation and poverty reduction, in a context of rapid demographic growth. The poverty headcount has stagnated since 2009, and approximately 46 percent of the population still lives below the poverty line. Furthermore, Burkina Faso ranked only 183 out of 188 in the 2015 UNDP Human Development Index (HDI).

### B. Sectoral and Institutional Context

3. High transport, trade and logistics costs in Burkina Faso have undermined the potential of the economy and its linkages with the global economy, which are essential to accelerate its structural transformation and reduce poverty.

4. **Transport sector.** The transport sector in Burkina Faso suffers from numerous constraints, which hinder economic development, competitiveness of the tradable sectors of the economy, and urban-rural value chains. The state of transport infrastructure is poor, and the provision of transport services remains inefficient. Its asset base consists of: (a) a classified road network of about 15,300 km of which only 20 percent are paved; (b) non classified road network of about 46,000 km of which about 50 percent is impassable during the rainy season; (c) a 500 km rail system connecting the country with Côte d'Ivoire; and (d) two international airports (Ouagadougou and Bobo-Dioulasso) and several secondary airports. The country is landlocked and is about 1,000 km from the nearest seaport.

5. **Abidjan – Ouagadougou regional road transport corridor (Corridor).** The overall length of the Corridor is about 1,189 km of which about 536 km is in Burkina Faso. A single-track meter gauge railway line of about 1,238 km also serves the same Corridor, and the current road/rail modal split is about 75 percent road transport and 25 percent rail transport. In 2013, the Abidjan – Ouagadougou corridor (road plus rail) had a share of about 35 percent of the overall transit trade for Burkina Faso, ahead of Lomé (about 31 percent), Cotonou and Tema (about 17 percent each).

The market share is likely to increase as Côte d'Ivoire regains its dominant transit corridor role for Burkina Faso and to a lesser extent Mali and Niger.

6. **Inefficient transport service provision.** With regard to the provision of road transport services, a combination of deficient infrastructure, inadequate regulations, and market distortions have created a large gap between prices and costs in the provision of transport services and an environment not conducive to sectorial investments. Furthermore, the lack of clear criteria for access to the transport profession and of transparent market mechanisms to match supply and demand for transport services on key corridors like Abidjan - Ouagadougou, has given rise to the emergence of a few dominant operators that capture large rents through the allocation of freight to truckers. The resulting low profitability of the transport service creates strong incentives for truckers to resort to short-term profit maximizing behaviors, such as overloading and use of obsolete trucks, which discourage containerization. As a result, the containerization rate on West African transit corridors, including the Corridor, is about 20 percent for transit goods moving inland, which is amongst the lowest rate in the world.

7. **Transport sector reform.** The Government of Burkina Faso (GoBF) has launched over the last ten years an ambitious and comprehensive program of reforms to modernize road transport and improve the trade environment. This also included professionalizing the trucking industry, reforming the access to the profession, improving the functioning of the transport market, facilitating the renewal of the trucking industry fleet, and streamlining trade and transit procedures. One of the main objectives of this program is to improve the efficiency of transport services on key transport corridors, which are central to enhancing the tradable sectors' access to export markets and reduce the cost of imports. This program was supported by West African Economic and Monetary Union (WAEMU) Road Program I (RP-I) on one of the key transit corridors (Tema – Ouagadougou – Bamako road corridor), which was in turn supported by several development partners, including the World Bank Group (WBG).

8. **World Bank support to transport sector reform.** The World Bank, through the Regional Trade Facilitation and Competitiveness Credit (RTFCC) series of Development Policy Operations (DPOs) (P129282 and P158333), covering Côte d'Ivoire and Burkina Faso, is supporting transport sector reform efforts in both countries. More specifically, the RTFCC DPO series directly supports joint efforts by the Ivorian and Burkinabé Governments to reduce trade and transport costs, especially on the economically relevant Corridor, in order to improve the competitiveness of the tradable sectors of the economy. The first RTFCC DPO was approved in June 2015 and closed in December 2015 while the second RFTCC DPO was presented to the World Bank Board of Directors on December 13, 2016. As a direct result of the support provided under the RTFCC DPO series, the Governments of Burkina Faso and Côte d'Ivoire plan to apply in a systematic manner axle load control legislation on the different corridors.

9. To support and sustain the implementation of some of the RTFCC DPO series longer term transport and customs-related reforms, as well as to mitigate their potential negative impacts on vulnerable stakeholders, both the Governments of Côte d'Ivoire and Burkina Faso requested the World Bank's continued support through a Technical Assistance (TA) type project. The proposed project is being prepared in parallel with an already approved project (Côte d'Ivoire Transport

Sector Modernization and Corridor Trade Facilitation Project (P156900), which was approved on July 5<sup>th</sup>, 2016), and focuses on the Ivorian section of the Corridor.

### **C. Higher Level Objectives to which the Project Contributes**

10. The proposed project is fully aligned with the Government’s National Economic and Social Development Plan (PNDES) (2016-2020), and with the current Country Partnership Strategy (CPS), for fiscal year 2013-2016 (Report No 78793-BF). The objectives of the current CPS state that “Burkina’s development depends extensively on its taking part in regional initiatives to sustain competitiveness within the region, overcome trade barriers, reduce transportation and energy costs, and enhance the stability of the region.” In addition, the proposed project supports the WBG’s twin goals of reducing extreme poverty and boosting shared prosperity by enhancing access of goods and services to the poor. Furthermore, the proposed project directly supports the objectives of the RTFCC DPO series, which focuses on reducing trade transaction costs on the Corridor. Finally, the proposed project supports other development partner’s interventions in the sector and Corridor, including the European Union (EU), African Development Bank (AfDB), French Development Agency (AFD) and Islamic Development Bank (IDB).

## **II. PROJECT DEVELOPMENT OBJECTIVES**

### **A. PDO**

11. The proposed PDO is to improve the efficiency and safety of transport services on the Burkinabé section of the Ouagadougou (Burkina Faso) – Abidjan (Côte d’Ivoire) - road transport corridor.

### **B. Project Beneficiaries**

12. **Population of Burkina Faso and sub-region.** The general population, especially the poor, will benefit from the proposed project through lower transport costs, which should affect the prices of imported goods, commodities and staples. The direct beneficiaries of the proposed project are expected to be about 3.6 million people of which about 50.5 percent are women.

13. **Tradable sectors of the Burkinabé economy.** The tradable sectors of the Burkinabé economy will benefit from the proposed project through more efficient logistics and transport services provision on the Corridor, which should lead to better access to intra/inter regional markets. Shipping companies stand to benefit from increased efficiency in the transport industry owing to lower prices.

14. **Women traders operating on the Corridor.** Women traders are expected to be major beneficiaries of lower prices and increased access to markets stemming from the proposed project. Mostly women are operating small businesses along the Corridor, in both Burkina Faso and Côte d’Ivoire, trading produce and consumer goods destined for urban consumption.

### C. PDO Level Results Indicators

15. The following key indicators will be used to evaluate the achievement of the PDO:

1. Average cost of transporting a 40 foot container by road from Ouagadougou to Abidjan US\$)
2. Average transit time to Ouagadougou after exiting border post (Niangologo) with Côte d'Ivoire (Hours)
3. Fatalities on the Burkinabé portion of the Corridor (Number)
4. Direct project beneficiaries (Number), of which female (Percentage)
5. CO <sub>2</sub> emissions reduction per annum by scrapping about 150 trucks and replacing them with an equivalent number of new trucks (tCO <sub>2</sub> )

### III. PROJECT DESCRIPTION

16. The proposed project is designed to support GoBF by: (a) providing technical and financial assistance to enable the effective implementation of key reforms identified in the Policy Matrix of the RTFCC DPO (see Annex 2); and (b) establishing support mechanisms to help private operators adapt to the new regulatory environment and mitigate the potential negative long term socio-economic impact of these reforms.

17. The proposed project activities complement the reforms supported by the RTFCC DPO series by: (a) supporting the professionalization of the trucking industry; (b) improving the competitiveness of road freight transport; and (c) improving customs transit procedures. More specifically, the proposed project components directly support the RTFCC DPO series in the following manner: (a) Component 1 supports Pillar A and part of Pillar B; (b) Component 2 supports part of Pillar B; and (c) Component 3 supports Pillar D and part of Pillar E. Component 4 supports road safety measures on the Burkinabé section of the Corridor. One of the key reforms of the RTFCC DPO series that the proposed project supports is the more systematic application of axle load control legislation on the Corridor.

#### A. Description of Project Components

**Component 1: Institutional strengthening and capacity building support for public and private sector participants in the transport sector (about US\$2.90 million equivalent, of which IDA will finance 100 percent)**

18. This component will strengthen the capacity of the GoBF and of professional associations/organizations in the transport and trade sectors to provide more efficient services to the private sector operating on the Burkinabé section of the Corridor. It will also support activities that promote the professionalization of the road transport industry, as well as accompanying measures for transport and logistics operators who may not be able to adapt to the new regulatory framework. The components will include, among others, capacity building for staff of the General Directorate of Land and Maritime Transport (DGTTM), Burkina Shippers Council (CBC), Chamber of Commerce and Industry (CCI-BF), Training Center for Road Transport and Auxiliary

Activities (CFTRA), operators and professional drivers associations. This component will be implemented by the DGTMM and will include the following three sub-components/activities:

- ***Sub-component 1A (US\$1.20 million equivalent): Strengthen the institutional capacity of the Ministry of Transport, Urban Mobility and Road Safety (MITMUSR) and related agencies.*** This sub-component will include: (a) support to interconnect the information systems of the DGTMM with those of the National Identification Office (ONI), the Police-Gendarmerie (IRAPOL system), the General Directorate of Customs (DGD), the Motor Vehicle Control Centre (CCVA) and the General Directorate of Taxes (DGI); (b) piloting an electronic system aimed at managing driver's license examinations and monitoring of truck drivers performance; (c) developing benchmarks for training and evaluation of driver's license examinations; (d) provision of training, workshops and study tours for the benefit of officials from the MITMUSR and related agencies; and (e) acquisition of two vehicles for DGTMM and CBC.
- ***Sub-Component 1B (US\$1.40 million equivalent): Support to transport operators and stakeholders.*** This sub-component will include: (a) study on the evaluation of the CFTRA training modules; (b) training for the benefit of carriers, shippers, and officials of CCI-BF and CBC; (c) development of a transport management system; (d) acquisition of simulators and articulated trucks for CFTRA; (e) communication plan for the virtual freight exchange mechanism; and (f) acquisition of computer equipment and office furniture for the CBC.
- ***Sub-Component 1C (US\$0.30 million equivalent): Support to joint initiatives and coordination to facilitate trade on the Corridor.*** This sub-component will support regional dialogue with Côte d'Ivoire on Corridor issues such as implementation of the bilateral road transport agreement, establishment of a permanent dialogue framework and Corridor management body. The activities will include: (a) piloting a monitoring system for the collection of transit bonds guarantee fees<sup>1</sup>; and (b) organization of meetings of the ad hoc committee set up by the CBC and the Ivorian Shippers' Council (OIC).

**Component 2: Development of a heavy cargo truck renewal scheme (US\$16.00 million equivalent of which about US\$11.00 million equivalent funded by IDA and about US\$5 million funded by GoBF)**

19. This component is designed to support the development of a self-sustaining long haul heavy cargo truck renewal scheme. It will also support the institutional strengthening of the DGTMM, to ensure that it has the capacity to properly manage the activities under this component, including the relationship with both the banking sector and the truck industry companies. This component will be implemented by DGTMM and will include the following three sub-components:

- ***Sub-component 2A (US\$0.55 million equivalent, of which 100 percent funded by IDA): Technical assistance required to put in place an operational framework for a truck fleet renewal program as well as for the recovery and recycling of decommissioned trucks.*** Activities to be financed under this sub-component are: (a) study to develop and implement

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<sup>1</sup> Transit bond guarantee fees are collected from trucking companies to cover the risk that freight under bond is diverted before it reaches its intended final destination.



a sustainable mechanism for truck fleet renewal to be implemented by the proposed project, as well as criteria for truck operators to be selected under the truck renewal scheme; and (b) study for the design and implementation of a truck scrapping scheme. The study will also provide specifications of the type of trucks that are eligible for the truck renewal scheme, criteria to ensure that the type of truck selected for the truck renewal scheme primarily on the Corridor, and criteria to ensure that the trucks that are selected for the truck renewal scheme meet the new truck 'registration standards'; (c) strengthening audit capabilities, monitoring of road transport companies, and technical assessment of the operators' credit applications; and (d) improving DGTMM's capacity to manage truck renewal scheme through the purchase of equipment and computer hardware and/or software.

➤ ***Sub-component 2B (US\$15 million equivalent - US\$10 million equivalent from IDA and US\$5 million from GoBF): Support the establishment of a truck renewal scheme to facilitate the replacement of old unsafe trucks with new ones.*** This sub-component will help put in place a revolving fund to enable operators to access financing to renew their fleets of heavy trucks and provide support for the implementation of the truck scrapping process. The activities supporting the implementation of the truck renewal scheme will focus on:

(a) supporting the design and establishment of the institutional and implementation arrangements for the key stakeholders (commercial banks, carriers, and truck operators) that will be involved in the truck renewal scheme, as well as monitoring of banks-operators transactions;

(b) providing support for the competitive selection of commercial banks, or other financial intermediaries, to host revolving truck renewal lines of credit. The truck fleet renewal program will consist of scrapping used trucks against payment of a contribution, which will represent the operator's personal contribution to access lines of credit required to replace the scrapped truck with a new one. Two or three commercial banks and/or financial institutions will be chosen to host the lines of credit. In line with World Bank guidance and principles for appraising financial intermediaries, the selection will be done by using a multi criteria analysis which will include financial soundness of bidding financial institution, the interest rate of loans, term maturity of loans, collateral requirements and collection systems to recover overdue and delinquent loans; and

(c) supporting the selection process for a qualified operator who will manage the truck scrapping scheme on behalf of the GoBF. Some of the key criteria that will be used to select the operator will be its proven technical capacity and ability to comply with the ESIA and the provisions of the ESMP.

➤ ***Sub-component 2C (US\$0.45 million equivalent, of which 100 percent funded by IDA): Support operation of technical committee for the implementation of the financial mechanism and for management of old unsafe trucks scrapping scheme.*** The implementation process includes the establishment of a technical committee to validate the eligibility of the credit applicant operators. This committee will include all stakeholders, and would be in charge of the preliminary technical assessment of documents, before

transmission to commercial banks for consideration. Support will be provided for the technical evaluation of the proposed trucks slated for scrapping through already agreed specifications in order to determine the residual value of the vehicle to be used as down payment for a commercial bank loan. ‘

**Component 3: Support to customs modernization and trade facilitation on the Burkinabé section of the Corridor (US\$3 million equivalent, of which 100 percent funded by IDA)**

20. This component aims to strengthen transport, trade and transit facilitation along the Burkinabé section of the Corridor. Activities under this component will focus primarily on interconnecting the Burkina Faso and Côte d’Ivoire customs management systems to facilitate trade and transit along the Corridor. This activity will be implemented by Customs, and will include the following four sub-components:

- ***Sub-component 3A (US\$0.63 million equivalent): Strengthen the capacity building of Customs (DGD) and its partners.*** This subcomponent will support: (a) training of technical teams from DGD/focal points on the required activities related to the implementation for the interconnection of customs management systems of Burkina Faso and Côte d’Ivoire, as well as for putting in place the Authorized Economic Operator (AEO) system; (b) development and implementation of a communication plan to facilitate the interconnection of customs management systems and the AEO system, including training of customs officers, the partners involved in the implementation, and users of the system; and (c) joint initiatives, such as bilateral meetings and seminars between Burkinabé and Ivorian stakeholders, required for the implementation of customs management systems interconnection and putting in place AEO system.
- ***Sub-component 3B (US\$1.82 million equivalent): Support the interconnection of the customs management systems on the Corridor.*** This sub-component will finance technical assistance required for the implementation of the PACIR interconnection proposal, as well as the acquisition of equipment and software necessary for its successful implementation. The United Nations Convention on Trade and Development (UNCTAD) will provide TA to implement and operationalize the interconnection of the ASYCUDA World customs management systems of the two countries, including transfer of knowledge to customs information communications technology (ICT) staff.
- ***Sub-component 3C (US\$0.45 million equivalent): Facilitate and simplify the process to obtain the authorized economic operators.*** This sub-component will finance technical assistance for the effective implementation of AEO system in Burkina Faso. These services will cover a diagnostic study, putting in place the framework and the development of implementation instruments of the AEO.
- ***Sub-component 3D (US\$0.10 million equivalent): Identification of measures to accompany the stakeholders affected by the implementation of the interconnection of the customs management system.*** This subcomponent will support the preparation of a socio-economic impact study of the implementation of the interconnection of customs management systems on the Corridor in Burkina Faso and Côte d’Ivoire on key

stakeholders, and will include some measures to mitigate any potential negative impacts of the interconnection.

**Component 4: Road safety on the Burkinabé section of the Corridor (about US\$2.10 million equivalent, of which 100 percent funded by IDA)**

21. This component supports the objectives of the Burkina Faso 2011-2020 National Action Plan on Road Safety and those of the UN Decade of Action for Road Safety. More specifically, the activities of this components will be cross-cutting and support the five pillars of the UN Decade of Action for Road Safety which are: (a) road safety management; (b) safer roads and mobility; (c) safer vehicles; (d) safer road users; and (e) post-crash response. The component will also support institutional strengthening and capacity building of the National Road Safety Agency (Office National de la Sécurité Routière – ONASER), which has the overall mandate for road safety oversight in Burkina Faso. Finally, it will provide ONASER with the necessary tools to more effectively implement axle load control on the Corridor. This component will be implemented by ONASER, and will include the following three subcomponents/activities:

- ***Sub-component 4A (US\$0.55 million equivalent): Provide capacity building for ONASER and key stakeholders in road safety.*** Activities under this sub-component will support ONASER to more effectively collect data and monitor road safety on the Burkinabé section of the Corridor, and will include: (a) training of ONASER officials in road safety inspection and audit, accidents diagnostic and analysis, as well as road safety management skills; (b) road safety training for road safety associations (including women groups), law enforcement officials and other stakeholders (truck drivers, Civil Society Organizations (CSOs), trainer of trainer teachers of primary schools selected along the Burkinabé section of the Corridor), as well as acquisition of equipment for local committees; (c) operationalization of the road accident analysis bulletin (BAAC), including training of stakeholders and data collection missions corridor, update of the ONASER website, and acquisition of equipment; and (d) organizing study tours and experience sharing on truck weighing station management and interstate traffic management.
- ***Sub-component 4B (US\$1.40 million equivalent): Awareness and prevention campaigns on the Burkinabé section of the Corridor.*** Activities under this sub-component will include: (a) road user awareness campaigns (production and distribution of TV and radio programs on road safety, awareness campaigns focused on the application of Regulation 14 on axle load control); (b) citizen engagement activities (mobile awareness caravans, public conferences, programs and contests at local radio stations) on the Burkinabé section of the Corridor; (c) installation of road safety message signs along the Burkinabé section of the Corridor; (d) organization of joint traffic controls operations of police and security forces; (e) acquisition of latest generation radars, and mobile weighbridges; and (f) acquisition of materials and equipment to support outreach campaigns.
- ***Sub-component 4C (US\$0.150 million equivalent): Treatment of accident black spots resulting from road safety audits on the Burkinabé section of the Corridor.*** To support efforts to reduce accidents, this subcomponent will finance the treatment of accident black spots identified through road safety audits on the Burkinabé section of the Corridor. It will

focus on traffic calming measures, such as the installation of traffic signs, the speed bumps, road markings, barriers, corridor access control measures, etc...

22. Due to limited funding, and to more effectively implement sub-component 4C, the GoBF plans to submit a request to the Global Road Safety Fund (GRSF) to finance a road safety audit on the Burkinabé section of the Corridor. This audit will lead to the systematic inspection of road safety measures on the corridor by the International Road Assessment Program (IRAP) to identify black spots that need to be treated. These activities will be closely coordinated with the activities directly financed under the project to provide synergistic complementarity.

**Component 5: Project management, monitoring, and evaluation (US\$1 million equivalent of which 100 percent funded by IDA)**

23. To ensure the effective and efficient implementation in a timely fashion of all project activities, the proposed project will support the GoBF in critical project management, monitoring, and evaluation functions. These will be ensured by the already long established SP-PST.

24. The following activities will be financed by this component: (a) operating costs that are not addressed by other projects managed by the SP-PST; (b) project management, financial and technical audits; (c) monitoring including the third party monitoring non-governmental organization (NGO) who will be a reviewer of the activities implemented, reporting and evaluation of project activities; (d) support to implement citizen engagement and gender related activities including through the acquisition of ICT technology, such as toll free numbers, GIS systems, satellite cellphones, video links and web sites; (e) environmental and social management, studies and technical assistance to project implementation; and (f) HIV/AIDS prevention campaigns, including monitoring of HIV/AIDS along the Burkinabé section of the corridor.

**B. Project Financing**

**Lending Instrument and Total Project Cost**

25. The lending instrument for the proposed project is the Investment Project Financing (IPF). IPF can directly support the implementation of the key objectives and reforms agreed under the RTFCC DPO series. The total cost of the proposed project is estimated at US\$25 million to be implemented over a four and half year period. IDA will finance US\$20 million equivalent of the total project costs, while the GoBF will finance the balance of US\$5 million through counterpart funding. GoBF funding will be used exclusively to fund activities under Component 2 - Development of a heavy cargo truck renewal scheme, and will be made available in the following installments per calendar year: (a) US\$1 million equivalent for 2018, (b) US\$2 million equivalent for 2019, and (c) US\$2 million equivalent for 2020.

**Table 1: Project Cost and Financing**

<b>Project Components</b>	<b>Total amount in million US\$</b>	<b>IDA amount in million US\$</b>	<b>Government funding in million US\$</b>	<b>IDA percentage</b>
1. Institutional strengthening and capacity building support for public and private sector participants in the transport sector	2.90	2.90		100%
2. Development of a heavy cargo truck renewal scheme	16.00	11.00	5.00	69%
3. Support to customs modernization and trade facilitation on the Burkinabé section of the Corridor	3.00	3.00		100%
4. Road safety on the Burkinabé section of the Corridor	2.10	2.10		100%
5. Project management, monitoring and evaluation	1.00	1.00		100%
<b>Total Project Costs</b>	<b>25.00</b>	<b>20.00</b>		

#### IV. IMPLEMENTATION

##### A. Institutional and Implementation Arrangements

26. The institutional arrangements to effectively prepare and implement the proposed project activities are the following.

27. **Project Steering Committee (PSC).** The overall strategic direction for proposed project will be provided by the Project Steering Committee (PSC). 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. The national technical committee already established in the context of the preparation and implementation of the RTFCC would be restructured/strengthened to become the PSC and will be chaired by the secretary general of the Ministry of Transport, Urban Mobility and Road Safety (MITMUSR). The directors of the Project Implementing Agencies (IAs), or their representatives, will participate in the PSC. The PSC shall be established and maintained throughout the proposed project implementation period.

28. **Project Technical Committee (PTC).** The PCT will be established within three months after the projects effectiveness. Throughout the implementation, the PTC will be responsible for the day-to-day technical oversight of all project components, sub-components, and activities to ensure that the proposed project meets its objectives, outcomes, and outputs. The PTC will include the monitoring and evaluation specialist of the coordination unit and designated focal points from the three IAs and from the project beneficiaries.

29. **IAs.** The proposed five project components will be implemented by dedicated IAs. To ensure greater ownership of project activities, existing GoBF structures already involved in project preparation will be designated as IAs. The proposed IAs consist of the following: (a) DGTMM will take the lead for Components 1 and 2; (b) DGD for Component 3; and (c) ONASER for Component 4. The Permanent Secretariat - Project Coordination Unit (SP-PST) will ensure the implementation of any cross cutting activities.

30. **SP-PST.** The already existing and operational SP-PST will be in charge of the overall fiduciary aspects (procurement and financial management), monitoring and evaluation, coordination and sensitization for the proposed project activities. A procurement specialist will be hired three months after the effective date of the project. SP-PST will also be responsible for the technical and financial audits. Although the unit has extensive experience in implementing World Bank funded projects, its capacity will be reinforced given the multi-sectoral nature of the project. Moreover, the SP-PST will prepare a Project Implementation Manual (PIM) containing detailed arrangements and procedures applicable to the implementation of the proposed project. The PIM will be based on previous examples of PIMs that have already been prepared by the SP-PST, and will be made available no later than three months after project effectiveness.

## **B. Results Monitoring and Evaluation**

31. **Framework for monitoring outcomes/results.** The monitoring of outcomes/results will be based on the agreed results framework and monitoring arrangements that are described in detail in Annex 1.

32. **Responsibility for monitoring activities.** The monitoring of outcomes will be done at the country level led by the SP-PST with project stakeholders. The monitoring will be conducted within the framework of the preparation of a Semestrial Progress Report (SPR), and Annual Progress Report (APR). These reports will present progress in respect of the monitoring indicators in the results framework (see Annex 1).

## **C. Sustainability**

33. The proposed project directly supports and complements the PDO of the RTFCC DPO series. More specifically, by combining the support from the RTFCC DPO series, together with the proposed project and its equivalent in Côte d'Ivoire, it should help sustain the improved efficiency and safety of the Corridor. Furthermore, the combination of medium term capacity building support from the proposed project and short-term policy reform support from RTFCC DPO series should facilitate the creation of an appropriate institutional environment in both countries to ensure that the functioning of the Corridor is as efficient and safe as possible.

## V. KEY RISKS

### A. Overall Risk Rating and Explanation of Key Risks

34. As summarized in the risk table (Systematic Operations Risk-rating Tool (SORT)), the proposed project is rated as an overall **High**-risk project. What follows is a more detailed description of the key risks.

35. **Political and governance.** This risk is rated **High** due to the fact that without full strategic alignment between Côte d'Ivoire and Burkina Faso, it will be difficult to achieve the reform objectives of the proposed project. Furthermore, the political turbulence that Burkina Faso has traversed since October 2014, could make it more difficult to maintain the strategic alignment with Côte d'Ivoire. However, the confirmed alignment of the proposed project with national reform priorities, and strong political commitment expressed at the highest level of the new GoBF, and of the Government of Côte d'Ivoire, should contribute to sustain the strategic alignment and reform momentum. Furthermore, successful elections were held in November 2015, which put in place a Government intent in implementing reforms such as the ones agreed to for the Corridor. In addition, the preparation of the second tranche of the RTFCC DPO series demonstrates continued support by both Governments to the objectives of the DPO series.

36. **Macroeconomic.** This risk is rated **High**. This is because Burkina Faso remains highly vulnerable to endogenous/exogenous shocks such as a drop in commodity prices and erratic weather patterns may negatively affect the export prices of its main export commodities such as cotton and gold and agricultural production. These shocks could have major impacts on its external balances, fiscal position and rural incomes. A deteriorating fiscal position could lead to payment arrears and delays in the release of counterpart funds for the proposed project. Continued prudent fiscal management by the GoBF, and continued efforts to diversify the economy should ensure more resilience for the Burkinabé economy. Furthermore, high-level commitment by the GoBF should ensure the timely release of counterpart funding.

37. **Technical design of the proposed project.** This is rated **Substantial** due to the pioneering design of the proposed project, which requires the Côte d'Ivoire and Burkina Faso to coordinate a set of transport and trade reforms on their respective portions of the same Corridor. To mitigate this risk, the proposed project: (a) supports the activities/outcomes of the RTFCC DPO series; (b) its objectives are fully aligned in both countries; (c) establishes an effective joint mechanism for the two countries to monitor reforms; and (d) supports regular and transparent consultations with key stakeholders.

38. **Institutional capacity for implementation and sustainability.** This risk is rated **Substantial** in light of the complex and coordinated nature of some of the proposed reforms and activities on the Corridor. The rating of the risk is also linked to the ability of the SP-PST to coordinate among three implementation agencies and the risk of it being overloaded given the fact that it is already managing other World Bank projects. In order to mitigate these risks, all the planned reforms supported by the proposed project are consistent with the priorities of the current Government. Furthermore, the SP-PST has the capacity to coordinate all project activities, and will contribute to mitigate the capacity constraints in implementing agencies.

39. ***Fiduciary capacity risks.*** This risk is rated **Substantial**. The project will be implemented through DGTTM, DGD and ONASER. Even though DGTTM and DGD had exposure to World Bank procedures, ONASER has limited capacity to carry out fiduciary management, and procurement processes are 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 World Bank projects. Also, the World Bank is in discussion with the GoBF to eliminate the dual review of procurement documents by the Bank and Client to simplify the procurement process.

40. ***Stakeholders.*** This risk is rated **High** since the RTFCC DPO series and the proposed project would tackle structural inefficiencies and vested interests in the transport sector. Areas of highest risk are reforming access to the trucking profession, as small operators may be pushed out of the industry if they cannot meet the new criteria. In addition, measures such as the development of a virtual freight exchange may be resisted by intermediaries, who currently benefit from the status quo. All these vested interests could potentially coalesce to block some of the proposed project activities. The proposed project mitigates these risks by taking into account some of the findings of the Political Economy Study and Poverty and Social Impact Analysis (PSIA) that was conducted to support the preparation of the RTFCC DPO series. These studies have provided a deep understanding of vested interests that could possibly block reforms and helped design measures to prevent reform slippage.

## VI. APPRAISAL SUMMARY

### A. Economic and Financial Analysis

#### ***Potential project impacts***

41. As stated in the PDO, the proposed Project Impact Area (PIA) is the Burkinabé section of the Corridor. However, as some of the project activities are not corridor specific, the related impacts, are expected to benefit the transport industry in Burkina Faso as a whole, as well as other positive spin offs on jobs creation, safety, and security in the trucking industry.

42. Despite an average logistics performance rating for the region, transport costs in Burkina Faso are still among the highest. Currently the average price (in 2014) paid by the shippers for transporting a cargo of 34 tons (average load), between Abidjan and Ouagadougou (1189 km) is about US\$2,100. Lack of competition accounts for more than one third of the transport costs, and recent surveys undertaken with transport sector stakeholders, revealed that unlawful levies and payments at road-blocks are also among the underlying cause. Overall, the market structure is dominated by few operators and characterized by non-transparent allocation of freight, slow rotation times, and inefficient customs clearance procedures. This has resulted in low-productivity for the sector and large gap between prices and costs.

43. The implementation of the project components is expected to generate a number of positive impacts that vary in terms of their: (a) materialization time span (short term vs. mid/long term); (b) geographical area (Burkinabé section of the Corridor vs. the remainder of the Corridor with all the branching-outs outside Burkina Faso); (c) attributions (fully versus partially attributable to the project activities); (d) order of impacts (direct vs. indirect/second order impacts); and (e)



measurability (quantitative versus qualitative impacts). Such diversity of project impacts makes it difficult to derive a single economic rate of return for the entire project investments.

44. It is also foreseen, that the improvements to the transport conditions along the Corridor will not have any significant impacts on the modal share between road and rail (traffic diversion), due to similar improvements being implemented on the latter under the ongoing SITARAIL railway concession. Consequently, the appraisal of the economic efficiency was undertaken through a cost-benefit analysis of the quantifiable and directly attributable project impacts, listed in the following Table 2.

**Table 2: Summary of Project Benefits (2021-2040) <sup>2</sup>**

Estimated Project Benefits (2021 – 2040)	(2016 US\$ million)		
	Estimated Base Year Benefits	Period	Profile
a) Reduction in transport and logistics costs due to better regulated market and professionalization of the industry	8.988	2021-2040	Five-year linear ramp up
b) Reduction in Vehicle Operating Costs (VOCs) (fuel consumption and vehicle maintenance) thanks to fleet renewal	3.840	2021-2040	Constant over first 10 years, then decreasing to zero by 2040
c) Reduction in transit cost due to removal of road blocks and improved clearance procedures	1.426	2021-2040	Five-year linear ramp up
d) Reduction in vehicle emissions, with the consequent environmental and economic impacts (GHG emissions) and savings in health costs.	0.246	2021-2040	Increasing at 2.8 percent over first 10 years, then decreasing to zero by 2040
e) Reduction in road accidents due to newer fleet, better trained drivers, better police patrol, higher awareness among the corridor riparian populations	4.388	2021-2040	Five-year linear ramp up
f) Increase in trade as a consequence of lower transport costs and more reliability of transport journeys, with the consequent new jobs creation and higher added value and better pay	40.852	2021-2040	Ten-year linear ramp up

45. Overall, the benefits from the proposed project activities are expected to outweigh the costs of implementing the project. These costs will be adequately addressed to ensure that the entrenched stakeholders will not try to derail the reforms and undermine the competitiveness of transport services on the Corridor.

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<sup>2</sup> More information on benefits computation and details of the economic analysis are presented in the project files.

### *Economic analysis*

46. The above impacts were computed using standard econometric methods. Baseline and past trend data was provided by the Burkinabé authorities, and complemented with data collected by the World Bank from various available studies. Based on the project costs and benefits' cash flows, the following economic efficiency indicators were estimated:

**Table 3: Economic Internal Rate of Return (EIRR)**

2015 US\$	NPV @ 12%	NPV @ 5%
<b>Benefits:</b>	US\$148.04	US\$399.75
<b>Costs:</b>	(US\$17.00)	(US\$21.10)
<b>Net Benefits:</b>	US\$131.04	US\$378.65
<b>EIRR:</b>	41.5%	

47. As Table 3 shows, the projected project economic internal rate of return (EIRR) is estimated at **41.5 percent** and the project net present value (NPV) improves with a lower discount rate, reflecting the long-term nature of the project impacts. The investments aim to introduce sectoral reforms that will gradually yield a lasting behavioral change and create a sustainable business environment that is auspicious and conducive to an efficient and competitive trucking industry in Burkina Faso and the neighboring countries.

48. **Sensitivity analysis.** Given the low uncertainty on the proposed project costs because there are no physical investments, and the higher uncertainty in the benefits, a sensitivity analysis was prepared with an increase in project costs of 10 percent and a reduction of the benefits by 20 percent. As the following Table shows, the proposed project remains highly economically viable, highlighting the robustness of the viability conclusions.

**Table 4: Sensitivity Analysis of Cost Increase and Benefit reduction**

2015 US\$	NPV @ 12%	NPV @ 5%
<b>Benefits</b>	US\$118.43	US\$319.80
<b>Costs</b>	(US\$18.70)	(US\$23.21)
<b>Net Benefits</b>	\$99.74	US\$296.59
<b>EIRR</b>	35.9%	

49. In addition, given that the highest contribution to the proposed project benefits come from the increase in trade as a consequence of lower generalized transport costs (monetary costs, enhanced reliability of transport journeys, with the subsequent new jobs creation, higher added value, and better paid jobs), we have run a sensitivity analysis of the results to the elasticity of Trade to generalized costs, assuming a reduction of the latter by 50 percent.

**Table 5: Sensitivity Analysis to Trade Elasticity**

2015 US\$	NPV @ 12%	NPV @ 5%
<b>Benefits</b>	US\$113.28	US\$301.07
<b>Costs</b>	(US\$17.00)	(US\$21.10)
<b>Net Benefits</b>	US\$96.29	US\$279.96
<b>EIRR</b>	37.6%	

***Rationale for public sector financing***

50. The proposed project supports a series of institutional transport and trade related reforms and capacity building in the provision of core public sector activities, as well as the provision of public goods. Involvement in some activities, for which the private sector plays an important role, is justified by the existence of market failure, distortions and vested interests. However, ultimately, the proposed project intends to promote private sector development where feasible (e.g. development of certification mechanism for private training institutions; operation of the truck wrecking facility).

***Value added of Bank's support***

51. The World Bank has a solid track record in building capacity for public institutions, notably in the transport sector, and in implementing social mitigation measures. More specifically, the proposed project builds on the extensive policy dialogue and agreements reached between the World Bank, the Government and private stakeholders in the context of the RTFCC. As emphasized by the Board of Executive Directors upon approval of both the RTFCC-1 and 2, the proposed project is fully justified by the need to ensure effective implementation of the proposed reforms, mitigate any negative social impacts and ensure their long-term sustainability.

**B. Technical**

52. The proposed project was designed to address major constraints that are making the Corridor costly and insufficiently competitive for trade. The proposed project supports the following measures to make the Corridor more competitive while modernizing the transport industry: (a) putting in place strong institutions to implement and enforce transport rules and regulations; (b) accompanying measures for the professionalization of the trucking industry such as creating a body of professional truckers; (c) access to credit for truck renewal; (d) supporting the interconnection of customs management systems to facilitate transit and trade and promote containerization along the Corridor; and (e) supporting road safety on the Corridor. All of these measures are also essential to support the objectives of the RTFCC DPO series, which in turn, supports the two countries' coordinated efforts (Burkina Faso and Côte d'Ivoire) to reduce trade and transport transaction costs along the Corridor.

## C. Financial Management and Disbursements

### *Financial Management*

53. A financial management assessment of the SP-PST of the line ministry carried out in September 2016 indicated that the SP-PST's existing financial management (FM) arrangements satisfy the World Bank's minimum requirements under OP/BP 10.00. The SP-PST has considerable experience in implementing projects financed by the World Bank. The overall FM performance of these projects is rated **Satisfactory**. In addition, the SP-PST has: (a) sufficient, qualified and experienced FM staff; (b) an acceptable computerized accounting system; (c) a reliable internal control system with a detailed Administrative, Financial and Accounting Procedures Manual (AFAPM) and an internal audit function; and (d) received unqualified external audit opinions on the 2015 financial statements of IDA-funded projects managed by the SP-PST.

54. **Internal control system.** The internal control system comprises: (a) a PTC to oversee the project activities; (b) a PIM is being updated and will be formally adopted three months after project effectiveness; (c) an updated AFAPM for the SP-PST; and (d) an Internal Audit Unit to evaluate the performance of the overall internal control system.

55. **Planning and budgeting.** The SP-PST will prepare a detailed annual work plan and budget (AWPB), to be approved by the PTC. The SP-PST will submit the approved AWPB to the World Bank, for comments.

56. **Accounting.** The SYSCOHADA, an assigned accounting system in West African Francophone countries, will be applicable. The SP-PST will customize its existing multi-projects accounting software (TOMPRO) to host the proposed project. The FM staff comprises a Finance and Administration Officer, a Principal Accountant, and two Accountants. These staff will be able to manage the proposed project in addition to ongoing projects.

57. **Financial reporting.** The SP-PST will submit the Interim Financial Reports (IFR) to the World Bank within 45 days after the end of the calendar semester period. The SP-PST will annually produce project financial statements, which will comply with SYSCOHADA and World Bank requirements.

58. **Auditing.** The SP-PST will submit audited project financial statements satisfactory to the World Bank every year during the life of the project within six months after closure of the fiscal year. The SP-PST is recruiting an external auditor for all World Bank-funded projects it is managing. The audit of the proposed project will be included in the scope of the contract.

### *Disbursement*

59. Disbursements under the proposed 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 Agreement. The SP-PST will open and manage a Designated Account 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. Further details on the disbursement arrangements are provided in the project's disbursement letter.

60. Regarding governance and anticorruption measures, in addition to the involvement of the SP-PST's internal auditor, national audit institutions such as the general inspectorate of finance and the general inspectorate of the line ministry may periodically review the activities and financial information of the projects managed by SP-PST.

#### **D. Procurement**

61. **Applicable guidelines.** Procurement for the proposed project will be carried out in accordance with the World Bank "Guidelines: Procurement of Goods, Works, and Non-Consulting Services under International Bank for Reconstruction and Development (IBRD) Loans and IDA Credits & Grants by World Bank Borrowers" dated January, 2011, revised July 2014; and "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credit & Grants by World Bank Borrowers", dated January, 2011, revised July 2014; the "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 in January 2011 and the provisions stipulated in the Legal Agreement.

62. **Frequency of procurement reviews and supervision.** The World Bank will conduct six-monthly supervision missions and an annual Post Procurement Review (PPR) with a ratio of post review of at least one to five contracts. The World Bank reserves the right to conduct an Independent Procurement Review (IPR) at any time up to two years following the closing date of the project.

63. **SP-PST procurement responsibilities.** The SP-PST will be responsible for the coordination and quality control of all procurement related activities funded by the proposed project. The SP-PST has considerable experience in implementation of World Bank financed projects. It has a procurement manual, which will be updated according to the World Bank's revised procurement guidelines and to take into account the new project, and the existing archiving system is acceptable. While the SP-PST will have the full responsibility of the administrative/fiduciary matters linked to procurement, the technical matters (preparation of the technical specifications, ToRs, and evaluation of bids) will remain the responsibility of the IAs.

64. **Risks and related mitigation measures.** The procurement risk is rated **Substantial** for the following reasons: (a) the country context and associated risk; (b) the fact that the technical procurement aspects will remain with the IAs, which may not be familiar with the World Bank's procurement guidelines and rules and will need to be proactive and efficiently play their role in the project context; (c) the procurement unit within the SP-PST is staffed by a newly recruited procurement specialist who may need additional supporting considering that another World Bank-funded project is being implemented; and (d) the country's own control and regulation mechanisms for procurement could delay the procurement process. Proposed corrective measures agreed to mitigate the overall risk to Moderate are summarized in the following table:

Action to be undertaken	Timeframe	Responsible
1. Elaboration and submission of a procurement plan to the World Bank.	Procurement plan adopted on October 27, 2016	SP-PST
2. 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 IA.	Three months after project effectiveness	SP-PST
3. Hire a second procurement specialist to ensure adequate capacity to handle procurement activities related to proposed project.	Three months after project effectiveness	SP-PST
4. Train and coach the IA specialists responsible for assuring technical aspects of procurement by the SP/PST.	Three months after project effectiveness	SP-PST
5. Identify the root cause of procurement delays at national level and propose appropriate solutions (global).	Six months after project effectiveness	GoBF (DGCMEF)
6. Establish performance indicator of procurement process for all stakeholders involved in the project implementation.	Twelve months after project effectiveness	GoBF (DGCMEF)

65. **Procurement Plan (PP).** The recipient has prepared a Procurement Plan (PP) for the first 18 months of project implementation. The World Bank approved the procurement plan on October 27, 2016, and once the proposed project has been approved by the World Bank Board of Executive Directors, the PP will be published on the World Bank’s public website and the recipient’s intranet website. The PP shall be updated in agreement with the World Bank on an annual basis or as required to reflect the actual project implementation needs and improvements in institutional capacity.

66. **Procurement methods and review thresholds.** The proposed project will not finance any civil works. Goods procured under the project include mainly items that will contribute to bettering the operational capacity of the IAs. Non-consultancy services include trainings, workshops and communication campaigns for the Ministry of Transport, Urban Mobility and Road Safety (MITMUSR), Customs and professional transport sector associations. 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. The strategy is to have all the contracts reviewed either by the World Bank or by the client and avoid double review. Details on procurement methods and prior review thresholds are summarized in the table below.

Procurement Category	Procurement Method	Procurement Method Threshold	Prior Review Threshold
1. Works, Turnkey and S&I of Plant and Equipment	The proposed project is not expected to finance any civil works, Turnkey and S&I of Plant and Equipment		
2. Goods, IT Systems, and Non-Consulting Services	ICB	≥1,000,000	≥1,000,000
	NCB	<1,000,000	Post review
	Shopping	<100,000	Post review
	Direct contracting	No threshold	≥100,000
3. Consultants Firms	QCBS; QBS; LCS; FBS	No threshold	≥500,000
	CQ	<300,000	Post review
4. Individual consultants	Comparison of 3 CVs	No threshold	≥200,000
	Single Source	No threshold	≥100,000
<p>All Term of reference regardless of the value of the contract are subject to the World Bank approval.  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.</p> <p>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 World Bank or by the client and avoid double review.</p>			

**E. Social (including Safeguards)**

67. The proposed project finances only TA type of activities, which means that no direct adverse social impacts are foreseen. More precisely, the proposed project does not involve any civil works or land acquisition, and therefore does not trigger any social safeguards policies. The proposed project aims to facilitate transit and trade primarily on the Corridor, which should have positive social impact in terms of lower prices for tradable goods.

68. The road safety activities supported by the proposed project, should increase the safety of people living in the vicinity of the Corridor by reducing the frequency of accidents. The truck fleet renewal scheme should also have positive impacts on the health of people living along the Corridor in terms of reduced vehicular emissions and noise pollution.

69. Finally, in streamlining customs transit procedures along the Corridor, the proposed project will contribute to alleviating HIV/AIDS risks/exposure as a result of reduced transit times at the borders and reduction of population conducting side activities at the borders. Improvement of border crossing times should also reduce corruption on the Corridor.

70. **Citizen engagement.** The preparation of the proposed project has benefited from extensive consultations with key stakeholders living along the Corridor. These started early in the identification stage for the RFTCC DPO series, which the proposed project is supporting. A PSIA was prepared. To promote accountability and enhance transparency along the Corridor, the proposed project will partner with relevant Civil Society Organizations (CSOs) and/or Community Based Organizations (CBOs), as well as professional associations (transport operators and drivers’ unions), to report any illegal practice (bribes, road blocks, illegal customs checkpoint). The

proposed project will also partner with an NGO specialized in third party monitoring to collect and analyze data on the Corridor and provide regular feedback to the SP-PST/GoBF on specific indicators. The third party monitoring NGO will also be empowered to act as external reviewer of the activities implemented by CBC, CCI-BF and CTRFA to report on the effectiveness of their work along the Corridor and towards the presumed beneficiaries.

71. The citizen engagement framework/mechanism that will be put in place will make extensive use of low cost ICT solutions, such as toll free numbers, GIS systems, satellite cellphones, video links and web sites, to ensure real-time beneficiary feedback and timely reporting to the SP-PST on illegal practices. The “naming and shaming” and “advocacy” approach will be reinforced through locally based community radios and systematic disclosure of illegal practices in newspapers. Finally, annual reports will be prepared and widely disseminated to civil society to ensure that pressure is kept on GoBF to facilitate the movements of goods and services on it.

72. **Gender impacts assessment and monitoring.** Women living along the corridor and in the sub-region will benefit from the activities of the proposed project since many of the commercial activities and markets along the Corridor are run by women. More particularly, on the Burkinabé section of the Corridor, the associations of women food producers are key in terms of supplying Ouagadougou and other cities with food products. A Gender Impact Analysis has been conducted on the whole Corridor to clearly identify the positive impacts of the proposed project activities on women’s groups and to monitor them. More specifically, the Gender Analysis has found that women traders and agricultural producers operating along the corridor are negatively affected by: (a) lack of transparent pricing for trucking services; (b) inadequate trucking services; (c) cumbersome customs procedures at the borders; (d) illegal roadblocks; and (e) old and inefficient trucks plying on the corridor. The proposed project, with its targeted activities, is expected to improve the enabling environment along the Corridor for women traders and producers to enable them to more effectively and efficiently move their products/produce at a lower cost. The positive impacts of the proposed project will be monitored as part of the citizen engagement framework/mechanism.

73. **HIV/AIDS Prevention.** The proposed project will build on the experience of the implementation of HIV/AIDS sensitization and prevention activities of the recently closed West Africa Transport and Trade Facilitation Project (WATTFP). More specifically, a HIV/AIDS multiyear sensitization campaign will be carried out on the Corridor, with particular focus on women’s groups. This activity will be carried out as part of the mitigation measures of the gender impact mitigation plan, focusing on high risk locations (big transit cities, major rest stops, and border posts). The SP-PST will have the responsibility for implementing those activities and would be relying on women’s associations for monitoring/evaluation.

## **F. Environment (including Safeguards)**

74. The proposed project is classified as Category B-partial assessment. Only safeguard policy OP 4.01 on Environmental Assessment is triggered, as the proposed project will not fund any civil works and is therefore not expected to cause any long-term irreversible adverse environmental impacts.



75. The main environmental benefit of the proposed project, through the truck-scrapping scheme, is the reduction of greenhouse gas and air pollution emissions from trucks that are among key factors responsible for global warming and poor air quality. It is anticipated that for the truck fleet renewal component, about 150 old trucks will be scrapped. Even if most of the parts of the scrapped trucks will be salvaged, the disposal of certain materials such as lubricants, grease, batteries and brake pads, will need to be managed properly. However, the process of actually scrapping the trucks will likely be limited to one scrapping yard managed by a suitably qualified operator, selected through a competitive process. Furthermore, the quantum of trucks that will be scrapped under the proposed project will be limited both in number and in weight.

76. To mitigate the potential negative impacts and enhance the benefits of the truck scrapping activity supported by the proposed project, a ToR requiring the preparation of a limited Environmental and Social Impact Assessment (ESIA) has been prepared and disclosed in Burkina Faso on October 28, 2016, and on the World Bank external website on November 1, 2016. During the implementation phase, and prior to the start of any activity related to the truck scrapping process, the ESIA will be prepared by the selected operator of the truck-scrapping scheme. The National Bureau of Environmental Assessments (BUNEE) will review this ESIA, which will include an Environmental and Social Management Plan (ESMP), and by the World Bank to ensure that it is in full compliance with the World Bank's OP/BP 4.01 and with the GoBF's own environmental policies. The mitigation measures proposed in the ESMP will be strictly implemented by the selected operator, and monitored and evaluated by the BUNEE, during the truck scrapping process. An Environmental Audit (EA) will be conducted on a regular basis to make sure the ESMP for the truck scrapping facility is being properly implemented, and any unidentified adverse impacts are handled in a proper and efficient manner. Each EA report will be reviewed and validated by both the GoBF (BUNEE) and the World Bank.

77. **Greenhouse Gas Accounting (GHG).** The GHG emissions savings resulting from the scrapping and replacement of about 150 heavy long-haul trucks in Burkina are estimated at 8210 tCO<sub>2</sub>/year, a 39 percent savings from the baseline scenario. In the baseline scenario, heavy-duty trucks (35-40 tons) with an average age of 20 years are estimated to operate on a fuel efficiency of 52.5-liters/100 km and an annual truck mileage of 100,000 km. With project financing, about 150 of these heavy-duty trucks are expected to be replaced by newer vehicle truck models at an average fuel consumption efficiency of 32 liters/100 km, according to standards reported by the IRU trucking handbook for 2006. It should be noted that the reduction in abnormal practices along the corridor, will result in improved driving conditions at optimal speed for all vehicles (including trucks), which translates into a reduction in emissions per vehicle/km. The latter, is expected to compensate and cancel out the effect of the additional emissions from the induced truck traffic. Consequently, we have limited the appraisal to only the changes in overall GHG emissions resulting from the truck fleet renewal.

78. Moreover, the savings in social value of carbon as a result of the reduction in GHG emission are estimated to amount to US\$246,308. It should be noted that transit trucks emissions' savings will occur in both Burkinabé and Ivorian territories. However, for the purpose of the economic analysis, only the savings in GHG emissions occurring inside Burkina Faso will be considered.

79. **Climate change mitigation benefits.** The proposed project has climate mitigation benefits. More specifically, Sub-component 2 B has 100 percent mitigation benefits thanks to the truck scrapping scheme that it directly supports, which replaces old trucks with new far more fuel efficient trucks. The calculation of the mitigation co-benefit is the ratio of the commitment to the sub-component per the total amount of IDA financing for this particular sub-component. Thus, the overall mitigation co-benefit that can be attributed to the proposed project activities is about 50 percent.

#### **G. World Bank Grievance Redress**

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

## Annex 1: Results Framework and Monitoring

### Burkina Faso

#### Transport Sector Modernization and Corridor Trade Facilitation Project (P156892)

#### Results Framework

##### Project Development Objectives

###### PDO Statement

The proposed PDO is to improve the efficiency and safety of transport services on the Burkinabé section of the Ouagadougou (Burkina Faso) – Abidjan (Côte d’Ivoire) road transport corridor.

**These results are at** | Project Level

##### Project Development Objective Indicators

Indicator Name	Baseline (2016)	Cumulative Target Values									
		2017	2018	2019	2020	2021					End Target
Average cost of transporting a 40 foot container by road from Ouagadougou to Abidjan (US\$)	3800	3800	3500	3500	3450	3350					3350
Average transit time to Ouagadougou after exiting border post (Niangologo) with CI (Hours)	72	72	65	60	50	50					50
Number of	83	83	75	70	62	50					50

fatalities on the Burkinabé portion of the Corridor <b>(Number)</b>											
Direct project beneficiaries <b>(Number)</b> (Core)	0	3.61 million	3.75 million	3.89 million	4.03 million	4.17 million					4.17 million
Female beneficiaries <b>(Percentage)</b> Sub-Type: Supplemental (Core)	0	50.19	50.18	50.16	50.15	50.14					50.14%
CO <sub>2</sub> emissions reduction per annum by scrapping 150 trucks and replacing them with an equivalent number of new trucks (tCO <sub>2</sub> )	0	0	0	2700	5400	8000					8000

### Intermediate Results Indicators

Indicator Name	Baseline (2016)	Cumulative Target Values									
		2017	2018	2019	2020	2021				End Target	
Instructors trained in accordance with new qualification standards( <b>Numbe</b>	0	0	15	40	65	90					90

<b>r)</b>											
Percentage of heavy vehicles fleet managers trained in accordance with new standards of training <b>(Percent)</b>	0	0	0	15	30	50					50
Number of new long haul trucks put in service <b>(Number)</b>	0	0	0	50	100	150					150
Border Crossing time at Niangologo (CI/BF border) <b>(Hours)</b>	10	10	10	10	3	3					3
Electronic transmission of transit document collected by Burkinabé customs is provided in real-time to CI Customs <b>(Yes/No)</b>	No	No	No	No	Yes	Yes					Yes
Customs clearance time at destination (Ouagadougou) <b>(Hours)</b>	10	10	10	10	6	6					6
Identified operators to be	No	No	No	No	Yes	Yes					Yes

certified as AEO in place (Yes/No)											
Partnerships with CSOs/CBOs established to provide feedback on progress in addressing illegal practices	No	No	Yes	Yes	Yes	Yes					Yes

### Indicator Description

#### Project Development Objective Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Average cost of transporting a 40-foot container by road from Ouagadougou to Abidjan (US\$)	The average cost is the sum of the VOCs, trucking company fixed cost, road blocks, and overloading fines incurred by an operator to transport a 40-foot container (or equivalent) from Ouagadougou to Abidjan.	Yearly	Survey	CBC
Average transit time to Ouagadougou after exiting the border post (Niangologo) with CI (Hours)	The average transit time of a truck to travel the Burkinabé section of the Ouagadougou - Abidjan corridor. It is counted from the Niangologo border control post to Ouagadougou (including time spent at illegal stops/roadblocks), and vice versa. The border clearance formalities are not included.	Yearly	Survey/data from the working timesheet from the trucking system	DGD
Number of Fatalities on the Burkinabé Portion of the Corridor	The number of fatalities on the Burkinabé section of the Corridor outside urban agglomerations.	Yearly	Survey/ "Bulletin d'analyse des accidents de la circulation" (BAAC)	ONASER
Direct project beneficiaries	Direct beneficiaries are people or groups	Yearly	Survey	SP-PST

	who directly derive benefits from an intervention. Please note that this indicator requires supplemental information. Supplemental Value: Female beneficiaries (percent). Based on the assessment and definition of direct project beneficiaries, specify the proportion of direct project beneficiaries that are female is estimated. This indicator is calculated as a percentage.			
Female beneficiaries	Based on the assessment and definition of direct project beneficiaries, specify what percentage of the beneficiaries are female.	Yearly.	Survey	SP-PST
CO <sub>2</sub> emissions reduction per annum from scrapping 150 trucks and replacing them with an equivalent number of new trucks (tCO <sub>2</sub> )	This indicator measures the amount of CO <sub>2</sub> emissions saved as a result of replacing 150 old polluting trucks with an equivalent number of new substantially less polluting and CO <sub>2</sub> emitting trucks.	Yearly.	Survey	DGTTM

### Intermediate Results Indicators

Indicator Name	Description (indicator definition etc.)	Frequency	Data Source / Methodology	Responsibility for Data Collection
Instructors trained in accordance with new qualification standards (Number)	The number of driving instructors trained in accordance with new standards.	Yearly	Training reports/Permit database	DGTTM/CFTTRA
Percentage of heavy vehicles fleet managers trained in accordance with new standards of training (Percentage)	The percentage of heavy vehicles fleet managers trained in accordance with new standards of the total number of registered carriers having a fleet of at least 20 units.	Yearly	Training reports/Permit database	DGTTM/CFTTRA
Number of new long haul	Number of new long haul trucks put into	Yearly	Survey	DGTTM/DGD/DGI

trucks put into services	service through the truck renewal scheme.			
Border Crossing time at Niangologo (CI/BF border) <b>(Hours)</b>	Average time for a truck to complete all customs formalities at Niangologo (customs, veterinary checks, etc.), before departure to Ouagadougou.	Yearly	ASYCUDA	DGD
Electronic transmission of transit document collected by Burkinaabé customs is provided in real-time to CI Customs <b>(Yes/No)</b>	This indicator measures the efficiency of the customs electronic transmission system between BF and CI.	Yearly	Survey	DGD
Customs clearance time at destination (Ouagadougou) <b>(Hours)</b>	Time required for a truck to complete all customs formalities at Ouagadougou for goods coming from CI.	Yearly	Survey	DGD
Identified operators to be certified as AEO in place <b>(Yes/No)</b>	Number of operators which are on the list of operators considered reliable to be part of the Authorized Economic Operators initiative.	Yearly	Activity report	DGD
Partnerships with CSOs/CBOs established to provide feedback on progress in addressing illegal practices on the Burkinabe section of the Corridor	<b>Citizen Engagement Indicator.</b> This indicator measures the involvement of civil society and community based organizations in flagging and assessing illegal practices on the Burkinabe section of the Corridor.	Yearly	Survey	SP/PST



## Annex 2: Policy and Results Matrix for RTFCC DPO

### BURKINA FASO: Transport Sector Modernization and Corridor Trade Facilitation Project

	Prior Actions under RTFCC 1	Triggers for RTFCC 2	Results
<b><i>A - Professionalizing and formalizing the trucking industry</i></b>			
<i>A1 - Business enabling environment promoting professionalization and formalization of the trucking industry</i>	Adoption of legal and regulatory framework to redefine the criteria for access to the profession of commercial and own-account road freight transport operator (with a well-defined, time-limited transition period) following best international practices (e.g. UNECE Resolution No. 4 on facilitation of international road transport) [BF; CI]	Adoption of a regulatory framework (decrees and/or ministerial order) mutually elaborated between the two countries defining (a) the training curricula for road transport company managers and truck drivers, following best international practices (UN Conventions, IRU); and (b) the criteria and certification mechanism for the creation of private institutions providing training and issuing certificates of professional competence for the trucking industry [BF, CI]	Number of formally registered transport operators under new criteria for access to the profession - BF: 0 (2015) / 300 (2017) - CI: 0 (2015) / 3,000 (2017)
<i>A2 - Professional organization representing the trucking industry</i>	Approval by Transport Ministry of the bylaws and rules of procedures for an independent umbrella professional association representing the trucking industry, in line with best international practices [CI]		
<i>A3 - Implementation of axle load regulations</i>	Adoption of an interministerial order defining the respective responsibilities of the Ministries of Transport and Infrastructure regarding regulation and enforcement of axle load controls [CI]	Application of Article 11.a of WAEMU Regulation 14 on truck axle load standards and controls [BF, CI]	Proportion of non-compliant trucks controlled at weighing stations - BF: 80% (2015) / 35% (2017) - CI: 85% (2015) / 35% (2017)
<b><i>B - Modernizing the organization of the trucking market</i></b>			
<i>B1 - Efficiency of road transport operations through better contractual relations between trucking companies and shippers</i>	Revision and implementation by the Ministry of Transport of the regulatory framework (decree and/or ministerial orders) organizing	Introduction in Burkina Faso of a virtual freight exchange that (a) is accessible only by compliant transporters, (b) is voluntary for both shippers and transporters and (c) allows a competitive matching of transport services supply and demand [BF]  Transition to electronic inter-State consignment notes and mutual recognition by BF and CI [Joint]	Volume of trade in Côte d'Ivoire carried under a consignment note: 3.9 million tons (2015) / 5 million tons (2017)

	<b>Prior Actions under RTFCC 1</b>	<b>Triggers for RTFCC 2</b>	<b>Results</b>
	<p>the issuance of consignment notes (OHADA template) in Côte d'Ivoire [CI]</p> <p>Ministers of Foreign Affairs of both countries sign MoU giving mandate to a joint technical committee to negotiate the revision of the 1999 bilateral road transport agreement in the framework of the Friendship and Cooperation Treaty (TAC), including issues related to trade and transport facilitation and the liberalization of freight allocation [Joint]</p>	<p>Signature by the two countries of the revised bilateral road transport agreement [Joint]</p>	
<i>B2 - Efficiency of road transport operations through a more efficient truck fleet</i>		<p>Establishment by the Ministry of Transport of a mechanism to support fleet renewal for compliant transporters, including (a) provisions to lower the cost of vehicles (notably tax and customs duty exemptions); (b) provisions to facilitate access to credit; and (c) accompanying measures [BF;CI]</p> <p>Revision of the technical inspection system and regulations for trucks to eliminate substandard vehicles [BF; CI]</p>	<p>Percentage reduction of new vehicle prices under fleet renewal mechanism</p> <ul style="list-style-type: none"> <li>- BF: 0 (2015) / 35% (2017)</li> <li>- CI: 0 (2015) / 20% (2017)</li> </ul>
<b>C - Enhancing the competitiveness of maritime and inland gateways</b>			
<i>C1 - Port and terminals operational efficiency and prices</i>	<p>Adoption of an <i>arrêté</i> (order) by the Ministry of Transport liberalizing the activity of container delivery in the Abidjan metropolitan area and setting objective and open eligibility criteria for transporters [CI]</p>	<p>Adoption of a ministerial order reactivating the <i>Commission on Competitiveness of Ivorian Ports</i> [CI]</p> <p>Revision of tariff structure and practices of container terminals in Burkina Faso to promote containerization [BF]</p>	<p>1) Reduction of container delivery prices in Abidjan compared to initial FEDERMAR tariff :0% (2015) / 25% (2017)</p> <p>2) Number of transport operators authorized to deliver containers in Abidjan: 30 (2015) / 50 (2017)</p>
<b>D – Improving customs clearance</b>			
<i>D1 - Availability of information on trade procedures and regulations</i>	<p>Adoption by the Ministries of Commerce and Finance of an interministerial <i>arrêté</i> (order) for the preparation and maintenance of a Trade Information Web Portal (TIW) [BF, CI]</p>	<p>Establishment of TIW in line with Article 1 of the WTO's Trade Facilitation Agreement, based on the WAEMU template and best international practices (e.g. WCO, WB) [BF, CI]</p>	<p>Proportion of the inventory of trade procedures and regulations published on the TIW</p> <ul style="list-style-type: none"> <li>- BF: 0% (2015) / 80% (2017)</li> <li>- CI: 20% (2015) / 90% (2017)</li> </ul>

	<b>Prior Actions under RTFCC 1</b>	<b>Triggers for RTFCC 2</b>	<b>Results</b>
<i>D2 – Customs clearance procedures and reward of compliance</i>	Establishment by the customs administration of an automated and operational database on traders' risk profiles [BF; CI]	Strengthening by the customs administration of (a) risk management through the interface of the traders' risk profiles database with the customs management system), and (b) post-clearance audits (PCA) through the adoption of a PCA strategy and manual of procedures [BF, CI]  Adoption and implementation of a legal and regulatory framework defining the criteria and functioning of an Authorized Economic Operator (AEO) scheme [CI]	Proportion of transactions routed in customs' red channel - BF: 25% (2015) / 10% (2017) - CI: 70% (2015) / 30% (2017)
<i>D3 – Professional standards for customs and logistics service providers</i>	Adoption of the Customs Code of Ethic and Good Governance [CI]	Transposition of the revised WAEMU regulation governing the profession of customs brokers [BF, CI]  Improvement by the customs administration of transparency and anticorruption through the adoption of (a) an internal control strategy and audit plan, and (b) an annual plan for the control of customs brokers [BF, CI]	Number of internal controls planned by the customs administration - BF: 2 (2015) / 4 (2017) - CI: 5 (2015) / 7 (2017)
<b><i>E – Facilitating transit</i></b>			
<i>E1 - Border crossing procedures</i>	Signature by the two customs administrations of the interconnection agreement concluding the study phase of the project and defining technical specifications, budget and implementation timeline [Joint]	Interconnection by the two customs administrations of their information systems [Joint]	Percentage of declarations at the border submitted prior to the arrival of the truck - BF: 0% (2015) / 100% (2017) - CI: 0% (2015) / 100% (2017)
<i>E2 – Transit regime</i>	Signature by the Burkinabé and Ivorian Chambers of Commerce of an addendum to the February 2014 Agreement on the single payment of the ISRT transit guarantee enabling its effective application [Joint]  Adoption by the Minister of Finance of a ministerial order requesting Burkinabé customs to stop collecting the ISRT transit guarantee on goods in transit on top of the one collected in CI [BF]		Average transit time between Abidjan and Ouagadougou: 140 hours (2015) / 100 hours (2017)

### Annex 3 Map

## BURKINA FASO: Transport Sector Modernization and Corridor Trade Facilitation Project

