



REQUEST FOR CEO ENDORSEMENT/APPROVAL

PROJECT TYPE: MEDIUM SIZE PROJECT

THE GEF TRUST FUND

Submission Date: 5/6/2009

Re-submission Date: 03/2/2010

PART I: PROJECT INFORMATION

GEFSEC PROJECT ID: 2876

GEF AGENCY PROJECT ID: P087630

COUNTRY (IES): Burkina Faso

PROJECT TITLE: Ouagadougou Transport Modal Shift

GEF AGENCY (IES): World Bank

OTHER EXECUTING PARTNER(S): Ministry of Environment,
Direction Général d'Amélioration du Cadre de Vie

GEF FOCAL AREA(S): Climate Change

GEF-4 STRATEGIC PROGRAM(S): SO#7 and SP# 5

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: WEST
AFRICA ENERGY PROGRAM

INDICATIVE CALENDAR*	
Milestones	Expected Dates
Work Program (for FSP)	N/A
CEO Endorsement/Approval	March 2010
Agency Approval Date (CMU)	June 2010
Implementation Start	October 2010
Mid-term Evaluation	NA
Project Closing Date	October 2013

A. PROJECT FRAMEWORK (See also Annex A)

Project Objective: To improve the efficiency of travel by testing, on a small-scale basis, measures designed to encourage users to forego individual modes of transport in favor of collective transport on Line 3 of the SOTRACO public transport buses and contribute to preparing a clear institutional environment for urban transport. The project will result in GHG emissions reductions from the shift in mode of transport.

Project Components	Indicate whether Investment, TA, or STA**	Expected Outcomes	Expected Outputs	GEF Financing*		Co-financing*		Total (\$) c=a+ b
				(\$ a)	%	(\$ b)	%	
1. Institutional framework and strategy	TA	A well-defined institutional framework and clear strategy enabling a shift from individual to public transport	Both a strategy and investment plan for the next 10 years drafted and endorsed by the Ministry of Transport and the Municipality of Ouagadougou. New traffic circulation plan devised. A new agency (Urban Transport Organizing Authority (AOTU) set up for policy guidance in the field of urban transport. GHG emissions related to the transport sector management model is developed and action plan for quality monitoring is formulated	158,000	86.3	25,000	13.7	183,000

2. Pilot physical investments	INV	Access to and efficiency of public transport improved through consolidation of the process of reducing traffic congestion and air pollution.	Construction of roads branches nearby the line 3 . Number of passengers per month increased by 10% Waiting time for buses reduced to 20 minutes on route 3 Installation of road signs and development of shelters and terminuses on the selected line 3 of SOTRACO.	554,000	13.6	3,500,000	86.4	4,054,000
3. Capacity building	TA	Strengthened capacity and increased awareness in stakeholders and transport institutions to improve transport efficiency	Increased number of persons (50) trained on transport related to environmental issues such as Traffic and transport regulations, pollution control. Awareness campaign launched and workshops conducted	121,000	82.8	25,000	17.2	146,000
4. Project Management and Monitoring & Evaluation				76,000	65.5	40,000	34.5	116,000
<i>(of which M&E costs are estimated as) :</i>						25,000		25,000
Total project costs				909,000		3,590,000		4,499,000

* List the \$ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

** TA = Technical Assistance; STA = Scientific & technical analysis.

B. FINANCING PLAN SUMMARY FOR THE PROJECT (\$)

	Project Preparation (a)		Project (b)	Total C = a + b	Agency Fee
	PDF-A/B*	PPG			
GEF	25,000	0	909,000	909,000	90,900
Co-financing		0	3,590,000	3,590,000	
Total	25,000	0	4,499,000	4,499,000	90,900

* The PDF A-grant approved in GEF-3 for an amount of US\$ 25,000 was not utilized and has been returned to the GEFSEC.

C. SOURCES OF CONFIRMED CO-FINANCING FOR PROJECT PREPARATION AND PROJECT

<i>Name of co-financier (source)*</i>	<i>Classification</i>	<i>Type</i>	<i>Amount(\$)</i>	<i>%*</i>
Government of Burkina Faso	Government	In-Kind	90,000	2.5%
French Development Agency	Bilateral	Grant	3,500,000	97.5%
Total Co-financing			3,590,000	100%

*Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

**The financing of interchange construction works is provided by Jamahiriya Arabe Libyenne (US\$22,480,000), the Republic of China (US\$39,635,000), and Japan (US\$30,094,000) for the Ouaga 2000 interchange, the East interchange, and the West interchange respectively.

D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY (IES) – N/A

<i>GEF Agency</i>	<i>Focal Area</i>	<i>Country Name/ Global</i>	<i>(in \$)</i>			
			<i>PPG (a)</i>	<i>Project (b)</i>	<i>Agency Fee (c)</i>	<i>Total D=a+b+c</i>
(select)	(select)					
(select)	(select)					
Total GEF Resources						

* No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

E. PROJECT MANAGEMENT BUDGET/COST _

<i>Cost Items</i>	<i>Total Estimated person weeks</i>	<i>GEF (\$)</i>	<i>Other sources (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants*</i>	25	37,000	0	37,000
<i>International consultants*</i>		0	0	0
<i>Office facilities, equipment, vehicles and communications*</i>		24,000	15,000	39,000
<i>Travel*</i>				
Total		61,000	15,000	76,000

* Details to be provided in Annex C

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

<i>Component</i>	<i>Estimated person weeks</i>	<i>GEF (\$)</i>	<i>Other sources (\$)</i>	<i>Project total (\$)</i>
<i>Local consultants</i>	78	192,500	15,000	207,500
<i>International consultants*</i>	10	37,000	0,000	37,000
Total		229,500	15,000	244,500

Details to be provided in Annex C.

* This consultancy is related to the Institutional assessment and the development of a strategy and an investment plan.

G. DESCRIBE THE BUDGETED M&E PLAN:

The **M&E plan** of the project includes the expected outputs of the projects as described in Table A above. The focal point in each implementation agency (DGR, DGTTM, SOTRACO) will liaise with the project coordinator located in the ministry of environment who will summarize and issue the quarterly report.

The report will include two components, one on the financial and one on the technical aspects of the project. Data collection for the output indicators will be collected through a survey along the pilot line of SOTRACO (line3). Approximately US\$25,000 of Co financing from Government will be used for M&E support, in the form of steering committee meetings and actions during project implementation, equipment for pollution measure. Those costs are included in component 4 of the project. However this represents only a portion of the total M&E activities since the overall monitoring of traffic and passengers increase will be provided by SOTRACO in line with its current activities.

Stakeholder involvement plays a large part in the monitoring and evaluation of the project. Through setting in place user groups to give input to the selected implementation choices and to give feedback on the implementation process, the evaluation on the part of the users is very direct. The user groups will express their level of satisfaction with the implemented transport options.

As mentioned in Annex 1 (project logical framework), the major indicator of the success of the project is the increase in the share of public transport as a percentage of the total transport along the pilot line. This increase will be monitored through SOTRACO operating statistics and by doing traffic counts.

A Project Implementation Plan (PIP) is presented in Annex 2 and the implementation of the project will be closely monitored in accordance with the monitoring procedures established by the World Bank and with the government. The project will be subject to a mid-term review, 18 months after the board date, and a final review by the representatives of the Government and the World Bank.

The focal point of the implementing agency will submit two Project Performance Evaluation Reports (PPERs); one at the mid-term of the project and the other one at the end of the project. The results of the mid-term evaluation are to be used to restructure the project, if necessary, or make adjustments to the project design as applicable. If necessary, additional PPERs and project evaluations may be requested during the implementation of the project.

The Government will provide the World Bank with certified periodic financial statements relating to the status of World Bank/GEF funds, including an annual audit of these financial statements, according to the procedures set out in relevant documents. The audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

PART II: PROJECT JUSTIFICATION:

A. DESCRIBE THE PROJECT RATIONALE AND THE EXPECTED MEASURABLE GLOBAL ENVIRONMENTAL BENEFITS:

Urban Transport Context in Ouagadougou

Urbanization is taking place at a high rate in Burkina Faso. Ouagadougou, in particular, hosts a disproportionately high share of the urban population of Burkina Faso. The urbanization leads to an emergence of squatter areas and an uncontrolled spatial growth of the city. In the meantime the largest commercial centers, socioeconomic infrastructures such as schools and health centers, and government offices are all primarily located in the center of the city. The direct consequences of this urban sprawl are reflected in the increase of transport demand due to greater transport distances. The weakness of urban road network of Ouagadougou combined with a haphazard layout of urban areas of low population density make public transport difficult to organize and less cost-effective than individual means of transportation.

The constraints above are reflected in the transport practice in Ouagadougou which is characterized by the dominance of individual transport with motorized two-wheeled transport and the weakness of public transport, notwithstanding the presence of taxis and the buses recently placed in service by the transport company SOTRACO (*Société de Transport en Commun de Ouagadougou*).

The steadily growing city today faces serious urban transport problems, of which one of the most worrisome is the air pollution and greenhouse gas emissions caused by motorized vehicles, especially motorbikes. In Ouagadougou, most of the major roadways are congested at peak hours, resulting in unsafe roads, more and more pollution, and an increase in travel time and thus in transport costs.

Studies have shown that Ouagadougou is evolving towards an increasing level of GHG emissions. It is forecasted that the growth of CO₂ emissions from all modes of transport in Ouagadougou will rise from 855 tons per day¹ in 2003 to 1,958 tons per day in 2015 if nothing is done as remedy. Also the ambient air quality is worsening.

Key urban transport issues:

(a) *Unclear institutional and regulatory framework:* The root cause of many of the problems facing the transport sector in Ouagadougou is the unclear institutional framework. This lack of clarity is especially problematic given the on-going decentralization process in Burkina Faso. At least four institutions are involved in the planning and regulation of transport

¹ The estimation of CO₂ is provided in the *Etude sur la qualité de l'air à Ouagadougou : Mise à jour de l'étude de 1999, Tractebel, 2004*. The estimation is made using the EMME/2 model, which uses a methodology based on reduction of fuel consumption to estimate CO₂ reductions. The EMME/2 methodology is elaborated in Khan, A.M., 1999, "Issues in the use of EMME/2 as a Platform for the Estimation of Greenhouse Gases", Journal of the University of Shanghai for Science and Technology, V.21, No.3, pp. 282-289.

in Ouagadougou. The *Conseil Executif des Transports Urbains de Ouagadougou* (CETUO) was launched in October 2003, as an autonomous body under the Ministry of Transport. Its autonomy was to ensure that revenues from the recently created SOTRACO would be recycled into transport investments without passing through the Ministry of Finance. It was further bestowed with a mandate to provide policy guidance on transport issues. Financing was to come from the Ministry of Finance and the Municipality of Ouagadougou. A decree for the creation of CETUO has been prepared, but has so far not been put forth, and the organization has operated on an informal basis, with only a small permanent secretariat and a very limited budget, provided by the Municipality of Ouagadougou.

(b) *Traffic congestion:* Continuing population growth in Ouagadougou has led to an increase in the use of individual transport, mostly motorized vehicles and especially motorcycles. The urban transport network has not been upgraded to meet growing demand, and traffic fluidity has deteriorated as a result. Based on information provided in the five-year action plan², elaborated by CETUO, 62 percent of trips go to the city center, and only 6 percent of all trips are covered by public transport. Adding to the dire transport situation is the fact that road users do not respect traffic regulations, parking habits are chaotic, street vendors and stall owners use pedestrians' space, so pedestrians resort to using the street, and there is a limited ability to implement appropriate use of existing infrastructure and penalize offenders. The current public transport network of 11 lines does not serve all parts of the city, and deployment of additional busses to increase service will still face the problem of heavily congested roads.

(c) **GHG emission in Ouagadougou:** According to a study conducted in 2004, the city of Ouagadougou is responsible of 80% of the total urban emissions. The overall pollution emissions including *GHG emissions and* other particle pollutants, are all showing an increasing trend. According to the same study, a large part of this emission is contributed by the two wheel motorized vehicles. The emissions from these means of transport are essentially due to the poor quality of oil which is mixed to the gasoline available for consumption (the mode of function of these motorcycles, 2 times cycle instead of 4 times); so incomplete burned gases are released in the atmosphere and generate GHG emissions.

(d) The SO₂, NO_x and Particles are pollutant emissions. The annual emissions of SO₂ from cars in Ouagadougou are estimated at **794 tons / an**, while the particles emissions from vehicles in urban zones including two wheel motorized are estimated globally at 799 tons with **639 tons / an for Ouagadougou. Regarding the NO_x**, the city of Ouagadougou is rejecting nearly **2420 tons /year** through vehicles traffic. The spread of the NO_x emission is 1684 tons/year provided by diesel vehicles, and 1342 tons / year from gasoline vehicles (Table 1).

Table 1: Emissions profile for 2 wheel motorized (information drawn from the study)

Type of vehicle	CO g/km	HC g/km	NO _x g/km	SO ₂ g/km	particules
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² *Programme Quinquennal d'Actions Prioritaires pour l'amélioration de la mobilité Urbaine de Ouagadougou 2004-2008 (CETUO, Octobre 2003).*

					g/km
2 temps	8,3	5,18	0,1	0,5	0,0473
4 temps	8,2	0,72	0,39	0,08	0,0323

(e) *Financial viability of the public transportation system:* The high price of public transport was previously identified as being one of the bottlenecks limiting increased use of public transport. Therefore, in 2003, SOTRACO reduced the price of a one-way ticket from 200 FCFA (US\$ 0.36) to 100 FCFA (US\$ 0.18). This latter amount is far less than the 183 FCFA (US\$ 0.33) per trip that is needed to recover the cost of the service. So to approach financial equilibrium of SOTRACO, the price of the ticket was increased to 150 FCFA (US\$ 0.27) in January, 2006. Actual pricing of the services has had a negative impact on the financial sustainability of SOTRACO. Following a request from SOTRACO of December 2005, the Government has agreed to cover the accumulated operating deficit, until a permanent budgetary solution is found. A side-effect of the rapid population growth is an uncontrolled urban sprawl with low population density, making public transportation less cost-effective than individual transport.

Rationale of the project:

The transport sector is a key contributor of GHGs through petrol and diesel consumption, which are on the increasing trend with the growing number of vehicles. Knowing that the motorized vehicles play a role in GHG emissions, the key target of the project is to reduce the presence of motorized vehicles on the pilot line and consequently in Ouagadougou. For reaching this reduction, it is critical that an alternative mode of transport be available for people. Based on this need and assessment, and discussion with the Government this proposed project has been designed to test on a small-scale basis of a shift of mode of transport by increasing the buses number on the line 3 and implementing activities and measures designed to encourage users to forego individual modes of transport in favor of collective transport on Line 3 of the SOTRACO public transport buses.

The combination of reducing waiting time and the possibility for people to park their individual means of transport at a safe place and nearby their home, the assurance of reaching desired destination on time due to a better fluidity of the traffic will be a key reason for this shift of transport mode. This shift from individual to public transport will be facilitated through a heavy sensitization campaign for the road users. The GHG emissions and related carbon benefits are consequently drawn from combined actions.

The proposed project thus comprises of three technical components and one component related to project management: (i) Institutional framework and strategy,(ii) Physical investments and (iii) Capacity-building of the relevant authorities to manage traffic and awareness of transport-related environmental issues campaign, (iv) Project Management and Monitoring and evaluation. (See Table A for component details, Annex E for Component description and Annex F for the incremental cost analysis)

Project development objective

The project objective is to improve the efficiency of travel by testing, on a small-scale basis, measures designed to encourage users to forego individual modes of transport in favor of collective transport on Line 3 of the SOTRACO public transport buses and contribute to preparing a clear institutional environment for urban transport.

The key outcome indicators to be used to track project implementation of the project are:

- Existence of a well-defined institutional framework and clear strategy enabling a shift from individual to public transport
- Access to and efficiency of public transport improved through consolidation of the process of reducing traffic congestion and air pollution.
- Strengthened capacity and increased awareness in stakeholders and transport institutions to improve transport efficiency

Expected outcomes:

By creating such an environment for the sustainable development of the urban transport system in Ouagadougou, the project proposed with GEF financing will contribute to a more environmentally sustainable urban transport system. The project will bring sustained environmental benefits for the population and includes assistance in the areas of institutional assessment and strengthening, policy and strategy work, capacity building, and pilot investments for a shift in use of transport mode. The strategy and concrete options to induce a transport modal shift and reduce the traffic congestion and the greenhouse gas emissions on the pilot line scale will be based on a public awareness campaign and an increasing condition of using SOTRACO. A further benefit of the project is an improved urban environment through a reduction of gasoline consumption and related ambient air pollutants.

B: Describe the consistency of the project with national priorities/plans:

In 1999, the Government of Burkina Faso developed a transport sector strategy note emphasizing three objectives: (i) increase public investment efficiency; (ii) improve road transport productivity; and (iii) strengthen public transport sector management and policy implementation capacity to ensure adequate knowledge and monitoring of sector performance.

The National Communication under the UN Framework for Convention on Climate Change from 2001 stressed the importance of institutional capacity building and the creation of an institutional and legal framework conducive to reduction of GHG emissions.

In 2003, the Government adopted a five-year action plan for priority actions to improve urban mobility in Ouagadougou, within the context of the ongoing decentralization process. The main points from the action plan in relation to the proposed project are:

- Institutional reform and implementation of a regulatory framework.* The city of Ouagadougou will gradually take over full responsibility for traffic management. It appears that the role of the private sector, if any, in this process is not clearly defined.
- Strengthening of operational capacities of stakeholders.* Technical capacities, management and planning tools will be improved for institutions involved in transport. However, there is no information in the action plan on who will assume responsibility for this.

- (c) *Traffic fluidity and road safety.* Reduction of transport time and improved two-wheeled circulation in the city are keys to greater urban productivity and limiting accidents.
- (d) *Reduction of pollution from motorized transport.* Reduction of the deterioration of air quality in the city center is critical for the protection of the environment and public health.
- (e) *Promotion of collective transport.* Increase the share of public transport in total trips and develop a synergy between bus transport and other modes of transport, in order to reduce congestion, increase overall mobility and limit air pollution and GHG emissions.

The five-year action plan for priority actions was to be implemented from 2004 to 2008. So far, there is no evidence of significant progress in carrying out activities identified in this plan, mainly because of the unclear legal status of CETUO, which is the institution responsible for implementing the action plan. However, the decree establishing CETUO as an official body has now been prepared, showing the intention of the Government of solving this issue by clarifying the status of CETUO. It is expected that the clarification of the status of CETUO will result in the institution being provided with the means (financial and organizational) to carry out its mandate.

The proposed project is also in line with the Poverty Reduction Strategy Paper (PRSP), in which the Government states its determination to strengthen its technical support and advisory role vis-à-vis private transport operators. The PRSP further stresses the need to reduce urban air pollution from motorized transport. The Country Assistance Strategy (CAS) also stresses the need to clarify institutional framework and to reduce high transport costs. The Government of Burkina Faso, despite its limited resources, is providing US\$ 90,000 in co-financing the project activities. This co-financing will be used in component 1 “Institutional framework and strategy”, component 3 “Capacity building” and in component 4 “project management”.

Furthermore, through the Clean Air Initiative for Sub-Saharan Africa (CAI-SSA), Burkina Faso phased out the use of leaded gasoline by July 2005, which is a prerequisite to introducing catalytic converters that will, in turn, significantly reduce pollutant emissions. The successful phase-out of leaded gasoline illustrates Burkina Faso’s commitment to addressing urban pollution and reducing its GHG and harmful ambient emissions. As such, the CAI-SSA continues its work with Burkina Faso and has financed a study on air quality in Ouagadougou which is a supportive tool for this project implementation.

C: DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:

The proposed project is aligned with GEF 4 Climate Change Strategic Objective #7: To facilitate market transformation for sustainable mobility in urban areas leading to reduced GHG emissions, and directly contributes to *Strategic Priority 5: Promoting Sustainable Innovative Systems for Urban Transport* through its support for an urban transport modal shift to a more sustainable mode of transport. The project will support a transport modal shift by: (i) clarifying the institutional framework and establishing a policy environment that induces a shift from individual to public transport (including financing of targeted physical works); (ii) strengthening transport management capacity in the municipality and providing capacity support to the Ministry of Transport and the Ministry of Environment; and (iii) increasing public awareness of transport-related environmental issues (financed by CAI-SSA).

The proposed project has been developed as part of the West Africa Energy Program under the strategic component on ‘Promoting planning and model shift to less GHG intensive transport modes’. In line with the program objectives, the project is contributing towards promoting the use of lower carbon emitting transport modes by urban communities. The project should be considered an initial step towards demonstrating the benefits of using lower carbon emitting transport systems.

D: OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

For Burkina Faso, the efficiency of transport is essential to economic development and growth.

In the urban sector and mainly in Ouagadougou, there are some initiatives intending to improve urban life conditions. Under IDA financing, there are no physical roads works initiatives, but IDA has funded an urban project from 1998 to 2005 which aimed to increase the life conditions in urban area. This project has contributed in building urban road sections in Ouagadougou and Bobo Dioulasso. In addition to this closed project, IDA is currently financing a capacity building project for the six main cities including Ouagadougou and another operation is dealing with the central administration capacity building for five ministries but the ministries in charge of transport and environment are not part of it.

Other initiatives are underway in the city such as (i) the peri urban project with its Outlying road system component through the support of French Development Agency, (ii) the construction of three interchanges funded by Japan, China and Libya and (iii) the support to SOTRACO for the supply of 100 buses and a technical assistance funded by the Nederland agency and the government of Burkina Faso.

The peri urban project, funded by the French Development Agency target is to contribute in the open up of the peri urban areas of Ouagadougou and allow sub urban population an easy access to the center of the town. The project was initiated by the municipality of Ouagadougou following a study on the “marketing survey in Ouagadougou” from which it was established that the peri urban population of Ouagadougou is willing to contribute into the effort of amelioration of their living conditions. The expressed need of areas for improvement are (i) drainage to avoid flood in houses, (ii) easy access to the living area and the linkage of peri urban area to the center of the town. (iii) Access to potable water.

The project comprises of four components as follows: (i) roads and drainage (72%), (ii) potable water (11%), (iii) community equipments (3%) and (iv) capacity building (8%). The project is building 30 km of roads (17.5 bituminous and 12.5 km earth roads) and its overall cost is estimated at US\$ 14 million . The component (i) is directly contributing to reach the target of the GEF project. Public transport will benefit from the better condition of roads built by the FDA project. An increasing share of population of Ouagadougou suburb areas will then have a better access to public transport. The roads section directly linked to the proposed project cost have been estimated at 3.500 000US dollars. The output of FDA project is to open up peri urban areas of Ouagadougou by constructing 17.5 km of bituminous road and 12.5 km of earth road.

For the interchanges, they are built to increase the fluidity of the traffic in Ouagadougou and mainly at the main crossings section where there are many conflicts between roads users. The interchanges are located at the outgoing roads intersections to help in the management of the

traffic coming from the international corridors (Ghana, Togo, Ivory cost and Benin) and the internal traffic in Ouagadougou. The overall cost of the three interchanges is estimated at US\$92,580,000.

Regarding the support to SOTRACO, the purpose of the project is to increase the capacity of the company in order to create the necessary economies of scale for a sustainable business through investments and to improve the maintenance systems and the management of the company with the technical assistance. The project consists of the supply of 100 VDL Jonckheere buses, a new workshop, spare parts for 10 years and a 2-year capacity development program. The total investment including TA is estimated to be USD 21 million.

The detailed components of the Netherland project are as follow:

(I) Establishment of a workshop

SOTRACO currently uses a workshop which is owned by one of the shareholders. The service station is located 7 km from the headquarters which is (cost) inefficient. This workshop is in a poor condition and is not suitable for maintenance of 100 additional busses. The new workshop is envisaged at the current headquarters.

According to the safety measurements, European standards have been incorporated in the design. The workshop is roofed, but open on the sides, which is positive, considering the local climate in Burkina Faso. The proposed inventory of the workshop is complete and according to modern European standards. The workshop has special storage area for spare parts and tools with limited access in order to prevent theft. Generally, according the functional design, it can be concluded that the workshop has good functional properties. Sustainability of additional buses is warranted by the establishment of this new workshop, spare parts for 10 years and a 2-year capacity development program.

(II) Spare parts

The evaluation of the spare parts budget shows that the initial stock of spare parts is sufficient for the first three years of operation. The average annual vehicle mileage does not lead to a larger initial stock. VDL Bus International presents a total of EUR 600.000 for the following four years of spare parts budget. The following three years of operation EUR 600.000 is sufficient.

(III) Capacity development

Due to the size of the project compared to the actual size of the company, Sotraco and FMO agreed to include a 2-year capacity development program. 18 months management assistance will be provided by a Dutch expert (Mrs. Juul Reinking, see Annex 5 for CV) from the Amsterdam Public Transport Company. Her assistance will focus on improving the organization structure, operational (planning, billing systems), marketing (PR, tariff policy, advertising) and financial management. An experienced German technical manager (Mr. Wolfgang Pape, see Annex 5 for CV), currently working in Burkina Faso, will manage and train the employees of the workshop for a 2-year period. The whole transaction including the capacity development program will be executed under turnkey responsibility of VDL Bus International. A similar capacity development program was setup for the ORET-project in Ghana and our experience is very positive.

Overall, the proposed GEF project is designed to complement the ongoing initiatives with the goal of increasing traffic fluidity in Ouagadougou. Implementing this pilot project is an

opportunity to test the approach of providing minor physical works and testing different ways of reducing the cost and increasing effectiveness of public transport.

The combination of reducing waiting time and the possibility for people to park their individual mean of transport at a safe place and nearby their home, the assurance of reaching desired destination on time due to a better fluidity of the traffic will be a key reason for this shift of transport mode. This shift from individual to public transport will be facilitated through a heavy sensitization campaign for the road users.

The project management agency will liaise frequently with the others stakeholders and implementation agencies to share the project implementation progress with them. At the donors side, consultations will be held between the Technical Steering Committee, the Africa Region Transport Unit (AFTTR), the French Development Agency, the Netherlands Development Cooperation, and others donors involved in the subsector to coordinate programs in urban transport. As the project will work on the policy dialog, the involvement of the stakeholders will be ensured to have a shared view on the sector development. The existing donor coordination framework in the transport sector will be used during the project implementation phase.

E: DESCRIBE THE INCREMENTAL REASONING OF THE PROJECT:

Please see Annex F for the incremental costs analysis of the project.

F: INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:

Risks identified include the following: (i) Lack of adhesion of people to the strategy of letting aside their two wheelers for the bus. (Mitigation: The awareness campaign will be launched at the outset and during the first year of the project to maximize sensitization); (ii) SOTRACO does not buy the additional buses. (Mitigation: project will ensure coordination with SOTRACO support project and encourage on-going discussion with the government to fulfill its commitment to enable the project beginning) (iii) Low capacity of the Executing agencies leading to delays (Mitigation: Enhance agencies capacity through training on procurement and financial management before the project implementation) (iv), Low commitment of government to take action for policy matters (Mitigation: Enhance ownership through endorsement of the institutional strategy and investment plan during the project).

G. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:

COST EFFECTIVENESS

The project presents the opportunity to develop a cost-effective approach for reducing congestion in Ouagadougou, through providing the means to test some concrete activities, to develop options that can be financed by future projects, and to provide lessons learned from their implementation which may be replicated. The proposed project will provide leverage in terms of identifying design and development options in financing mechanisms and service delivery models.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

1. PROJECT IMPLEMENTATION ARRANGEMENT:

Coordination of the project: The Minister of Environment is housing the project coordination. The strategy is to mainstream the project inside the government structures. The General Directorate for Improving the Living Environment (Direction Générale de l'Amélioration du Cadre de Vie: DGACV) is the central agency of MECV responsible for the project coordination but the overall project management, oversight and coordination will be under the direct responsibility of the DAPN (Direction de l'Assainissement et de la Prévention des Nuisances). The Director of this structure is designed as the coordinator of the project.

During the implementation of the proposed project, consultations will be held between the Technical Steering Committee, the implementing agencies, the Africa Region Transport Unit (AFTTR), the Africa Region Urban Unit (AFTU2), the French Development Agency and the Netherlands Development Cooperation, to coordinate programs in urban transport. Discussions will be initiated with other external partners with a view to broadening liaison and securing commitments for follow-up activities. A steering committee is created to supervise the activities of the project. The committee holds its meetings twice a year to review the project progress and approve the annual budget.

B. INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTATION:

Overall Project Management. The project is implemented through three ministries and the municipality of Ouagadougou. The minister of Environment, the minister of infrastructures and the minister of transport through their respective directorate (DGACV, DGR, DGTTM, SOTRACO), will be responsible for the implementation of their sub-components, including the procurement activities while the DAPN within the DGACV will have the role of verifying the conformity with the Bank's procedures as well as of consolidating the project reports into a semi-annual project implementation report.

Specific responsibilities of implementing agencies:

Inside the MECV the following directorates are involved in the project management.

- The General Directorate for Improving the Living Environment (Direction Générale de l'Amélioration du Cadre de Vie: DGACV) is playing the role of general coordination of the project under the administrative supervision of the General Secretary of the minister of environment.
- The Planning Directorate (Direction des Etudes et de la Planification: DEP) is a key player in the procurement process as his leader is the tender board director.
- The Administrative and Financial Directorate (Direction Administrative et Financière: DAF) is responsible for financial management of the project.
- DGACV is the direction in charge of the overall management of the project. The structure is organized into four technical directorates:
- Sanitation and Pollution Control Directorate (Direction de l'Assainissement et de la Prévention des Pollutions et Nuisances: DAPN);

- Environmental Regulation and Inspection Directorate (Direction de la Réglementation et des Inspections Environnementales: DRIE);
- Landscaping Directorate (Direction des Aménagements Paysagers: DAP);
- Environmental Impact Assessment Directorate (Direction des Evaluations Environnementales: DEE).

The Sanitation and Pollution Control Directorate (DAPN) comprises:

- Sanitation Department;
- Dangerous Materials and Pollution Control Department;
- Industrial Environment Department.

This direction is the one which has the delegation of the project management responsibility.

The other implementing agencies of the project are :

1) Société de Transport en Commun de Ouagadougou (SOTRACO) :

SOTRACO is a corporation established through a partnership between the Government of Burkina Faso, the city of Ouagadougou, the Government of the Kingdom of Belgium, and 12 private operators.

It commenced operations in November 2003 with a fleet of 30 new buses, intended to grow over time to 100 to 150 vehicles.

SOTRACO will implement the component 2 (physical investment in coordination with DGR. SOTRACO is also implementing the Netherland project which complements this GEF project.

2) General Directorate of Land and Sea Transport (Direction Générale des Transports Terrestres et Maritimes: DGTTM) :

DGTTM is a central agency of the Ministry of Transport with responsibility for regulating, planning, and overseeing implementation of government policy concerning overland, sea, and river transport. This Directorate is responsible for implementing the institutional component of this project in coordination with the municipality.

3) General Directorate of Roads (Direction Générale des Routes: DGR)

The General Directorate of Roads is a central agency of the Ministry of Infrastructure with the responsibility for planning and implementing the road policy set by the Government. As such, DGR:

- (i) manages the national road system; (ii) conducts or contracts out studies, and monitors studies conducted by third parties; (iii) participates in improving and managing the urban space; (iv) analyzes project execution records and provides technical oversight of contractor performance.

For the GEF project DGR is responsible for the investment component mainly the one related to shelters improvement.

4) General Directorate of Municipal Technical Services (Direction Générale des Services Techniques Municipaux: DGSTM)

The DSTM key responsibilities are to: (i) Design, study, and provide technical oversight of urban development projects, (ii) Implement municipal investment programs in the areas of construction and public works, roads, and municipal public property; (iii) manage daily the public property maintenance and automobile fleet; (iv) Put out flags and beautify the city on the occasion of major ceremonies; and (v) Take in charge activities related to transport, urban traffic, and public lighting.

For the proposed project, DSTM will be responsible for the implementation of the institutional and physical investment components of the project in collaboration with DGTTM, DGR and the Ministry of environment.

PROCUREMENT (SEE ADDITIONAL ANNEX 2)

Responsibility: The DEP, the DAF and the technical departments of the MECV are the structures in charge of conducting the procurement process according to the national regulation. However, following the assessment made, they have a limited knowledge of IDA procurement guidelines. The Planning Directorate (*Direction des Etudes et de la Planification*: DEP), the central agency of MECV will be responsible for the project procurement management in collaboration with the other implementing agencies. Every implementing agency will ensure the design of the TORs and Technical specifications of its activities and drafting the procurement documentation. During the project implementation, the technical documentation and the design of the procurement documents will be under the responsibility of “Direction de l’Amélioration du Cadre de Vie” (DGACV). The DEP is ensuring the quality control and chairing the tender board.

Staffing: The personnel responsible for procurement for the MECV is within the DAF and the DEP. The DEP has a person responsible for procurement in addition to the head of the direction which often brings support. Within the DGACV, a high level staff has been designated for the daily management of the project (the Head of the department of sanitation). He will work under the guidance of the Director of Hygiene, Pollution and Nuisance (DAPN). The other implementing agencies will assign a focal point and a technical structure who will be involved in all the management aspects of the project including procurement.

It is important to strengthen the procurement skills of the staff involved in the procurement management of the project.

Guidelines: The legal environment of Burkina Faso procurement is governed by the decree n° 2003-269/PRES/PM/MFB of May 27, 2003 regulating public procurement, and its laws reviewed in 2008. An authority of regulation has been created and the institutional organization was re-examined following the recommendation of the CPAR conducted in 2005. The establishment of a procurement Direction in the ministries is being carried out. This started with the appointment of directors in the ministries dealing with large amounts of procurement such as the Ministries of health, education, infrastructures, and the ministry in charge of agriculture and water.

Regarding the conformity of the national rules with those of World Bank, the assessment found that in general, the Burkina Faso rules and IDA ones are not in contradiction. Both IDA procedures and national procedures will be used during the project implementation.

Procurement review: The monitoring system of the Bank plans a procurement post review for contracts under the prior review threshold. This review is annual. A continuous control is made through the non objection provided along the project implementation.

FINANCIAL MANAGEMENT (SEE ADDITIONAL ANNEX 3)

Responsibility: The Administrative and Financial Directorate (*Direction Administrative et Financière*: DAF) is responsible in particular for the financial management of resources allocated to MECV for carrying out its activities. For this project, the same DAF has been designated as the structure responsible for the financial management. The assessment conducted by IDA concluded that The DAAF has a modest record in managing projects financed by International Donors and its capacity will need to be slightly improved to meet the Bank's requirements under OP/BP10.02.

Staffing: The project staff placed on the financial and administrative team in the DAAF will be composed of a Head and one accountant. This team will work under the supervision of the Project Coordinator.

Accounting Policies and Procedures, Budgeting: Due to the small size of the project (US\$ 900,000) the CID (*Circuit Informatisé de la Dépense*) will not be used. The cash books of bank and petty cash will be maintained on the worksheets, as well as the budget monitoring tables (use of funds by activities or by expenditure category). The simplified accounting system (*Système Allégé du SYSCOA*) to set up is a system on a cash basis.

Internal Control and Internal Auditing: To control/master the maintenance of a sound financial management system, the financial management team is expected to follow the internal control mechanisms of the IGF internal control procedures, which are stated in Law no 055-2004/AN.

Funds Flow and disbursement arrangements: A designated account is to be opened at (BCEAO) in Ouagadougou to receive Grant proceeds on the basis of the project's periodic cash needs expressed through withdrawal applications. As a transit account, its debit cash transactions will be ordered respectively by the head of the Project Coordination Unit and the Head of the Administrative and Financial Unit for transferring funds into a transaction account to be opened separately in a commercial bank managed by the same Project Officials.

The Project will not be ready for report-based disbursements by effectiveness. Thus, the transaction-based disbursement procedures (as described in the World Bank Disbursement Handbook) will be followed.

External Auditing: The annual financial statements and the statement of expenditures prepared by the PCU, as well as internal control system, will be subject to an annual audit by a private auditing firm based on terms of reference appropriate for the pertinent scope to be approved by the Bank. The Supreme Audit Institution, the *Cour des Comptes*, will be involved in the audit in order to apply the training the staff received in Dakar (CESAG) in the context of the IDF financed by the Bank. An independent qualified external auditor would be appointed on terms of references (ToRs) acceptable to the Bank.

Supervision of the project financial aspects: Given the modest level of the overall control risk, the project will require one financial management supervision per year, which should be budgeted for. However, intensity of supervision could be reassessed upon the evolution of the rating for the overall control risk. Financial management supervision will be carried out by the Bank's Financial Management Specialist (FMS).

REPORTING AND MONITORING:

The regular production of reliable and independently checked indicators will be one of the tasks of the DGACV. PCU would have to prepare quarterly an implementation status report and an Interim Financial Report during project implementation. The reporting format and procedures will be documented in the manual of procedures.

In line with the Medium-Size Project manual, Interim Financial Reports will be composed of: (i) Financial reports: (ii) sources and uses of funds and (iii) a detailed expenditure report of the project; (iv) Project six months forecast; and (v) Procurement monitoring report. The format of the quarterly Interim Financial Reports will be agreed based on the Bank’s Financial Management Guidelines for Medium Size Projects.

The technical part of the report will comprise: (i) recall of project contents and objectives; (ii) the implementation progress of project by component; (iii) Disbursement status; (iv) Progress in indicators achievement; (v) status of recommendations implementation; (vi) Annexes on procurement and financial management.

Every six months, the steering committee of the project will review the implementation progress of the project and approve the annual budget of the project. The steering committee can be mobilized for a meeting if necessary.

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF:

The project is completely aligned to the original PIF. The project objectives, components and their tracking indicators and the project’s financing plan remains the same as approved in the PIF.

PART V: AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.

Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Steve Gorman Executive Coordinator The World Bank		May 6, 2009	Paola Agostini	(202) 473 7620	pagostini@worldbank.org

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ANNEX A: PROJECT RESULTS FRAMEWORK

Project Development Objective	Project Outcome Indicators	Use of Project Outcome Information
To establish a policy environment conducive to encouraging a shift in transport mode from individual to public transport in the city of Ouagadougou.	<p>Decrees clarifying the roles of different actors signed.</p> <p>Total direct tonnage of CO2 avoided over the duration of the investment (10 years) is 58.6 ktonnes of CO2eq</p>	A measure to commitment of the government to clarify the policy environment on urban transport.
Intermediate Results	Results Indicators	Use of Results Monitoring
1- Institutional framework and strategy to reduce congestion and shift from individual to public transport are defined.	Both a strategy an investment plan for the next 10 years drafted and endorsed by the Ministries of Transport, Environment, and the Municipality of Ouagadougou.	Assess the commitment and the forecast of the government to handle urban transport issues
	A new traffic circulation plan devised	
	A new agency (Urban Transport Organizing Authority (AOTU) set up for policy guidance in the field of urban transport	
	GHG emissions related to the transport sector management model is developed and action plan for quality monitoring is formulated	Provide the government with a sustainable model of GHG and air quality management.
2 Physical investment are executed	Number of passengers per month increased by 10%	Appreciate the efficiency of SOTRACO services and the modal shift on line 3 induced by the project
	Waiting time for buses reduced to 20 minutes on route 3	
	3.3 km of roads branches connected to line 3 are constructed	Appreciate the complementarity of the FDA project targeting peri urban areas
	Complete realization of the physical activities of the project (terminuses, shelters, bus station)	Assess the Implementation capacity the client
3 Capacity of the relevant authorities to manage traffic is strengthened. And public awareness on transport-related environmental issues Increased	The Institutions responsible for transport policy and transport management have benefited from a training of their key staff on traffic and pollution management	Assess the capacity building activities implementation level of the project
	All planned training is undertaken	
	50 people trained	
	Awareness program carried out	
	All the planned workshops conducted	

Arrangements for results monitoring

Outcome Indicators	Baseline (2007)	YR1	YR2	YR3	cumul	Frequency and Reports	Data collection instruments	Responsibility for data collection
Decrees clarifying the roles of different actors signed.	The decree establishing CETUO is being prepared but not signed.	Policy dialog with government Process launched	Decree revised and signed		Decree signed	Yearly	signed Decree	Ministry of Transport, DGACV(MECV), Municipality
Total direct tonnage of CO2 avoided over the duration of the investment (10 years) is 58.6 ktonnes of CO2eq	3.10	3.55 k tonnes CO2 /year	3.99 k tonnes CO2 /year	4.43 k tonnes CO2 /year	58.6 ktonnes of CO2eq (over10 yrs)	Yearly	M&E reports	Ministry of Transport,
Results Indicators for Each Component 1								
Strategy endorsed by the Ministries of Transport, Environment, and the Municipality of Ouagadougou.	No Strategy		Strategy endorsed		Strategy endorsed	Yearly	Annual and bi-annual reports	Ministry of Transport, Municipality, coordination unit
An investment plan for the next 10 years, based on lessons learned from targeted physical investments, endorsed by the Ministry of Transport and the Municipality of Ouagadougou.	No investment plan		investment plan is approved		investment plan is approved	Yearly	Annual and bi-annual reports	Ministry of Transport, Municipality, coordination unit
Number of passengers per month increased by 10%	250 0000	25000	27500		302 500	Yearly	Annual and bi-annual reports	SOTRACO
Waiting time for buses reduced to 20 minutes on route 3	30mn		20 min		20 min	Yearly	Annual and bi-annual reports	SOTRACO
100 additional buses in service by SOTRACO, for a total of 134 buses	34	50	50		134	Yearly	Annual and bi-annual reports	SOTRACO
Component 2								
Physical investment						Yearly	Annual and bi-annual	

							reports	
100% of physical investment planned by the project is completed	0	25%	75%		100%	Yearly	Annual and bi-annual reports	DGR, Municipality, Ministry of Transport, coordination unit
Component 3								
The Institutions responsible for transport policy and transport management benefited from a training of their key staff on traffic and pollution and GHG management	0		key staff on traffic and pollution management is trained		key staff on traffic and pollution management is trained	Yearly	Annual and bi-annual reports	DGACV, Ministry of Transport, Municipality
100 % planned training is undertaken	0	50%	50%		100	Every six months	Annual and bi-annual reports	DGACV, Ministry of Transport, Municipality, SOTRACO
50 people trained	0	15	35		50	Every six months	Annual and bi-annual reports	DGACV, Ministry of Transport
100% Awareness program carried out	0	25%	75%		100	Every six months	Annual and bi-annual reports	DGACV, Municipality
100% planned workshops conducted	0	50%	50%		100	Every six months	Annual and bi-annual reports	DGACV, Ministry of Transport, Municipality
Air quality and GHG emission reduction management model is developed and action plan for quality monitoring is formulated	0	Study on the model design realized	1 model is designed		1 model is designed	Yearly	Annual and bi-annual reports	DGACV, Ministry of Transport, Municipality
Component 4 : Project management, Monitoring and evaluation								
Monitoring and evaluation	NA				Project status reports written and submitted on time			

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF)

RESPONSE TO COMMENTS IN REVIEW SHEET OF MARCH 25, 2009

COMMENTS	RESPONSES
OVERALL GEF BENEFIT ASSESSMENT NEED TO BE PROVIDED	THE BENEFITS OF THE PROJECT ARE EXPLAINED IN THE MAIN TEXT AND THE INCREMENTAL COST ANALYSIS AT ANNEX F

RESPONSE TO COMMENTS IN REVIEW SHEET OF MAY 26, 2009

COMMENTS	RESPONSES
Now the name of West Africa Energy Program was deleted from the first page. It needs to be mentioned and the relationship of this project to the program needs to be described in the text.	The cover page has been corrected. Section C part I draws linkage to the West Africa Energy program.
Elements of monitoring and measurement of those GEB and Result Indicators can be found in this document. They need to be incorporated. Itemized budget does not exist on data collection and analysis for the assessment of the effect of investments in terms of GEB, modal shift, passenger increase on public transport (route3) etc. on additional annex I. Some funds need to be allocated for data collection and its analysis with cofinancing.	<p>Please note that there is a budget for M&E activities as can be seen clearly from:</p> <p>(i) Table A component 4 and Additional Annex 1. Please note that part 4 of the table in the project cost annex (additional Annex 1) clearly mentions: “Cost of managing the implementing agency, monitoring and evaluation, and raising public awareness of the project” The detailed activities shown therein are activities for monitoring and evaluation.</p> <p>(ii) Data collection and analysis are mainstreamed in the project activities. The M&E activities will be carried out by the project coordinator in close coordination with the DEP (Direction des Etudes et de la Planification) which has the responsibility to monitor and evaluate the Ministry of Environment projects and investment plans. The project coordinator will work with the focal points of the projects based in the implementing agencies for data collection. Also to ensure cost efficiency, the strategy would be to use as much as possible government institution for project implementation.</p>
Results Indicators and the effect of each component of this project cannot be assessed in the current framework without itemized budgets.	It is not clear what this comment implies. Indicators measure the outputs and outcomes. We recognize the importance of having a budget

	for all activities including M &E but it is not realistically possible to reflect a detailed budget for each indicator. The project has gone through several review processes within the Bank's internal system through which the results indicators and impact of the components have been assessed.
Evaluation of indirect GHG reduction is missing. With direct GHG only, the cost-effectiveness of this project is limited. Overall assessment of the GEF including indirect effects needs to be provided so as requested when the PIF was approved.	The CO2 calculations are now included as Annex G in the document.
The status of co-financing needs to be provided.	See explanation in last paragraph of part D on peri urban project which will cofinance this proposed project. The cofinancing letter is awaited and will be submitted shortly.

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT

Position titles	\$/week	estimated person weeks	Tasks to be performed
Project management			
Local			
Program supervisor	1480	15	Oversee entire program and coordinate activities
Communication specialist	1480	10	Prepare TV ads, local meetings, posters, brochures as part of the awareness campaign on the GHG emission issues and communication on the project.
Technical assistance			
Local			
Assistance in setting up the Urban Transport Organizing Authority.	4500	9	The project will analyze the status of the decree establishing CETUO through technical assistance from the authorities
Consultancy for the design of a traffic plan in Ouagadougou	4500	10	Develop the traffic plan
Identify and setup roads signs	1300	3	This part is related to the quantities of signs estimations as well as their location. The consultant will prepare the bidding document
Supervision and control	1300	3	This task is related to the hiring of individual consultant to supervise and do a quality control of the signs installation and crossing work.
Supervision and control of terminuses constructions	2000	15	This task is related to the hiring of individual consultant to supervise and do a quality control of the terminuses and stations installation.
Technical evaluation of quantities and bid document preparation	1300	4	Detailed evaluation of works to be done and cost estimation and bid document preparation for the intersections, the junctions improvement
Supervision and control	1300	10	This task is related to the hiring of individual consultant to supervise and do a quality control of the shoulders and crossing work.
Training on urban mobility	2000	3	A consultant will be hired to carry this training, which will target the institutions such as environment, Transport, municipality
Training on GHG emission and air pollution	2000	3	Training series will target the institutions such as Environment, Transport, municipality on GHG emissions and air pollution
Training on monitoring and evaluation and transport legislation and statistics	3000	18	Series of training for taximen, bus drivers and policemen
International			

Institutional assessment by a team of consultants	3700	10	Institutional assessment, development of a strategy, preparation of an investment plan
			Total

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN. NA (THERE WAS NO PPG)

B. DESCRIBE IF ANY FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION. NA

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

NA

ANNEX E: DETAILED PROJECT DESCRIPTION

Component 1: Institutional framework and strategy: The project will produce outputs at the strategic level through implementation of the following activities:

Through this component, the project will (i) undertake an assessment of relevant institutions, (ii) a development of a strategy and (iii) an investment plan aimed at inducing a transport modal shift with the participation of sector actors. The project will (iv) design a new traffic circulation plan which is a cost-effective means of improving transport fluidity in the city. It will (v) help set in place an Urban Transport Organizing Authority (AOTU) by analyzing the status of the decree establishing CETUO and elaborating a strategy and implementation plan based on the information on urban transport available. The adoption of the strategy and the involvement of the stakeholders will occur through workshops. The Government will endorse the strategy and investment plan that will be prepared following appropriate consultation of key stakeholders.

Component 2: Physical investments: Potential activities identified during the preparation phase for piloting this initiative include the following: (i) Targeted technical support to evaluate the feasibility of selected investment proposals in line with the strategy discussed above, (ii) Road improvements and signage, including physical improvements at intersections and junctions and the installation of road signs, (iii) construction of shelters and terminuses on the selected line 3 of SOTRACO.

Component 3: Capacity-building of the relevant authorities to manage traffic and awareness of transport-related environmental issues campaign: This component aims to enhance the capacities of the relevant authorities to manage traffic and awareness of transport-related environmental issues campaign. The project is targeting personnel from the Institutions responsible for transport policy and transport management to benefit from training on traffic and pollution and GHG management such as Ministry of transport, Environment, SOTRACO, Municipality of Ouagadougou, citizens living in Ouagadougou.

This component (i) will promote a better understanding of the characteristics of GHG emission and air pollution, their principal sources, and related health effects; (ii) develop a consensus among concerned stakeholders around a plan of immediate and longer term actions to reduce GHG emission, improve air quality; and strengthen local capacity for air quality management through improved understanding of issues and technologies. The project will also support (iii) the strengthening of the administration's capacity to quantify CO₂ emissions.

Training modules will include capacity building areas such as: (i) urban mobility, (ii) GHG emissions and pollution control, (iii) statistics, (iv) monitoring and evaluation, (v) transport regulation, (vi) awareness on air quality management and relation air pollution and Transport.

Awareness activities will include TV ads, local meetings, posters, brochures.

Component 4: Management of the implementing agency, monitoring and evaluation of the project: The proposed project will fund operating and technical assistance costs for the implementing entities involved in the implementation of the project. More specifically, the proposed project will fund the following:

- Purchase of two office computers and accessories for SAF and the Focal Point coordinating the project ,
- Meetings of the steering committee. The steering committee will hold regular meetings as well as meeting in a need basis for the follow up of the project.
- Provision of office space for coordinators and Focal Points. The project will be implemented through others stakeholders with assigned tasks regarding their level of involvement. To allow those people (called focal points) due their job, the project will provide them with the necessary furniture.
- Communication costs.
- Auditing.

ANNEX F: INCREMENTAL COSTS ANALYSIS

Baseline Scenario (without GEF support)

Currently, very limited investments are being made in the urban transport sector in Ouagadougou. The ones that are being made are not following any comprehensive policy or strategy framework. Although CETUO has developed a strategy, the key issue of implementation of the five-year action plan, in terms of costing of initiatives and securing funding, has not been addressed in depth and will not likely be done without this proposed GEF project. The bottlenecks stemming from the unclear legal status of CETUO hamper the implementation of the action plan. As a result, the impact of current and planned investments in urban roads and transport is at issue. For example, the Government is exploring the option of financing 100 buses for a total value of about US\$ 36 million³, of which half would be a grant and the other half a loan from the Netherlands Development Cooperation. With the conditionality that the legal status of CETUO is clarified, the acquisition of these buses was planned to be financed by 2007.

Although the five-year action plan does contain some concrete actions to improve urban mobility, it does not account for environmental and social aspects and costs of the proposed options. The proposed GEF project will address this limitation in its strategy and investment plan not only by providing the costing, but also by providing alternative solutions when available. The GEF project will allow to review and update the strategy to reflect the analysis and recommendations of the institutional framework study to be carried out. In the framework of the Transport project a review of the overall transport sector strategy is being carried out and the GEF project will also take advantage of this review to propose concrete measures to clarify the institutional framework.

Without the GEF project, the increasing need for transport caused by population growth is likely to be met by increased use of individual modes of transport. For example, assuming that the 100 additional buses are going to be financed by the Netherlands Development Cooperation, this action by itself is not sufficient to alleviate the serious traffic congestion and declining environmental and safety conditions. Buses will face increasing difficulty of finding space on the roads, and motorcycles will have the increasing advantage of flexibility and speed over public transport. Congestion problems will migrate to lesser roads, resulting in more people being exposed to pollutants and a further increased emission of CO₂ due to sub-optimal transport speeds. Any attempts to alleviate the problem in the short term are likely to be short-lived. The above issues listed can be addressed with an adequate institutional framework and a continuous policy dialog. The proposed project will assist in establishing the institutional framework and provide involved organizations with the necessary capacity to tackle the issues, both in terms of immediate needs and in terms of a long-term strategy.

The lack of regular data collection in Burkina Faso makes it difficult to quantify direct and indirect GHG emissions. Nevertheless estimation is made based on a study conducted in 2004. This study projected a growth of CO₂ emissions from all modes of transport in

³ The amount in CFAF is 20 billion. Assuming an exchange rate of 549.58, the equivalent is US\$ 36,391,426.

Ouagadougou from 855 tons per day⁴ in 2003 to 1,958 tons per day in 2015 under a do-nothing scenario (see table 1 below), summarizing CO₂ emission for the baseline scenario and the GEF alternate scenario).

Regarding the ambient air quality its situation is judged as grave, with limit norms for NO_x and SO_x being surpassed on a significant part of the road network already in 2003, and the limit norm for CO being surpassed on 10 km of road in the center of Ouagadougou in 2015. A 1999 urban transport study⁵ predicts that during peak hours, 45 km of road will be deeply congested in 2010 – a ten-fold increase from 1999 – and that the cost of the resultant urban air pollution can be roughly estimated at 1.6 percent of GDP, and could grow to 3 percent in 2010.

Urban transport demand will increase with the growing population, and without an increase in quantity and quality of public transport, combined with integrated planning of settlements and transport needs, the situation will not improve. The World Bank-financed Transport Sector Project, currently under implementation and at the ending phase is mainly designed to address the need for rural roads to improve market access for the rural poor. The proposed project would complement this project by developing the necessary capacities and, to a limited extent, transport infrastructure in the city of Ouagadougou.

Without improved circulation plan in the city of Ouagadougou, urban transport efficiency will not increase. What is needed is a regulatory framework that takes into account a greater involvement of the private sector, clarifies the institutional responsibilities, rationalizes the planning of bus routes, and strengthens the management capacity of the Ministry of Transport, the Municipality of Ouagadougou, and the Ministry of Environment. Opportunities for widening roads and expanding the road network are limited due to the related cost of resettlement, and the benefits of additional buses in the streets, without addressing the fundamental planning, routing, financing, and regulatory issues, are likely to be sub-optimal.

GEF Alternate Scenario

Due to previous experiences in Burkina Faso, the World Bank has extensive practical expertise in helping relevant institutions improve the urban environment and implement decentralized management of services. This expertise is relevant to address the issues related to the establishment and proper functioning of CETUO. Previous investments have been in transport and in the urban sector with an emphasis on capacity-building and decentralization. For example, reforms under the Transport Adjustment Credit (closed in FY00) resulted in the implementation of a road maintenance system which has evolved

⁴ The estimation of CO₂ is provided in the *Etude sur la qualité de l'air à Ouagadougou : Mise à jour de l'étude de 1999, Tractebel, 2004*. The estimation is made using the EMME/2 model, which uses a methodology based on reduction of fuel consumption to estimate CO₂ reductions. The EMME/2 methodology is elaborated in Khan, A.M., 1999, "Issues in the use of EMME/2 as a Platform for the Estimation of Greenhouse Gases", Journal of the University of Shanghai for Science and Technology, V.21, No.3, pp. 282-289.

⁵ *Etude sur la qualité de l'air à Ouagadougou. Technum, 1999.*

during the last five years. The maintenance system is now based on a road fund created in December 2007. After one year of function the road fund needs some adjustments for a better efficiency.

Also, the Urban Environment Project (P000297 - closed FY05) improved urban mobility through road construction and capacity-building at the municipal level, especially financial management capacity. The Decentralized Urban Capacity building Project (P084027 approved in May 07) will put emphasis on strengthening the decentralized delivery of service and on the financial management aspect, which will contribute to sustainability as this aspect is based on collecting and reinvesting funds for urban services.

By creating a favorable environment for the sustainable development of the urban transport system in Ouagadougou, the project proposed for GEF financing will contribute to a more environmentally sustainable urban transport system. The project will build consensus around a strategy and its related implementation plan, showing the financial, institutional, and social feasibility of different options while at the same time strengthening the capacities of relevant authorities to plan and implement further environmentally sustainable transport initiatives.

Based on the study findings (conducted by Tractebel), the proposed project with its transport modal shift activities will reach the replacement of individual means of transport by public busses on the pilot line 3. The study states that even a reduced alternate scenario, with 5 percent of motorized two-wheel traffic being replaced by public busses during peak hours and 2.5 percent in off-peak hours, would result in decreased CO₂ emissions of 14.6 tons/day or 5,329 tons/year by 2015. The design of the project is based on one bus lane which represents 25% of the overall coverage area of the city. The direct impact of the project will be on this one lane and the remaining area will be considered indirect. The figure is based on assumption of linearity of reduction of emissions with removal of two-wheeled traffic.

Table 1: Summary data for the Baseline Scenario and GEF Alternate Scenario for initial year, mid-year, and last year of the modeling.

Yr of simulation	Baseline scenario	Alternate Scenario
2003	855 tons/day	855 tons/day
2010 ⁶	1498.4tons/day	1489.9 tons/day
2015	1958 tons/day	1943.4 tons/day

A prominent feature in the funding of transport related infrastructure services is the low level of current investments in urban transport in Ouagadougou. On the one hand, some

⁶ This estimation of CO₂ emission is based on assumed linearity between the initial year (2003) and the final year (2015).

projects are focused on concrete actions, such as the French Development Agency financed project rehabilitating roads in Ouagadougou, but without investing in the institutional aspects. Therefore AFD financing in the outlying areas of Ouagadougou, will not attain maximum impact without improvement of the public transport system. This peri urban project will contribute in the opening up of the peri urban areas of Ouagadougou and allow sub urban population an easy access to the center of the town. The project comprises of four components as follows: (i) roads and drainage (72%), (ii) potable water (11%), (iii) community equipments (3%) and (iv) capacity building (8%). The project is building 30 km of roads (17.5 bituminous and 12.5 km earth roads) and its overall cost is estimated at US \$14 million. Component (i) of this FDA project, the road sections component directly complements the proposed GEF project and is estimated at US\$ 3,500,000 which counted as the co financing for the project. Thus overall result will be that public transport will benefit from the better condition of roads built by the FDA project and an increasing share of population of Ouagadougou suburb areas will then have a better access to public transport.

On the other hand, on-going projects financed by the World Bank, such as the Administration Capacity Building Project, the Poverty Reduction Strategy Credit, and the Urban Decentralized Capacity Building Project, address the overall capacity building of the central and local governments, but without focusing on the long-term strategy of the urban transport sector. Consequently elaborating a strategy and its associated investment plan with a clear understanding of the implementing institutions is critical.

As stated above, the project will support the implementation of the government's five-year action plan by clarifying the institutional framework, developing a strategy to reduce GHG emission through the usage of public instead of individual transport, to reduce congestion, and proposing a related investment plan, and financing targeted physical works. The GEF project would likely leverage significant funds by providing a strategy to outline and create a policy consensus on the institutions that will implement the strategy in the context of the on-going decentralization process.

The incremental cost for providing an efficient public transport system in Ouagadougou is especially related to the unclear institutional framework that currently exists. With GEF incremental funding, the project will support the implementation of the government's five-year action plan by clarifying the institutional framework, developing a strategy to reduce congestion and shift to public transport. Thus, with GEF support, the project will build consensus around a strategy and its related implementation plan, showing the financial, institutional, and social feasibility of different options while at the same time strengthening the capacities of relevant authorities to plan and implement further environmentally sustainable transport initiatives. Through creating an environment for the sustainable development of the urban transport system in Ouagadougou, the project proposed for GEF financing will contribute to a more environmentally sustainable urban transport system.

Over the longer term, this project with GEF support offers the benefit of improving the urban environment through an average estimated reduction of 5.86 k tonnes of CO₂eq per year or a total of 58.6 k tonnes of CO₂eq over the ten-year lifespan of the system being put in place. Although the project will run over a duration of three years, it is expected that by the end of year 3 the investments made will start showing a reduction of 4.43 k tonnes CO₂ /year. These global environmental benefits are coming from activities under Component 1 and mainly targeted on pilot bus lane 3. The detailed calculation of CO₂ evolution through years and the reduction expected from project is included in annex G.

Incremental Costs Matrix

Component 1	Category	Costs (US\$)	Local Benefit	Global Benefit
Institutional and Framework Strategy	Baseline: government	25,000	Awareness raised on the GHG issues at the city level	General awareness on GHG issues
	With GEF Alternative	193,000	The institutional assessment, implementation of the decree establishing CETUO, and the investment strategy provide the basis for works, directly resulting in CO ₂ reductions through improved efficiency of the public transport system.	Remove institutional and physical barriers to introduction of lower carbon emitting transport systems.
	Increment	158		
Component 2	Category	Costs (US\$)	Local Benefit	Global Benefit
Pilot Physical investments	Baseline: French agency of development	3,500,000	3.3 km of paved road branches of line 3 are constructed.	Increasing the mobility of peri urban people.
	With GEF Alternative	4,054,000	Activities under Components 2 (capacity strengthening) and 3 (increased awareness of traffic-related environmental issues) are essential to complement activities under Component 1, and assure the sustainability of project benefits. These activities therefore provide indirect benefits.	Demonstrating the benefits of using lower carbon emitting transport systems and reduction of GHG and local emissions through introducing environmentally sustainable urban transport system)
	Increment	554,000		

Component 3	Category	Costs (US\$)	Local Benefit	Global Benefit
Capacity Buidling	Baseline Government	25,000		
	With GEF Alternative	146,000	Air quality management model is developed and action plan for quality monitoring is formulated.	Increased awareness and capacity for planning and implementing sustainable urban transport systems, and better chances of replication in the country and region. Addressing the fundamental planning, routing, and related regulatory issues for public transport operations.
	Increment	121,000		
Component 4 Project Management, M&E		76,000	N/a	N/A
TOTAL	Baseline	3,550,000		
	With GEF Alternative	4,459,000		
	Increment	909,000		

ANNEX G: CO2 ESTIMATION

	A	B	C	D	E	F	G
Year	CO2 Emissions without GEF Project intervention (t CO2 eq/yr)	Total CO2 Savings (t CO2 eq/yr)	CO2 Savings Tonnes Attributable to GEF Intervention	CO2 Savings Tonnes Attributable to cofinancing contribution	Direct saving due to GEF intervention (%)	% of Global Saving	CO2 Emissions with GEF Project intervention (t CO2 eq/yr)
2010	513,346	3,102	775	2,327	0.15%	0.60%	510,244
2011	548,465	3,547	890	2,657	0.16%	0.65%	544,918
2012	585,987	3,993	1,006	2,987	0.17%	0.68%	581,994
2013	626,076	4,438	1,121	3,317	0.18%	0.71%	621,638
2014	668,908	4,884	1,237	3,647	0.18%	0.73%	664,024
2015	714,670	5,329	1,352	3,977	0.19%	0.75%	709,341
2016	763,563	5,774	1,467	4,307	0.19%	0.76%	757,788
2017	815,800	6,220	1,583	4,637	0.19%	0.76%	809,580
2018	871,611	6,665	1,698	4,967	0.19%	0.76%	864,946
2019	931,241	7,111	1,814	5,297	0.19%	0.76%	924,130
2020	994,950	7,556	1,929	5,627	0.19%	0.76%	987,394
Total	8,034,617	58,619	14,872	43,747			7,975,998

¹ This estimation of CO₂ emission is based on assumed linearity between the initial year (2003) and the final year (2015).

Methodology of CO2 calculation:

CO2 emission without GEF project: (column B of the table):

All the calculation is based on the data provided by a study made in 2004 to which we refer in the whole document and which gave the table below.

Total emissions of the two years is calculated by multiplying daily emission per 365 days (It is considered that there is a traffic even on Sunday).

An annual emission increase rate is then calculated using those two data.
Apply the annual rate to calculate CO2 emission for year 2010 through 2020.

Global, direct and indirect saving of CO2 due to the project implementation:

To calculate the global saving, we calculate the direct saving and the indirect saving.

Direct saving due the project calculate by using data from 2015 and the annual increase rate.

The assumption made is that 25% of the decrease of CO2 is directly linked to the project (the project is directly covering 1/4of the over bus traffic of Ouagadougou). The remaining traffic (75%) will benefit from the project through sensitization made in the city. It is indirect.

In 2010 the decrease of CO2 will be $(1498.4-1489.9) *365= 3,102$ CO2 eq/year.

The direct saving will be 25% of 3,102=775 CO2eq/year

Indirect saving will be $3,102-775=2,327$ CO2 eq/year

In 2015 the decrease of CO2 will be $(1958-1943.4) *365=5,329$ t CO2 eq/year.

The direct saving will be 25% of 5,329=1,352CO2eq/year.

Indirect saving will be $5,329-1,352=3,977$

The annual variation rate using 2010 and 2015 data is then calculated as 445 CO2eq/year and applied throughout the years.

For 2020, it is considered the same annual rate.

The percentages are then calculated using the information above.

References for CO2 estimation

Table 1 Annex F:

Yr of simulation	Baseline scenario	Alternate Scenario
2003	855 tons/day	855 tons/day

2010 ⁷	1498.4tons/day	1489.9 tons/day
2015	1958 tons/day	1943.4 tons/day

Annex F: The study states that even a reduced alternate scenario, with 5 percent of motorized two-wheel traffic being replaced by public busses during peak hours and 2.5 percent in off-peak hours, would result in decreased CO2 emissions of 14.6 tons/day or 5,329 tons/year. Of this, 1,352 tons of CO2 reduction per year can be attributed to GEF financing activities. The design of the project is based on one bus lane which represents 25% of the overall coverage area of the city. The direct impact of the project will be on this one lane and the remaining area will be considered indirect.

ADDITIONAL ANNEX 1: Project cost

	MINISTERE DE L'ENVIRONNEMENT							
	ET DU CADRE DE VIE							
	DGACV							
	Projet de démonstration de transfert modal à Ouagadougou							
	Tableau:							
	Taux de Conversion:	500	FCFA					
	Project Cost By Component and/or Activity			Local	Foreign	Total	Financed by	
				US \$million	US \$million	US \$million		
No	Composante	Montant (X1000) F CFA	Montant (X1000)\$US					
				183			GEF	Gov
1	1. Institutional framework and strategy	91500.0	183.0	71.0	112.0	0.0	158.0	25.0
1.1	Institutional framework	75000.0	150.0	38.0	112.0	0.0	150.0	0.0
	Institutional assessment, development of a strategy, preparation of an investment plan, and necessity of setting up an Urban Transport Organizing Authority		112.0	0.0	112.0		112.0	
1.1.1		56000.0						

1.1.2	Design of a traffic plan in ouagadougou	15000.0	30.0	30.0			30.0	
1.1.3	Support in setting up an Urban Transport Organizing Authority	4000.0	8.0	8.0			8.0	0.0
1.2	Workshops	16500.0	33.0	33.0	0.0	0.0	8.0	25.0
1.2.1	Seminar to launch the project	4000.0	8.0	8.0			8.0	
1.2.2	Workshop to review the institutional assessment	5000.0	10.0	10.0	0.0		0.0	10.0
1.2.3	Workshop to validate the strategy and implementation plan	3500.0	7.0	7.0				7.0
1.2.4	Stakeholder consultation process workshops	4000.0	8.0	8.0				8.0
2	2.component 2: Physical investments	277000.0	554.0	554.0	0.0	0.0	554.0	0.0
2.1	Road improvements and signage	40000.0	80.0	80.0	0.0	0.0	80.0	0.0
2.1.1	Detailed study of works	2000.0	4.0	4.0			4.0	
2.1.2	Improvements at intersections and junctions and placement of road signs	35500.0	71.0	71.0			71.0	
2.1.3	Management and oversight of improvements	2500.0	5.0	5.0			5.0	
2.2	Development of shelters and terminuses	202500.0	405.0	405.0	0.0	0.0	405.0	0.0
2.2.1	Improvements at the Naba-Kom terminus	45000.0	90.0	90.0			90.0	
2.2.2	Improvements at the Kelwin terminus	77500.0	155.0	155.0			155.0	

2.2.3	Construction of 30 shelters along Line 3	77500.0	155.0	155.0			155.0	
2.2.4	Management and oversight of terminus and shelter works	2500.0	5.0	5.0			5.0	
2.3	Improvements at intersections and junctions	34500.0	69.0	69.0	0.0	0.0	69.0	0.0
2.3.1	Detailed evaluation of intersections rehabilitations and cost estimation and Bid document preparation	1500.0	3.0	3.0			3.0	
2.3.2	Intersections rehabilitation	30500.0	61.0	61.0			61.0	
2.3.3	Supervision and control of intersection rehabilitation	1500.0	3.0	3.0			3.0	
	Supervision by DGR	1000.0	2.0	2.0			2.0	
3	3. Strengthening of traffic management capacity within relevant agencies	73000.0	146.0	146.0	0.0	0.0	121.0	25.0
3.1	Training on urban mobility	17500.0	35.0	35.0			35.0	
3.2	Training on air pollution control	27500.0	55.0	55.0			40.0	15
3.3	Training on monitoring and evaluation and on transport legislation and statistics	18000.0	36.0	36.0			36.0	
3.4	Field trip to share experience	10000.0	20.0	20.0			10.0	10
4	4. Cost of managing the implementing agency, monitoring and evaluation, and raising public awareness of the project	38000.0	76.0	116.0	0.0	0.0	76.0	40.0

4.1	Awareness-raising and communication regarding the project		37.0	37.0			37.0		
		18500.0						0	
4.2	Purchase of two office computers and accessories for SAF and the Focal Point coordinating the project		10.0	10.0			10.0		
		5000.0							
4.3	Meetings of the steering committee		5.0	5.0			0.0	5	
		2500.0							
4.4	Provision of office space for coordinators and Focal Points		7.0	7.0			7.0		
		3500.0							
4.5	Fuel and travel costs		5.0	5.0			0.0	5	
		2500.0							
4.6	Contribution to computer equipment maintenance		5.0	5.0			0.0	5	
		2500.0							
4.7	Communication costs		5.0	5.0			0.0	5.0	
		2500.0							
4.8	Purchase of one computer lap top for the tender committee		7.0	7.0			7.0		
		3500.0							
4.9	Auditing		15	15			15	0	
		7500							
	M&E	20000	40	40			15	25	
	Meetings of the steering committee	2500.0	5.0	5.0			0.0	5	
	Kit for pollution measure	10000.0	20.0	20.0			0.0	20.0	
	TOTAL	499500.0	999.0	887.0	112.0	0.0	909.0	90.0	

Additional annex 2: Project implementation plan

	MINISTERE DE L'ENVIRONNEMENT								
	ET DU CADRE DE VIE								
	DGACV								
	Annex : Project Implementation plan	date	Avril 2009						
		1\$=	500	FCFA					
No	Composante	Agence	Montant	Montant global			Financed by		
		d'exécution	(X1000) F CFA	(X1000)\$US	Yr 1	Yr 2	Yr 3	GEF	Gov
1	1. Institutional framework and strategy		91500	183	41.33	126.33	15.33	158	25
1.1	Institutional framework		75000	150	30.67	106.67	12.67	150	0
1.1.1	Institutional assessment, development of a strategy, preparation of an investment plan, and necessity of setting up an Urban Transport Organizing Authority	DGTTM	56000	112	28.00	84.00		112	
1.1.2	Design of a trafic plan in ouagadougou	Municipality of Ouagadougou and DGTTM	15000	30		20.00	10.00	30	
1.1.3	Support in setting up an Urban Transport Organizing Authority	DGTTM	4000	8	2.67	2.67	2.67	8	0
1.2	Workshops	DGACV	16500	33	10.67	19.67	2.67	8	25
1.2.1	Seminar to launch the project		4000	8	8.00			8	
1.2.2	Workshop to review the institutional assessment		5000	10		10.00		0	10
1.2.3	Workshop to validate the strategy and implementation plan		3500	7		7.00			7

1.2.4	Stakeholder consultation process workshops		4000	8	2.67	2.67	2.67		8
2	2.component 2: Physical investments		277000	554	106.58	344.67	102.75	554	0
2.1	Road improvements and signage	DGSTM/DGR	40000	80	23.42	37.17	19.42	80	0
2.1.1	Detailed study of works		2000	4	4.00			4	
2.1.2	Improvements at intersections and junctions and placement of road signs		35500	71	17.75	35.50	17.75	71	
2.1.3	Management and oversight of improvements		2500	5	1.67	1.67	1.67	5	
2.2	Development of shelters and terminuses	SOTRACO	202500	405	79.17	242.50	83.33	405	0
2.2.1	Improvements at the Naba-Kom terminus		45000	90		60.00	30.00	90	
2.2.2	Improvements at the Kelwin terminus		77500	155		103.33	51.67	155	
2.2.3	Construction of 30 shelters along Line 3		77500	155	77.50	77.50		155	
2.2.4	Management and oversight of terminus and shelter works		2500	5	1.67	1.67	1.67	5	
2.3	Improvements at intersections and junctions	DGSTM/DGR	34500	69	4.00	65.00	0.00	69	0
2.3.1	Detailed evaluation of intersections rehabilitations and cost estimation and Bid document preparation		1500	3	3.00			3	
2.3.2	Intersections rehabilitation		30500	61		61.00		61	
2.3.3	Supervision and control of intersection rehabilitation		1500	3		3.00		3	
	Supervision by DGR		1000	2	1.00	1.00		2	
3	3. Strengthening of traffic management capacity within relevant agencies		73000	146	48.67	48.67	48.67	121	25
3.1	Training on urban mobility	DGTTM	17500	35	11.67	11.67	11.67	35	
3.2	Training on air pollution control	DGACV	27500	55	18.33	18.33	18.33	40	15
3.3	Training on monitoring and evaluation and on transport legislation and statistics	DGTTM	18000	36	12.00	12.00	12.00	36	
3.4	Field trip to share experience	DGACV	10000	20	6.67	6.67	6.67	10	10

4	4. Cost of managing the implementing agency, monitoring and evaluation, and raising public awareness of the project		38000	76	44.00	47.50	24.50	76	40
4.1	Awareness-raising and communication regarding the project	DGACV/SOTRACO	18500	37	12.33	12.33	12.33	37	0
4.2	Purchase of two office computers and accessories for SAF and the Focal Point coordinating the project	DGACV	5000	10	10.00			10	
4.3	Meetings of the steering committee	DGACV	2500	5	1.67	1.67	1.67	0	5
4.4	Provision of office space for coordinators and Focal Points	DGACV	3500	7	1.75	3.50	1.75	7	
4.5	Fuel and travel costs	DGACV	2500	5	1.25	2.50	1.25	0	5
4.6	Contribution to computer equipment maintenance	DGACV	2500	5		2.50	2.50	0	5
4.7	Communication costs		2500	5	5.00	0.00	0.00	0	5
4.8	Purchase of one computer lap top for the tender committee	DGACV	3500	7	7.00	0.00	0.00	7	
4.9	Auditing	DGACV	7500	15	5.00	5.00	5.00	15	
	M&E		20000	40					
	Meetings of the steering committee	DGACV	2500	5	1.67	1.67	1.67	0	5
	Kit for pollution measure	DGACV	10000	20	0.00	20.00	0.00	0	20
	TOTAL		499500	999	240.58	567.17	191.25	909.00	90.00

ADDITIONAL ANNEX 3: Project procurement plan

Consulting Services

Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by the Bank	Expected Proposal Submission	Comments
1	2	3	4	5	6	7
1	Institutional assessment, development of a strategy, preparation of an investment plan,	112	QCBS	yes	May 2010	
2	Design of a traffic plan in Ouagadougou	30	Individual Consultant	yes	December 2010	
3	Assistance in setting up the Urban Transport Organizing Authority.	8	Individual Consultant	yes	December 2010	

Works:

Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by the Bank	Expected Proposal Submission	Comments
	Improvements at intersections and junctions and placement of road signs	71	NCB	The first contract	June 2010	
	Improvements at the Naba-Kom terminus	90	NCB		June 2010	
	Improvements at the Kelwin terminus	155	NCB		June 2010	
	Construction of 30 shelters along Line 3	155	NCB		June 2010	
	Intersections rehabilitation	61	NCB		June 2010	

Goods:

Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by the Bank	Expected Proposal Submission	Comments
	Purchase of two office computers and accessories for SAF and the Focal Point coordinating the project and one lap top for the tender committee	17	NCB	yes	June 2010	

ADDITIONAL ANNEX 4: Financial Management and Disbursement Arrangements

Summary of the Financial Management Assessment

1. As part of the project pre-appraisal mission, a financial management assessment has been carried out in accordance with the Financial Management Practices Manual issued by the Financial Management Sector Board on November 3, 2005. The main objectives of the assessment were to determine: (a) whether the DAAF (*Direction des Affaires Administratives et Financières*) within the Ministry of Environment has adequate financial management arrangements to ensure that project funds will be used for the purposes intended in an efficient and economical way; (b) whether the “Urban Air Pollution in Ouagadougou” financial reports will be prepared in an accurate, reliable and timely manner; and (c) whether the entity’s systems of accounting, auditing, and internal control are acceptable to the Bank.

The DAAF has a modest record in managing projects financed by International Donors. The main experience in that area is the project financed by Sweden Aid Agency. The assessment concluded that the financial management arrangements in place at the DAAF will need to be slightly improved to meet the Bank’s requirements under OP/BP10.02 and will be therefore adequate to provide, with reasonable assurance, accurate and timely information on the status of the project required by IDA. The result of this assessment is detailed below.

Country Issues

2. A Country Financial Accountability Assessment (CFAA) was carried out for Burkina Faso in October 2001, and finalized in June 2002. No major specific country risk was raised, but the following concerns were highlighted:

- a serious staffing problem in the public and private sectors’ accounting services, linked to a dramatic drop in the quantity and quality of staff;
- delay and irregularity in the audit of public entities’ annual accounts, because of weak capacity of the Public Sector Control Institutions;
- a liquidity problem at the Public Treasury, which negatively impacts improved implementation of the budget;
- weak non-financial asset management: absence of non-financial assets accounting and of annual physical inventories; and
- The absence of an integrated computerized public circuit of revenue.

3. The Government has made great strides in improving financial management through the Public Financial Management Reform Program, which sets out a methodology to carry the process forward. Additional assessments showed that public financial management core systems work reasonably well. Budget coverage is generally complete, and extra-budgetary expenditures are negligible. The budget is a reliable implementation guide with the inclusion of medium-term estimates and the strengthening since 2002 of the link with the medium-term expenditure framework.

However, progress is needed on the inclusion of external financing and on the absorptive capacity. The ability to track spending has been strengthened with the adoption in 2003 of the West Africa Economic and Monetary Union-wide budget classification, but poverty-reducing expenditures remain to be clearly defined and integrated into the functional classification. Internal budget reports and the entry of transactions into the accounts are timely. Internal control is enforced but its effectiveness has been limited by weak capacities and procedures. Bank and fiscal data are reconciled each month and Burkina has not accumulated arrears since HIPC completion point in April 2002. External Audit of budget execution reports is submitted – since 2004 – to Parliament, for approval within 12 months of the end of the fiscal year. The procurement system has been strengthened between 2000 and 2005. The decentralization process in the public financial management area has shown significant progress.

4. The public financial management reforms are strongly supported by the donor community. For instance, the World Bank approved in May 2006 an Institutional Development Fund to strengthen the capacity of the Public Sector Control Institutions. Another example is the Administration Capacity Building Project, partially financed by the World Bank.

Risk Assessment and Mitigation

Risk	Risk rating	Risk-Mitigating Measures Incorporated into Project Design	Conditions or Covenants (Y/N)	Remarks
Inherent risk	M			
Country level	M	Commitment was made by the Government in September 2006 to finalize these reforms no later than July 2007. At present time, Donors such as EU and WB are financing the strengthening of the <i>Cour des Comptes</i> ' capacity	N	Classification allows comparison to budget but that for poverty-reducing expenditures is underway, and inclusion of external financing in the <i>Circuit informatisé de la Dépense</i> (Public Expenditure Circuit) is not yet finalized. Accounts audited in a timely manner, but only partially because of a lack of audit capacity: delays observed regarding the audit of <i>comptes de gestion</i>
Entity level	S	The project coordination will be located at the Ministry of Environment level. The DAAF of the Ministry will	N	The Ministry of Environment's legal and institutional framework is satisfactory but without sound experience in Bank-financed projects. The public financial management system is working reasonably well, and could be

		maintain, after being trained, the project administration and financial management team.		better if the required number of qualified staff is appointed to the Ministry.
Project level	M	The small size of the project (US\$ 905,000) will imply a standard design without any complexity. However, the lack of sound experience in Bank-financed project of the DAAF may generate some risks. Close support will be provided by the Bank fiduciary team.	N	.
Control Risk	M			
Budgeting	M	A simplified accounting system including budget monitoring will be put in place with the assistance of the Bank.	Y	3 months after effectiveness to set up a simplified accounting system (See Accounting policies and procedures section).
Accounting	M	A simplified accounting system adapted to the project size will be put in place. The designated accountant (public servant) in charge of the project will be trained.	Y	3 months after effectiveness to set up a simplified accounting system (See Accounting policies and procedures section).
Internal Controls	M	A public financial controller from IGF (<i>Inspection Générale des Finances</i>) will ensure the <i>ex ante</i> control in the project.	Y	3 months after effectiveness to reach an agreement with the IGF on the fact that this entity will be in charge of <i>ex ante</i> control of the project.
Funds Flow	M	A designated transit account into which funds will be deposited. One transaction account will be opened separately in a commercial bank. From this	N	The disbursement procedures will be transactions-based as the project will be ready for the report-based procedures.

		transaction account payments will be made to the suppliers of goods and services.		
Financial Reporting	M	The appropriate format for Interim Financial Reports will be designed and included in the manual of procedures.	Y	Negotiation condition for an agreement on the format of IFRs.
Auditing	M	The audit TORs will be developed. External auditors will be appointed.	Y Y	Negotiation condition for audit TORs 3 months after effectiveness for appointment of the external auditor

5. In addition to what has been mentioned above regarding the strategy to mitigate these risks, regular Bank supervision and timely follow-up of management issues will also be essential.

Weaknesses and Action Plan

Significant Weaknesses	Action	Responsible body	Completion
A simplified accounting (<i>Système allégé du SYSCO</i>) system adapted to the project size, and designation of a controller from the IGF; need to be in place to ensure adequate FM arrangements.	A simplified accounting system will be put in place due to the small size of the project. A financial controller from the IGF will be appointed to ensure respectively ex-post control and ex-ante control	DAAF	3 months after effectiveness
Weak FM capacity of DAAF.	The project will need a designated accountant (a public servant within the DAAF). Appropriate training planned (see section on Staffing and Training below)	DAAF	Before disbursement

Staffing and Training

6. The project staff placed on the financial and administrative team in the DAAF will be composed of a Head and one accountant. This team will work under the supervision of the Project Coordinator. This team will have the responsibility to collect and control invoices, maintain the books, enter data in the accounting system, manage the project's bank accounts, keep the books of accounts and prepare the financial reports as well as the withdrawal and direct payments applications. Because the PCU has no experience in financial management of Bank-funded projects, the staff of the administrative and the financial management sides will be trained on the procedures of Bank disbursements and the simplified accounting system of the project. This training will take place before effectiveness and will be provided by Burkina Faso Country Office Financial Management Specialists.

Accounting Policies and Procedures, Budgeting

7. Due to the small size of the project (US\$ 900,000) the CID (*Circuit Informatisé de la Dépense*) will not be used. The cash books of bank and petty cash will be maintained on the worksheets, as well as the budget monitoring tables (use of funds by activities or by expenditure category). The simplified accounting system (*Système Allégé du SYSCOA*) to set up is a system on a cash basis. To this end, a chart of accounts, developed on the basis of the categories of expenditure and the activities envisaged, will be set up. The cash book of bank maintained on a worksheet will disclose, after each recording, the balance of the bank account and the totals of the expenditure by activity. A second worksheet, customized for budget execution, will be related to the sheet of the cash book of bank to obtain, without additional handling, the situation of the financial execution of the project after each recording. The receipt and expense-supporting documents will be recorded and properly filed. The fixed assets will be recorded in a listing. Back-up of the financial data will be done on a monthly basis and kept in the Coordinator's office.

Internal Control and Internal Auditing

8. To control/master the maintenance of a sound financial management system, the financial management team is expected to follow the internal control mechanisms of the IGF internal control procedures, which are stated in Law no 055-2004/AN. A public financial controller from the IGF will be designated. The financial controller at PCU level will work in close collaboration with the Head of the financial and administrative unit and the accountant. The public financial controller will be, according to his or her mandate, in charge of providing ex-ante control.

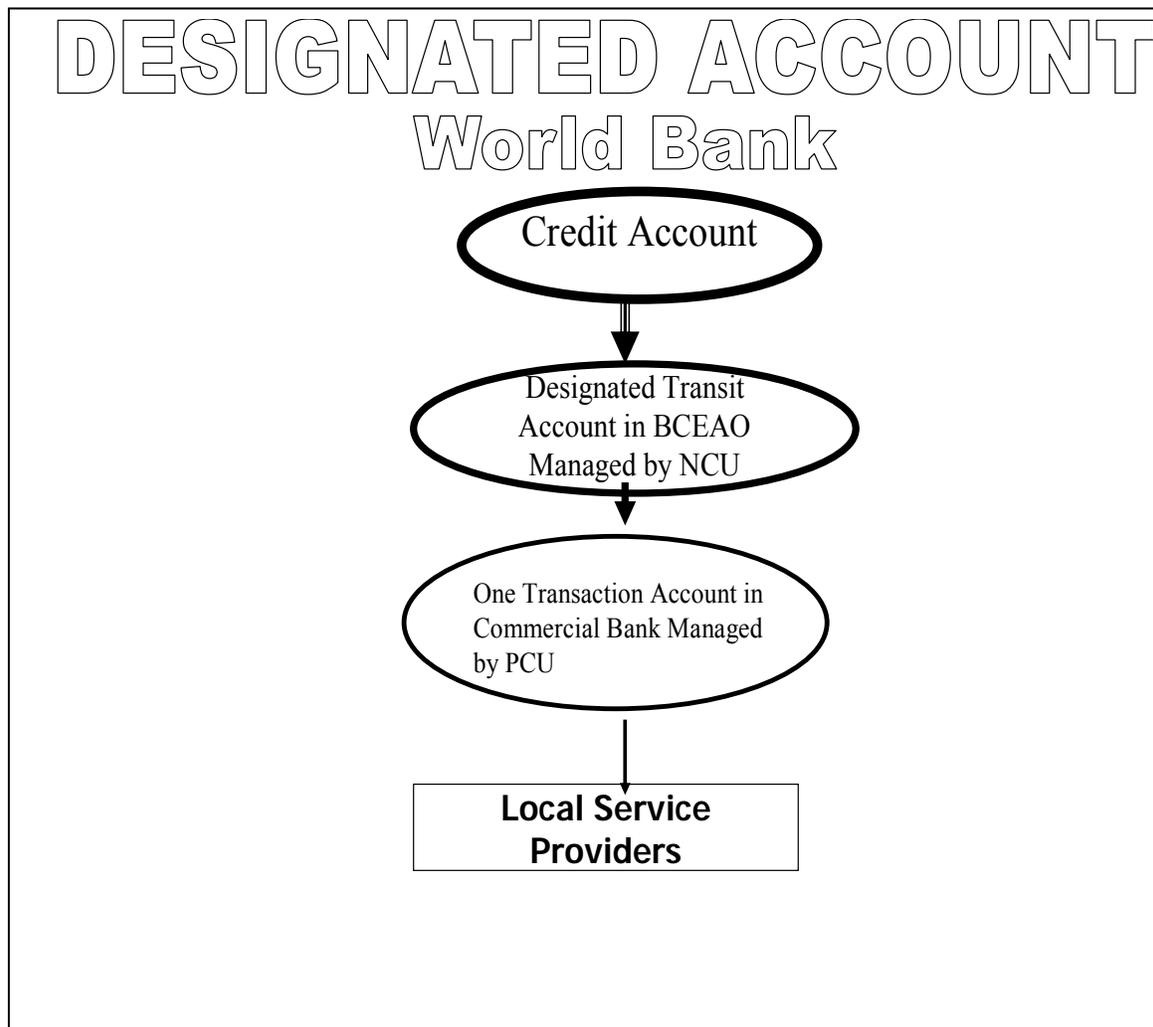
FUNDS FLOW AND DISBURSEMENT ARRANGEMENTS

9. The designated account to be opened at BCEAO in Ouagadougou will receive Grant proceeds on the basis of the project's periodic cash needs expressed through withdrawal applications. The purpose of opening the designated account at BCEAO is to

help the Government record and trace the external funds for all donors that are involved in financing projects in Burkina. As a transit account, its debit cash transactions will be ordered respectively by the Project Coordinator Unit and the Head of the Administrative and Financial Unit for transferring funds into a transaction account to be opened separately in a commercial bank. The latter account will be managed by the same Project Officials. The transaction account is set up to fund eligible activities for the annual activity plans. At the end of each month, the reconciliation of the special account will be systematically done.

10. The Project will not be ready for report-based disbursements by effectiveness. Thus, the transaction-based disbursement procedures (as described in the World Bank Disbursement Handbook) will be followed.

11. Disbursements for all expenditures will be made against full documentation, except for items claimed under the Statement of Expenditures (SOE) procedure. Documentation supporting all expenditures claimed against SOEs will be retained by the PCU and made available for review when requested by IDA periodic supervision missions and project external auditors. All disbursements are subject to the conditions of the Grant Agreement and the procedures defined in the Disbursement Letter.



Legend:

Transactions-based transfers of funds in the Designated Transit Account
Transfers of funds in the Transaction Account



DISBURSEMENTS BY CATEGORY

12. The table below sets out the expenditure categories to be financed out of the Loan proceeds.

Category	Percentage of Expenditures to be Financed
(1) Institutional framework	100%
(2) Civil works	100%
(3) Capacity-building of the stakeholders operating in the traffic management	100%
(4) Operating cost of the implementing agency	100%

FINANCIAL REPORTING AND MONITORING

13. PCU would have to prepare quarterly an Interim Financial Report during project implementation. The reporting format and procedures will be documented in the manual of procedures. In line with the Medium-Size Project manual, Interim Financial Reports will be composed of:

- Financial reports: (i) sources and uses of funds and (ii) a detailed expenditure report of the project;
- Project six months forecast;
- Procurement monitoring report.

14. Quarterly Interim Financial Reports and annual financial statements will cover all activities financed through the project. The annual financial statements will be subject to external audit as described below.

15. The first Interim Financial Report shall be furnished to the Bank no later than 45 days after the end of the first calendar quarter after the grant effectiveness date, and shall cover the period from the occurrence of the first expenditure under the project through the end of such first calendar quarter; thereafter, each Interim Financial Report shall be furnished to the Bank no later than 45 days after each subsequent calendar quarter, and shall cover such calendar quarter.

16. The financial management indicators for the project are the following: (i) part of the budget disbursed every quarter; (ii) nature of the opinion from the external auditor on the annual financial statements; (iii) number of internal control major weaknesses

identified by the external Auditor; (iv) part of the annual budget expended for which goods and services are delivered; and (v) rating of FM overall control risk.

17. The format of the quarterly Interim Financial Reports will be agreed based on the Bank's Financial Management Guidelines for Medium Size Projects.

AUDITING

18. The annual financial statements and the statement of expenditures prepared by the PCU, as well as internal control system, will be subject to an annual audit by a private auditing firm based on terms of reference appropriate for the pertinent scope to be approved by the Bank. The Supreme Audit Institution, the *Cour des Comptes*, will be involved in the audit in order to apply the training the staff received in Dakar (CESAG) in the context of the IDF financed by the Bank. An independent qualified external auditor would be appointed on terms of references (ToRs) acceptable to the Bank. These ToRs will be a negotiation condition.

The auditor will provide a separate report with a single opinion on the annual financial statements, the statement of expenditures and the designated account in compliance with IFAC Standards on Auditing. In addition to the audit reports, the external auditors will be expected to prepare a Management Letter giving observations, comments, and providing recommendations for improvements in accounting records, systems, controls and compliance with financial covenants in the Loan agreement. The audit scope will be tailored to the project's specific risks, in accordance with Bank requirements and as agreed with the counterpart. PCU will also be required to issue, no later than June 30 of the following fiscal year, audited annual financial statements. The selection of the auditor is a condition of effectiveness.

Conditionality

For negotiations:

- a) Agreement on the format of quarterly IFRs will be reached and
- b) The external audit ToRs to be developed include the need for the auditor to involve the *Cour des Comptes* in the audit strategy.

Covenants (after 3 months of effectiveness)

- a) The Recipient will appoint an external auditor,
- b) The Recipient will set up a simplified accounting system (*Système allégé du SYSCOA*) for the financial management of the project, in a manner satisfactory to the Association.
- c) The Recipient will reach an agreement with the IGF on the fact that this entity will be in charge of ex ante control of the project.

SUPERVISION PLAN

19. Given the modest level of the overall control risk, the project will require one financial management supervision per year, which should be budgeted for. However, intensity of supervision could be reassessed upon the evolution of the rating for the overall control risk.

20. Financial management supervision will be carried out by the Bank's Financial Management Specialist (FMS), who will accomplish the following tasks:

- Conduct a financial management supervision before effectiveness/disbursement;
- Review the financial management aspects of the IFRs;
- Review the Audit Reports and Management Letters from the external auditors and follow up on material accountability issues by engaging with the task team leader, Client, and/or Auditors; the quality of the audit (internal and external) is also to be monitored closely to ensure that it covers all relevant aspects and provides enough confidence in the appropriate use of funds by recipients;
- Physical supervision on the ground will be supported by reviews of the quarterly interim financial reports and the annual audit reports, including the management letters describing the status of internal controls;
- Provide assistance to build or maintain appropriate financial management capacity.

ADDITIONAL ANNEX 5: Evaluation of the procurement management capacity

I. Legal aspects and context of procurement process

1. Legal aspects:

Guidelines and legal documents ruling procurement: The legal environment of Burkina Faso procurement is governed by the decree n° 2003-269/PRES/PM/MFB of May 27, 2003 regulating public procurement, and it's by laws. Procurement for the proposed GEF will be carried out in accordance with the Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 1st, 2006 and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 1st, 2006, and the provisions stipulated in the Grant Agreement. The Procurement Plan will define the appropriate procurement methods or consultant selection methods, as well as estimated costs, the prior review requirements and the time frame. The Procurement Plan will be updated at least annually, or as required. The prior review and procurement method thresholds are indicated.

Procurement status at country level: The public procurement system in Burkina Faso is under reform following A Country Procurement Assessment Report (CPAR) carried out in 2000 and in 2005. An authority of regulation has been just created and the institutional organization was re-examined following the recommendation of the CPAR of 2005. The establishment of a procurement Direction in the ministries is under implementation. This started with the appointment of directors in the ministries dealing with large amounts of procurement such as the Ministries of health, education, infrastructures, and the ministry in charge of agriculture and water. For the ministries with a lower quantity it is nominated a person responsible for procurement. One of the major actions currently under implementation is the updating of the 2003 National Procurement Act in light of WAEMU Regional Guidelines as agreed by the World Bank and included in the CPAR recommendations.

2. Procurement of Civil Works. Civil works procured under this project will include:

Road improvements and signage: (i) placement of road signs, (ii) Management and oversight of improvements

Development of shelters and terminuses: (i) Improvements at the Naba-Kom terminus; (ii) Improvements at the Kelwin terminus; (iii) Construction of 30 shelters along Line 3

Improvements at intersections and junctions: Improvements at intersections and junctions

International Competitive Bidding (ICB). There will no international bidding for this project. *As an indication the level of prior review for* civil works contract package is upper or equal to US\$3,000,000 equivalent.

National Competitive Bidding (NCB). Each civil works contract package estimated to cost less than US\$3,000,000 equivalent may be procured using NCB

procedures. Such procurement advertised locally will be carried out in accordance with procedures acceptable to IDA.

Shopping. Smaller works estimated to cost less than US\$100,000 equivalent per contract may be awarded on the basis of quotations obtained from at least three (3) qualified domestic contractors invited in writing to bid. The requests of solicitation will specify that bids should be submitted sealed and opened at a public opening session. In the case of quotations, the use of pre-qualified contractors list may play an important role to ensure that contractors invited to bid have sufficient experience. Therefore, it is suggested that a list of pre-qualified contractors be used whenever possible at the national level, and updated every year. Such works may be procured under shopping procedures as detailed in paragraph 3.5 of the "Guidelines: Procurement under IBRD Loans and IDA Credits" May, 2004, revised October 1st 2006 and June 9, 2000 Memorandum "Guidance on Shopping" issued by the Bank.

3. Procurement of Goods. Goods procured under this project will include: supply of computers and accessories, software, kits for pollution measure, office furniture. It will be done using the Bank's Standard Bidding Documents (SBD) for all ICB and National SBD agreed with the Bank for National Competitive Bidding (NCB).

International Competitive Bidding (ICB). There no goods to be procured under this method. The threshold for prior review allowed is equal or less than US\$500,000.

National Competitive Bidding (NCB). For the supply of goods contract estimated to cost less than US\$500,000 equivalent and locally available at commercial price will be procured through National Competitive Bidding (NCB) procedures acceptable to IDA.

Shopping. Procurement for readily available off-the-shelf goods that cannot be grouped, or standard specification commodities for individual contracts of less than US\$50,000 equivalent, may be procured under shopping procedures as detailed in paragraph 3.5 of the "Guidelines: Procurement under IBRD Loans and IDA Credits" May, 2004, revised October 1st, 2006 and the "Guidance on Shopping Memorandum" issued by IDA, June 9, 2000. The requests of solicitation will specify that offers should be submitted sealed and opened at a public opening session.

Direct contracting for Goods and Works may be only used on an exceptional basis and with the prior approval of the Bank in accordance with the provisions of paragraph 3.9 of the Procurement Guidelines.

4. Selection of Consultants

(a) Firm - Consultancy services which include: institutional studies, technical assistance, control and supervision of works, external audits etc, will be selected using

Request for Expressions of Interest, short-lists and the Bank's Standard Requests for Proposal, where required by the Bank's Guidelines. The selection method will include Quality and Cost Based Selection (QCBS) whenever possible, Quality Based Selection (QBS), Fixed Budget (FBS), Least Cost Selection (LCS), Single Source Selection (SSS) as appropriate; all consultancy services contracts estimated to cost less than US\$100,000 equivalent for firms could be awarded through Consultant's Qualifications (CQ).

(b) Individual Consultants (IC) - Specialized advisory services, control and supervision of works, will be provided by individual consultants selected by comparison of qualifications of at least three candidates and hired in accordance with the provisions of Section V of the Consultant Guidelines

Short lists of Firms for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of the national consultants in accordance with the provisions of paragraphs 2.7 to 2.8 of the Consultant Guidelines.

Single Source Selection may be used exceptionally in accordance with paragraph 3.9 to 3.12 of the Consultant Guidelines.

5. Workshops, Seminars, and Conferences: Training activities will comprise workshops and training in the region and abroad, based on individual needs as well as group requirements, on-the-job training, and hiring consultants for developing training materials and conducting training. Selection of consulting firms for training services estimated to cost US\$100,000 equivalent or more shall be procured on the basis of QCBS or QBS as appropriate. Training services estimated to cost less than US\$100,000 equivalent per contract may be procured through CQ method. When appropriate, training may also be procured on the basis of Direct Contracting subject to review and approval by the Bank. All training and workshop activities will be carried out on the basis of approved annual programs that will identify the general framework of training activities for the year, including: (i) the type of training or workshop; (ii) the personnel to be trained; (iii) the selection methods of institutions or individuals conducting such training; (iv) the institutions which will conduct the training; (v) the justification for the training, how it will lead to effective performance and implementation of the project and/or sector; (vi) the duration of the proposed training; and (vii) the cost estimate of the training. Report by the trainee upon completion of training will be required.

II. Assessment of the Agency's Capacity to Implement Procurement:

The Ministry of Environment is managing the procurement of contracts financed by the national budget and by external donors. The national budget investment procurement is carried out according to the regulation of Burkina Faso and those of the donors are carried out on the basis of financing agreement between the government and the partners. The procurement steps are carried out by the DEP and the DAF of the MECV.

Responsibility in procurement management of the project: During the project implementation, the technical documentations and the design of the procurement

documents will be under the responsibility of “Direction de l’Amélioration du Cadre de Vie” (DGACV). The DEP is ensuring the quality control.

An evaluation committee composed by DGACV, DEP the DEP, the DAF and the engineering departments of the MECV involved in the procurement process do master the procurement processes according to the national regulation. However they have a limited knowledge of IDA procurement process and its guidelines.

6. An assessment of the capacity of DGACV was conducted by Aguiratou Savadogo in November 2008. The assessment reviewed the ministry’s practices and arrangements for handling procurement, the organizational structure for implementing the project, and the capacity of staff responsible for procurement activities under the proposed project, and provided correctives actions to be implemented.

Organization and functions: Generally, the responsibilities for procurement are separated from those of financial management. The procurement function is ensured by the DAF in case of national financing and by the qualified engineering departments in case of external financing.

Support and control systems: Procurement process in the majority of the structures is subject to internal audit through the DGMP which delivers opinions of conformity for contracts equal or above 100 000.000 FCFA. The procurement of contracts financed by donors is carried out through the delivery of non objection and post reviews and other audits.

External audits are generally required by the donors. Prior review is ensured by the central direction for public procurement which intervenes during the preparation of bidding documents to ensure quality review. Evaluations are also carried out by a tender commission. With regard to fight against the corruption, the institutional landscape counts several structures whose actions contributed to ensure transparency in the management of the public funds. They are : (i) the Inspection of Services for Internal Audit, (ii) the Inspection of State for External Control, (iii) the High Authority for the Coordination against Corruption (HACLC), (iv) the National Network for Anti Corruption (REN-LAC), and of the Court of Auditors. All these structures were recently replaced by a sole structure of under the authority of the prime ministry.

Record keeping: In general, public structures keep procurement files. Procurement documents financed by external financial donors are in general filed by the project unit. Filing of the ministry of environment is ensured by the DEP which cruelly lacking space and support to ensure an adequate filing. This leads to the storage of documents at different places and sometimes out of the premises of the MECV. These systems could be improved to make it possible to find the documents more easily.

Staffing: The personnel responsible for procurement for the MECV is within the DAF and of the DEP. For this project the evaluation was conducted with the staff of the DEP and the DGACV which will be leading the procurement process. The DGACV is responsible for preparing the procurement documentations and the DEP ensures the

presidency of the commission and the quality control. The volume of contracts handled by the DEP during the last years is low but remains comparable to the volume of procurement which will be conducted during this project. The DEP has an agent responsible for procurement in addition to the head of the direction which often brings support.

Within the DGACV, a high level staff has been designated for the daily management of the project (the Head of the department of sanitation.). He will be supervised by the Director of Hygiene, Pollution and Nuisance (DAPN). The head of department of sanitation will prepare the procurement documents with the DEP and beneficiary agencies. Beneficiary agencies are responsible for the definition of technical specifications and preparation of TORs as well as the draft of the tender documents.

The control of the procurement procedures in general and particularly that of the World Bank is weak. Therefore it is important to strengthen the procurement skills of those two agents and all those which will be involved in contract management.

III) Evaluation of the risks: The nature of procurement which will be undertaken influences the appreciation of the level of risk. On the basis of the type of activities proposed, the project will carry out procurement for small works, goods, services and consultants. The structure responsible for this activity is the DEP of the MECV with a participation of the beneficiary agencies which will contribute in the preparation of ToRs, technical specifications and drafting of the bidding documents. The level of risk of the various structures is rated high.

IV) Capacity enhancement: Conclusion of the evaluation: The evaluation of the capacities of the structures to deal with procurement in the framework of the GEF project highlighted weakness in handling the procedures especially of those of the World Bank. To allow good implementation of the project, capacity enhancement measures should be taken before the start of the project and in the first months of implementation of the project. The DEP and the DGACV should reinforce the capacities of their staff in procurement as well as other structures involved in the implementation of the project.

V) Support tools of procurement activities: At the level of the DGACV, it would be necessary to consider drafting a simplified project implementation manual. This document will be the reference for the execution of the project in these aspects: procurement, financial management and technical execution. The standard bidding documents will have also to be updated with project management staff.

VI) Planning: The DGACV will have to submit the detailed procurement plan for the two years of project implementation and the financial programming relating to it.

VII) Procurement review: The monitoring system of the Bank plans a procurement post review for contracts under the prior review threshold. This review will be carried annually.

In addition to the prior review and the post review of the procurement unit, two supervision missions per year will be organized and procurement aspects will be

reviewed during those missions. Annual compliance verification monitoring will also be carried out by an independent consultant (possibly the same consultant as the financial auditor).

VIII) Thresholds of prior review and supervision plan: The contracts amounts are low. However it comes out from our evaluation that these structures do not have sufficient knowledge to lead the process. The level of risk for the various structures being considered high, the thresholds will be taken equal to more according to the new thresholds table defined in April 2008. The thresholds are specified in the table below in taking into account in the procurement plans during the project implementation period.

Thresholds for Procurement Methods and Prior Review

Expenditure Category	Contract Value (Threshold) US\$	Procurement Method	Contract Subject to Prior Review US\$
1. Works	≥ 3,000,000	ICB	All
	< 3,000,000	NCB	The first contract
	<100,000	At least 3 Quotations	
	No threshold	Direct contracting	All
2. Goods	≥ 500,000	ICB	All
	< 500,000	NCB	The first contract
	< 50,000	Shopping	
	No threshold	Direct contracting	All
3. Consultants Firms	No threshold	QCBS; LCS; FBS	All contracts of US\$200,000 and more and the first two contracts below USD200 000
	< 100,000	CQ	
Individuals	No threshold	IC (at least 3 CVs)	All contract of US\$50,000 and more
	No threshold	Single Source (Selection Firms & Individuals)	All
All TORs regardless of the value of the contract are subject to prior review			

IX Procurement plan:

Consulting Services

Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Review by the Bank	Expected Proposal Submission	Comments
1	2	3	4	5	6	7
4.	Institutional assessment, development of a strategy, preparation of an investment plan,	112	QCBS	yes	October 2009	
5.	Design of a traffic plan in Ouagadougou	30	Individual Consultant	yes	march 2010	
6.	Assistance in setting up the Urban Transport Organizing Authority.	8	Individual Consultant	yes	may 2010	

(a) List of consulting assignments with short-list of international firms

(b) Consultancy services estimated to cost above US\$200,000 equivalent per contract for firms and above US\$50,000 equivalent per contract for individual consultants, as well as the first contract estimated to cost less than US\$200,000 equivalent awarded under QCBS, LCS, or FBS, and all single source selection of consultants, will be subject to prior review by the Bank.

(c) Short lists composed entirely of national consultants: Short lists of consultants for services estimated to cost less than US\$100,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Structures: DGACV, EPD, DGR, DGTMM, SOTRACO, OUAGA MUNICIPALITY

**Evaluation of the procurement capacity
Summary of conclusions and suggested measures**

Evaluate d element	Evaluation				Main deficien cies	Evaluation of risks			Suggested Measures	Comple tion deadlin e propose d
	Ve ry ba d	Po or	Aver age	Satisfac tory		We ak	Medi um	Hi gh		
a) Legal aspects				X				X	All staff responsibl e for procureme nt should receive training on project implement ation before the start of the project	
b) Man agem ent of proc urem ent proce ss			X					X		
c) Orga nizati on and funct ions			X					X		
d) Supp ort and contr ol syste ms			X					X		
e) Reco rd keepi ng		X						X		
f) Staffi ng		X						X		

Evaluated element	Evaluation				Main deficiencies	Evaluation of risks			Suggested Measures	Completion deadline proposed
	Very bad	Poor	Average	Satisfactory		Weak	Medium	High		
g) General context of procurement			X					X		
h) Evaluation of the private sector			X					X		
Suggested prior review thresholds					Summary evaluation of risk					
Goods _____ (exchange-value in USD)					High			X		
Work _Néant___ (exchange-value in USD)					Medium					
Services of consultants _____ (exchange-value in USD)					Weak					
Post review ratio : a contract on _Néant___										
Proposed frequency of procurement supervision missions: A mission every 6 months (not included special supervision for procurement post review / and audits.					Form prepared by : _Aguiratou Savadogo-Tinto _____ (In charge of the operations)					
					Signature: _____ Date: 9 May 2008					
Observations:										

X. Fraud, Coercion, and corruption

7. All procuring entities, as well as bidders, suppliers, and contractors shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.15 and 1.16 of the Procurement Guidelines and paragraphs 1.25 and 1.26 of the Consultants Guidelines.

XI. General Procurement Notice and Contract Award Disclosure Requirement

8. A General Procurement Notice (GPN) will be advertised in United Nations Development Business (UNDB) and in Development Gateway (dgMarket) online in addition to local newspapers of wide national circulation after the project is approved by GEF SEC. Specific Procurement Notices for all goods, works and Expressions of Interest (EOI) for all consulting services will be published.

9. **Contract Awards done through Direct Contracting** procurement method shall be consistent with Paragraph 3.7 of the “Guidelines: Procurement under IBRD Loans and IDA Credits”, May 2004 revised October 2006. After the contract is signed, the client shall publish in UNDB online and in dgMarket the awarding results:

10. **Contract Awards for Consultancies** shall be consistent with Paragraph 2.28 of the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers”, May 2004 revised October 2006. After the award of contract, client shall publish in UNDB online and in dgMarket the awarding results: