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PROJECT APPRAISAL DOCUMENT

FOR A PROPOSED REGIONAL PROJECT COMPRISING

A CREDIT TO BURKINA FASO  
IN THE AMOUNT OF SDR43,000,000  
(US\$70 MILLION EQUIVALENT)

A CREDIT TO THE REPUBLIC OF GHANA  
IN THE AMOUNT OF SDR49,100,000  
(US\$80 MILLION EQUIVALENT)

A CREDIT TO THE REPUBLIC OF MALI  
IN THE AMOUNT OF SDR24,600,000  
(US\$40 MILLION EQUIVALENT)

FOR THE

WEST AFRICA TRANSPORT AND TRANSIT FACILITATION PROJECT

May 23, 2008

Sustainable Development Department  
Transport Unit  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective April 30, 2008)

Currency Unit = US\$1  
Francs CFA = 420 (XOF)  
Ghanaian Cedi = US\$0.97

## FISCAL YEAR

July 1 – June 30

## ABBREVIATIONS AND ACRONYMS

AADT	Average Annual Daily Traffic
AfDB	African Development Bank
AGETIER	<i>Agence d'Execution des Travaux d'Infrastructure et d'Equipments Ruraux</i>
AGEROUTE	<i>Agence d'Execution d'Entretien des Travaux Routier</i>
AIT	Agency Implementation Team
APR	Annual Progress Report
ARAP	Abbreviated Resettlement Action Plan
ASYCUDA	Automated SYstem for CUstoms Data (customs computerized management system developed by UNCTAD)
BCEAO	<i>Banque Centrale Centrale des Etats de l'Afrique de l'Ouest</i> (central bank of West African States)
BMAC	Budget Management and Accounting Center (Burkina Faso)
BOAD	<i>Banque Ouest Africaine de Développement</i> (West African Development Bank)
CA	Accounting Centers
CAS	Country Assistance Strategy
CEMACTTFP	Central African Economic and Monetary Community Transit and Transport Facilitation Project
CEPS	Customs and Excise Preventive Service (customs agency of Ghana)
CET	Common External Tariff
CEO	Chief Executive Officer
CFAA	Country Financial Accountability Assessment
CFO	Chief Financial Officer
Corridor	Tema – Ouagadougou – Bamako road transport corridor
CPAR	Country Procurement Assessment Review
CQ	Consultant's Qualification
DA	Designated Account
DATC	<i>Département de l'Aménagement du Territoire Communautaire, des Transports et du Tourisme</i> (Department of Community Territorial Development, Transport and Tourism) – WAEMU
DGD	<i>Direction Générale des Douanes</i> (General Customs Directorate) – Burkina Faso and Mali
DGR	<i>Direction Générale des Routes</i> (General Directorate of Roads) – Burkina Faso
DgMarket	Development Gateway's Market
DGTTM	<i>Direction Générale des Transports Terrestres et Maritimes</i> (General Directorate

	of Land and Maritime Transport) – Burkina Faso
DNR	<i>Direction Nationale des Routes</i> (National Directorate of Roads) – Mali
DNTTMF	<i>Direction Nationale des Transports Terrestres, Maritime et Fluviaux</i> (National Directorate of Land, Maritime and Fluvial Transportation) – Mali
DO	Development Objective
EATTFP	East Africa Trade and Transport Facilitation Project
ECOWAS	Economic Community Of West African States
EIA	Environmental Impact Assessment
EIRR	Economic Internal Rate of Return
EMP	Environmental Mitigation Plan
EOI	Expression of Interest
ESAMI	Eastern and Southern Africa Management Institute
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
EU	European Union
F&A	Finance and Accounting
FA	Financial Assessment
FAA	Financial Administration Act
FAMP	Financial and Administrative Manual of Procedures
FAPM	Financial and Accounting Procedures Manual
FBS	Fixed Budget Selection
FCFA	CFA Franc
FDI	Foreign Direct Investment
FED	<i>Fond de Développement Européen</i> (European Development Fund)
FM	Financial Management
GDP	Gross Domestic Product
GCMS	Ghanaian Customs Management System
GHA	Ghana Highway Authority
GIMPA	Ghana Institute of Management and Public Administration
GM	General Manager
GNI	Gross National Income
GOBF	Government of Burkina Faso
GOG	Government of Ghana
GOM	Government of Mali
GPHA	Ghana Ports and Harbors Authority
GPN	General Procurement Notice
GPRS - II	Growth and Poverty Reduction Strategy II
GPRSF	Growth and Poverty Reduction Strategy Framework
HDM-4	Highway Design Model 4
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IA	Implementing Agency
IAAA	Internal Audit Agency Act
ICB	International Competitive Bidding
ICT	Information Communication Technology
IDA	International Development Association
IDF	Institutional Development Fund

IEG	Implementation Evaluation Group
IFR	Interim Financial Report
IMF	International Monetary Fund
IMSC	Inter-Ministerial Steering Committee
IP	Implementation Progress
IRI	International Roughness Index
ISRT	Inter-State Road Transit
IST	Inter-State Transport Convention
IT	Information Technology
JBP	Joint Border Post
JTC	Joint Technical Committee
MDA	Ministries, Departments and Agencies (Ghana)
MDG	Millennium Development Goals
MHR	Ministry of Harbours and Railways
MID	<i>Ministère des Infrastructures et du Désenclavement</i>
MOEF	Ministry of Economy and Finance
MOFEP	Ministry of Finance and Economic Planning
MOT	Ministry of Transportation – Ghana
MPHR	Ministry of Port, Harbours and Railways – Ghana
MTEF	Medium Term Expenditure Framework
NCB	National Competitive Bidding
NCU	National Coordination Unit
NEPAD	New Partnership for Africa’s Development
NPV	Net Present Value
NTB	Non-Tariff Barriers
NTTFC	National Transport Transit Facilitation Committees
OECD	Organization for Economic Cooperation and Development
PACITR	<i>Programme d’Actions Communautaire des Infrastructures et du Transport Routier</i> (Community Action Plan for Road Infrastructure and Transport managed by WAEMU)
PACT	<i>Project d’Amélioration des Corridors de Transport</i> (Transport Corridors Improvement Project – Mali)
PAGAMGFP	<i>Plan d’Action Gouvernemental pour la Modernisation et le Renforcement de la Gestion des Finances Publiques</i>
PAP	Project Affected People
PCU	Project Coordinating Unit
PDO	Project Development Objective
PFM	Public Financial Management
PIA	Project Impact Area
PIM	Project Implementation Manual
PIR	EU’s Regional Indicative Program
PIT	Project Implementation Team
PIU	Project Implementation Unit
PMI	Project Monitoring Indicator
PPA	Project Preparation Advance
PPF	Project Preparation Facility

PRGB	Public Financial Management Reform Program
PRSP	Poverty Reduction Strategy Papers
PST 2	<i>Projet Sectoriel de Transport</i> (Transport Sector Project - Mali)
PST-II	<i>Programme Sectoriel de Transport 2</i> (Second Transport Sector Program - Burkina Faso)
QBS	Quality-Based Selection
QCBS	Quality and Cost Based Selection
RAP	Resettlement Action Plan
REC	Regional Economic Community
RIAS	Regional Integration Assistance Strategy
RP-I	Road Program I
RPF	Resettlement Policy Framework
RRTTFP	Regional Road Transport and Transit Facilitation Program managed by ECOWAS
SBD	Standard Bidding Documents
SIA	Social Impact Assessment
SIC	State Insurance Corporation – Ghana
SIL	Specific Investment Loan
SSA	Sub-Saharan Africa
SOE	Statement of Expense
SPN	Specific Procurement Notice
SSATP	Sub-Saharan Africa Transport Program
SSS	Single Source Selection
STD	Sexually Transmitted Disease
STTV	Satellite Transit Truck Village – Ghana
TA	Technical Assistance
TB	Tender Board
TCIP	Transport Corridors Improvement Project
TIR	International Road Transport convention
TOR	Terms of Reference
TRIE	<i>Transit Routier Inter-Etats</i> (Inter-State Road Transit)
TTFSE	Trade and Transport Facilitation in Southeast Europe Project
UCN	<i>Unité de Coordination Nationale</i> (National Coordination Unit) – Mali
UCP	<i>Unité de Coordination des Projets</i> (Project Coordination Unit) – Burkina Faso
UEMOA	<i>Union Economique et Monétaire Ouest Africaine</i> (West African Economic and Monetary Union) – WAEMU
UNDB	United Nations Development Business
UN HDI	United Nations Human Development Index
UNAIDS	Joint United Nations Program on HIV/AIDS
UNDP	United Nations Development Program
US	United States of America
USAID	United States Agency for International Development
VCT	Voluntary Counseling and Testing
VOC	Vehicle Operating Cost
WA	Withdrawal Application
WATH	West Africa Trade Hub

WB World Bank Group  
WCAATSSP West and Central Africa Air Transport Safety and Security Project  
WCO World Customs Organization  
WTO World Trade Organization

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**AFRICA**  
**West Africa Transport and Transit Facilitation Project**

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AFRICA

WEST AFRICA TRANSPORT AND TRANSIT FACILITATION PROJECT

PROJECT APPRAISAL DOCUMENT

AFRICA

AFTTR

Date: May 23, 2008	Task Team Leader: Fabio Galli
Director: Mark Tomlinson	Sectors: Roads and highways (85%); General transportation sector (9%); Customs (6%);
Sector Manager: C. Sanjivi Rajasingham	Themes: Trade facilitation and market access (P); Regional integration (S)
Project ID: P079749	Environmental Category B - Partial Assessment
Lending Instrument: Specific Investment Loan (SIL)	Safeguard screening category: Limited impact

**Project Financing Data**

Loan  Credits  Grant  Guarantee  Other

For Credits (US\$ million): US\$190 million in total IDA funding.

Terms: The Ghana, Burkina Faso and Mali Credits will have a 10 year grace period, 40 years repayment period and 0.75% interest rate.

**Financing Plan (US\$ m)**

Source	Local	Foreign	Total
GOVERNMENT OF BURKINA FASO:	0.00	0.00	0.00
GOVERNMENT OF GHANA:	5.00	0.00	5.00
GOVERNMENT OF MALI:	2.20	0.00	2.20
IDA CREDIT FOR BURKINA FASO:	0.00	70.00	70.00
IDA CREDIT FOR GHANA:	0.00	80.00	80.00
IDA CREDIT FOR MALI:	0.00	40.00	40.00
Total :	7.20	190.00	197.20

**Borrowers:** Governments of Ghana, Burkina Faso and Mali.

**Responsible Agency:** Ministry in charge of Economy and/or Finance of Burkina Faso, Ghana and Mali.

<b>Estimated disbursements Burkina Faso (Bank FY/US\$m)</b>									
FY	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual	3	10	22	20	13	2			
Cumulative	3	13	35	55	68	70			
<b>Estimated disbursements Ghana (Bank FY/US\$m)</b>									
FY	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual	3	7	13	30	22	5			
Cumulative	3	10	23	53	75	80			
<b>Estimated disbursements Mali (Bank FY/US\$m)</b>									
FY	2009	2010	2011	2012	2013	2014	2015	2016	2017
Annual	2	6	11	14	6	3			
Cumulative	2	8	17	31	37	40			
Project implementation period: June 20, 2008 to September 30, 2013 Expected effectiveness date: December 31, 2008 Project closing date: March 31, 2014									
Does the project depart from the CASs in content or other significant respects? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>Ref. PAD A.2</i>									
Does the project require any exceptions from Bank policies? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>Ref. PAD D.7</i>									
Have these been approved by Bank management? <input type="checkbox"/> Yes <input type="checkbox"/> No									
Is approval for any policy exception sought from the Board? <input type="checkbox"/> Yes <input type="checkbox"/> No									
Does the project include any critical risks rated “substantial” or “high”? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Ref. PAD C.5</i>									
Does the project meet the Regional criteria for readiness for implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>Ref. PAD D.7</i>									
Project development objective <i>Ref. PAD B.3</i>									
The PDO aims to improve access by Burkina Faso and Mali to the Ghanaian ports, as well as improve port operations and facilitate the efficient movement of traffic along the Tema – Ouagadougou – Bamako transport corridor.									
Project description <i>Ref. PAD B.4, Annex 4</i>									
The project is expected to support the implementation of the first phase the WAEMU/Ghana’s Road Program I (RP-I) program. This program is intended to facilitate transport and transit on the Tema – Ouagadougou – Bamako corridor as a pilot for other priority corridors.									
The project includes three components and sets of activities:									
➤ Corridor road infrastructure improvement: This component is expected to improve sections of the Tema – Ouagadougou – Bamako road transport corridor (Corridor) to carry inter-and intra-country traffic by: (a) rehabilitating and strengthening key road									

<p>sections; (b) constructing rest stop areas; (c) implementing social and environmental mitigation measures for the civil works; (d) implementing a Corridor specific HIV/AIDS action plan; and (e) designing and implementing a Corridor-specific physical road safety action plan.</p> <ul style="list-style-type: none"> <li>➤ Corridor transport and transit facilitation measures: This component is expected to strengthen the capacity of customs and transport authorities to better manage the movement of transit traffic along the Corridor by: (a) constructing a Satellite Transit Truck Village (STTV) adjacent to the Port of Tema; (b) rehabilitating and equipping the Faladie multifunctional platform in Bamako; (c) supporting the upgrading of customs-related Information Communication Technology (ICT) and extension of cargo tracking system to better monitor and secure transit traffic; and (d) providing logistical, capacity building and TA support to improve the effectiveness of customs and transport authorities to monitor and control transit traffic.</li> <li>➤ Project management, monitoring and evaluation: This component is expected to fund the management, monitoring and evaluation of project implementation activities in Ghana, Burkina Faso and Mali.</li> </ul>
<p>Which safeguard policies are triggered, if any? <i>Ref. PAD D.6 and Annex 10</i></p> <ul style="list-style-type: none"> <li>➤ Environmental Assessment (OP/BP/GP 4.01)</li> <li>➤ Involuntary Resettlement (OP/BP 4.12)</li> </ul>
<p>Significant, non-standard conditions, if any: None</p>
<p>Board presentation conditions: None</p>
<p>Credits effectiveness: Standard effectiveness conditions for Ghana, Burkina Faso and Mali as per the General Conditions for Credits and Grants.</p>
<p>Covenants applicable to project implementation: <i>Ref. PAD C.6</i></p> <p><b>Technical</b></p> <ul style="list-style-type: none"> <li>➤ Introduction by December 31, 2010 of a cargo tracking system on the full length of the Corridor.</li> </ul> <p><b>Governance and Transparency</b></p> <ul style="list-style-type: none"> <li>➤ Publication of results of road block surveys on the Corridor on the government websites of Ghana, Burkina Faso and Mali.</li> </ul> <p><b>Fiduciary</b></p> <ul style="list-style-type: none"> <li>➤ The Governments of Ghana, Burkina Faso and Mali have appointed an external auditor on the basis of TOR and with qualifications and experience satisfactory to IDA.</li> <li>➤ The Government of Burkina Faso (GOBF) has recruited an accountant to the Project Coordination Unit (PCU) in a form and substance satisfactory to IDA. The Government of Mali (GOM) has recruited an accountant to the National Coordination Unit (NCU) in a form and substance satisfactory to IDA.</li> <li>➤ The Governments of Ghana and Mali have updated and adopted the existing Financial Management (FM) Procedures Manual in a form and substance satisfactory to IDA.</li> </ul>

## **A. STRATEGIC CONTEXT AND RATIONALE**

### **1. Country and sector issues**

#### ***Regional Context***

1. West Africa, which includes 16 countries (Mauritania, Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo), is one of the most diverse areas of the world due to geographic, demographic, climatic, religious, cultural, and historical factors. The current estimated population of West Africa is about 260 million inhabitants, with Nigeria accounting for about half of the total. The total area is about 5 million sq km, and with the exception of the about 200 km wide Atlantic coastal belt, population density and urbanization rates for the sub-region remain relatively low by international standards. However, the population of the sub-region continues to increase rapidly and is expected to reach about 320 million by 2015.

2. In 2006 the Economic Community of West African States (ECOWAS) member countries had a combined Gross Domestic Product (GDP) of about US\$160 billion and a per capita GDP of about US\$616, making it one of the poorest sub-regions of the world. Over the last 20 years, the economic performance of West Africa has been uneven at best. Whereas several countries in the sub-region (notably Benin, Cape Verde, Burkina Faso, Ghana, Mali and Senegal among others) have made good progress in achieving a greater degree of macroeconomic stability and economic growth, the remaining countries have had a mixed record in improving their economic performance. This has meant that over the last 20 years, the sub-region has experienced a real GDP growth rate of around 1.5 percent per year. Details on the sub-region can be found in Annex 1.

#### ***Regional institutions***

3. Although, with the exception of Mauritania, all countries in West Africa are members of the ECOWAS, Benin, Togo, Burkina Faso, Guinea Bissau, Mali, Niger, Senegal and Côte d'Ivoire are members of the *Union Economique et Monetaire Ouest Africaine (UEMOA)*/West Africa Economic and Monetary Union (WAEMU). The two Regional Economic Communities (RECs) are working together to foster greater regional economic integration and competitiveness. Both have also long recognized and worked to improve the efficiency and competitiveness of the main transport corridors in the sub-region to better link the land-locked countries (Burkina Faso, Mali and Niger) to seaports in order to boost intra-and inter-regional trade, a key factor for growth and poverty reduction.

4. In 2001, WAEMU adopted the Community Action Plan for Road Infrastructure and Transport (*Programme d'Actions Communautaire des Infrastructures et du Transport Routier (PACITR)*). The *PACITR* includes a set of integrated infrastructure and facilitation measures to ensure that the major designated regional road transport corridors provide adequate infrastructure and service standards. The first phase of the *PACITR*, known as Road Program I (RP-I) program, focuses on the corridor linking Ghana, Burkina Faso and Mali, and has an estimated implementation period of about 10 years. The RP-I program is also fully consistent with the ECOWAS Regional Road Transport and Transit Facilitation Program (RRTTFP), which was adopted in January 2003 to support intra-community trade and cross-border movements. The implementation of the RP-I program is being supported by several development partners, including the African Development

Bank (AfDB), European Union (EU) and *Banque Ouest Africaine de Developpement (BOAD)*. While the RP-I program has received support from other development partners, the whole program has not been fully funded. This is especially the case for the road infrastructure part of the program.

### ***Surface transport sector in West Africa***

5. The surface transport system in West Africa remains largely based on increasingly obsolete colonial era transport infrastructure which was developed to facilitate the extraction of raw materials out of and imports into the sub-region. This mainly follows a south-north axis from the major sea-ports to the hinterland. Over the last thirty years, road transport has become by far the dominant mode of transport in the sub-region with a modal share of about 85 percent for passenger and freight.

6. The transport sector in West Africa plays a key role in the economic development of the sub-region and generates about six percent of its GDP. Numerous studies have shown that transport and transit costs for landlocked countries such as Mali, Burkina Faso and Niger are up to 50 percent higher than for countries with direct access to the sea. These high transport and transit costs translate into high prices of goods for consumers and loss of external competitiveness.

### ***Tema – Ouagadougou – Bamako road transport corridor (Corridor)***

7. The overall length of the Corridor is about 1900 km, and it has become increasingly important for both Burkina Faso and Mali. In the case of Mali, transit traffic through the Port of Tema in Ghana increased from about 38,000 metric tones in 2001 to about 288,000 metric tones in 2005. For Burkina Faso, traffic rose from about 78,000 metric tones in 2001 to about 428,000 metric tones in 2005. Even with the stabilization of the security situation in Côte d’Ivoire, the Corridor will remain a major entry/exit point for goods transiting to and from Burkina Faso and Mali. Furthermore, both Mali and Burkina Faso support a corridor diversification strategy to ensure greater competition between the major West African transport corridors, as well as increased transit security.

### ***Key sector issues***

8. There is an increasing recognition among stakeholders that all of the sub-regional transport corridors are becoming increasingly inadequate in terms of cost, reliability, transit time and levels of service. This is due to a combination of factors, most of which are not directly related to the quality of the transport infrastructure but to other factors such as how transit trade is organized and the custom clearance process is undertaken. The incomplete implementation of regional transit agreements, weak transport sector service providers, poor interconnectivity between the various country customs systems together with poor road infrastructure, have all worked to make the main transport corridors in West Africa expensive to use.

9. Therefore, reducing transport delays, uncertainty and costs along the Corridor should boost intra/inter-regional trade as well as support land-locked countries to improve economic competitiveness. However, to reach this objective, the three countries along the Corridor need to improve both the quality of their road infrastructure and reduce logistical inefficiencies. Some of the major issues affecting the efficiency and effectiveness of the Corridor are as follows:

10. ***Port infrastructure.*** Between 2001 and 2005, the Port of Tema experienced an increase in transit traffic to/from Burkina Faso and Mali of about 500 percent. This increase, partly caused by the crisis in Côte d'Ivoire, has led to growing congestion in and around the Port of Tema. In addition, since about 80 percent of the import/transit containers are de-stuffed around the port area, it has further exacerbated congestion and affected port clearance and processing times. As part of its strategy of becoming the premier transit harbor in the sub-region, the Port of Tema has introduced a port community system to better serve its domestic and international clients. It is also in the process of implementing a major capital investment program to improve both the capacity and quality of service.

11. ***Transport infrastructure along the Corridor.*** The lack of adequate rail and road transport infrastructure and services in the sub-region remains a major constraint to the economic development of the land locked countries. More specifically in the Corridor, there is no railway infrastructure beyond Kumasi, and several of the sections of the Corridor are starting to deteriorate due to increased traffic levels. As a result of this, it costs about US\$2,500-3,500 to move a 40 foot container from the Port of Tema to Ouagadougou, and can take between four days up to two weeks in transit time, with significant variability.

12. ***Customs transit procedures.*** Inefficient customs operations are one of the key barriers to the efficient movement of transit goods along the Corridor. This is due to a variety of factors such as: (a) inadequate interconnection of the existing customs management systems across countries; (b) inadequate transit traffic monitoring and enforcement capabilities by customs administrations due to poor internal communications, inadequately equipped mobile surveillance teams and lack of a cargo tracking system; (c) a transit guarantee system that is still based on national rather than regional guarantees; and (d) an ineffective truck sealing system to reduce the diversion of transit goods. To monitor and control the movement of transit goods along the Corridor, customs administrations have relied on a cumbersome set of procedures which include customs escorts of transit trucks, numerous fixed customs checkpoints, and extensive border checks. These measures have hindered the efficient movement of transit trucks along the Corridor, and have contributed to the delays, variability and costs of transit operations.

13. The customs administrations along the Corridor have recently recognized the need to streamline and simplify custom transit procedures. For example, since 2006, Burkina Faso has eliminated the customs escort system for containerized transit cargo along its part of the Corridor. Similarly, Ghana has eliminated the custom escort system for non-sensitive goods since September 2006, and has introduced transit truck certification standards, a cargo sealing system and a revamped customs management system. The customs management system was partly developed with assistance from the IDA-funded Ghana Gateway Project. All three countries along the Corridor are in the process of upgrading and interconnecting their existing customs management systems to ensure the seamless transmission of transit documentation. The ultimate objective is to have all three custom management systems fully interconnected.

14. ***Application of regional transit regulations.*** In 1982, ECOWAS adopted two conventions to set up harmonized transit procedures. These were the Inter-State Transport Convention (IST) and the Inter-State Road Transit Convention (ISRT). ECOWAS also stipulated regulations for axle load control, vehicle certification as well as a common transit logbook and a bond guarantee system. However, the on the ground application of both conventions has been uneven. This has hindered the free flow of traffic along the Corridor. Furthermore, the ISRT common logbook has still not

been applied, and the existing bond guarantee system covers only the section of the Corridor of the country that has issued the bond and not the whole Corridor. Finally, countries along the Corridor have retained a nationality-based quota and queuing system (*'tour de rôle'* system in French) to share transit traffic among transporters of coastal and landlocked countries. This system limits competition in the movement of transit cargo and leads to higher transit costs.

15. ***Barriers along Corridor.*** The number of checkpoints along the Corridor remains a source of delays and cost for transit traffic. A WAEMU 2003 survey of illegal practices on selected interstate roads (Burkina Faso, Ghana, Niger and Togo)<sup>1</sup> estimated that the amount of illegal payments collected at roadblocks was about FCFA60,000 on average with FCFA32,000 for the Ghana-Burkina Faso section of the Corridor. A more recent 2006-2007 survey conducted by the West Africa Trade Hub (WATH) found about 49 checkpoints along the Corridor, with an average of 4.6 stops per 100 km in Mali compared to about one stop per 100 km in Burkina Faso. The loss of time caused by the checkpoints was considerable, and was estimated at about eight hours per 1,000 km. In addition to time delays and direct cost of bribes that have to be paid at various check points, the current situation is a major disincentive for transporters to comply with transit regulations. This is because transporters still have to make payments to get through the check points irrespective of whether or not they comply with existing transit regulations.

16. Although the excessive and fluctuating number of checkpoints is a well-known issue throughout West Africa, few countries have put in place the necessary long term measures to reduce them. Most countries seem to lack the political will and/or implementation capacity to permanently reduce the number of check points along the Corridor.

17. ***Impact of international transit on Corridor population.*** Road transport has long been identified as a major vector for the propagation of the Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) along the major transit corridors in Africa. While all countries in the sub-region have national HIV/AIDS programs, not all have adequately targeted transport corridors or cross border issues. This has contributed to the reported high prevalence of HIV among truck drivers.

## **2. Rationale for Bank involvement**

18. The proposed project supports the objectives of the RP-I program by: (a) complementing already mobilized funds from other development partners who are supporting the implementation of the RP-I program; (b) ensuring consistency of the program with the World Bank Regional Integration Assistance Strategy (RIAS 2001) for West Africa and the continent wide-RIAS, which was discussed by the World Bank Board in early April 2008; (c) aligning the program with the Africa Action Plan, which supports regional integration and partnerships across Sub-Saharan Africa (SSA); and (d) ensuring support for the Almaty Action Program of the United Nations for landlocked countries. Finally, World Bank support for the implementation of the RP-I program is also consistent with the overall strategy of supporting regional road transport and transit facilitation program on one of the main ECOWAS/WAEMU endorsed transport corridors in West Africa.

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<sup>1</sup> WAEMU, Report on analysis of the results of the survey of truck drivers, October 2003

19. Furthermore, IDA has developed specific expertise in the preparation and implementation of transport, trade and transit facilitation projects. For example, it has gained experience in preparing and implementing several similar projects, such as the Trade and Transport Facilitation in Southeast Europe Project (TTFSEP), the East Africa Trade and Transport Facilitation Project (EATTFP) and the CEMAC Transit and Transport Facilitation Project (CEMACTTFP). This means that IDA is able to share global expertise on transport, transit and trade facilitation from similar projects in other regions.

20. Lastly, the proposed project supports the objectives of the Country Assistance Strategy (CAS) for Ghana, Burkina Faso and Mali. In the case of Mali, the project supports the objectives of Mali's Growth and Poverty Reduction Strategy Framework (GPRSF) and the December 2007 version of the CAS. The Mali CAS supports the development of basic road infrastructure, transport and transit facilitation to foster regional integration and to enable Mali to take advantage of the West African market and to diversify exports. For Burkina Faso, in view of the country's constraints (landlocked location, limited resource base and undiversified economy), the May 2005 CAS emphasized the need to pursue a long-term vision based on regional economic integration as an avenue for attaining the 6 percent growth rate required to reduce poverty. The critical element for achieving this objective is to foster integration into a larger regional market with a special focus on infrastructure. The May 2007 Ghana CAS supports the creation of a stronger infrastructure asset base to achieve Ghana's comprehensive development strategy, and foresees significant new transport sector infrastructure investments. More specifically, the proposed project directly supports the CAS's stated objective of supporting regional integration through investments in regionally focused transport projects.

### **3. Higher level objectives to which the project contributes**

21. First, the proposed project supports the New Partnership for Africa's Development (NEPAD) formulated action plan to improve transport and transit facilities.<sup>2</sup>

**The goal of the trade corridors without borders and barriers is central to the NEPAD transport agenda as cumbersome and unpredictable clearance procedures in the ports, at border crossings and at the inland terminals, as well as unnecessary road checks, are a major source of delays and costs along the trading routes, particularly along the corridors serving landlocked countries.**

More specifically, the proposed project contributes to the overall NEPAD objective of facilitating trade and promoting economic integration in the sub-region.

22. Secondly, the proposed project is consistent with the objectives of the RIAS for West Africa. The RIAS was approved by the World Bank Board in July 2001, and was reconfirmed by IDA management in 2006. The strategy covers ECOWAS member countries and focuses on the creation of an open, unified, regional economic space, as a means of creating an environment for a more competitive and efficient private sector. The proposed project directly supports two of the pillars of the RIAS' strategy: (a) a trade policy that removes all formal and informal barriers to intra-regional

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<sup>2</sup> A summary of NEPAD Action Plans: <http://www.nepad.org/2005/files/documents/41.pdf>. pp.61-62



trade; and (b) efficient, region-wide infrastructure services. It will also contribute to increased trade within the sub-region, and between the sub-region and the rest of the world.

23. Thirdly, the proposed project is consistent with the objectives of the Poverty Reduction Strategy Papers (PRSPs) for Ghana, Burkina Faso and Mali. More specifically, the third pillar of the PRSP of Mali aims at improving transportation infrastructure systems, and at expanding domestic and international transport links to counter Mali's landlocked situation. The first pillar of the PRSP for Burkina Faso proposes to systematically upgrade and maintain the priority road network to ensure its sustainability. In the case of Ghana, it supports the objectives of Pillar One of the Growth Poverty Reduction Strategy II (GPRS-II) which focuses on improving private sector competitiveness.

24. Fourthly, the proposed project is a good example of tripartite (Governments-RECs-development partners) cooperation in resolving regional economic and integration issues. Furthermore, it supports and complements the objectives of governments along the Corridor, RECs and other development partners, in the domain of regional integration and cooperation.

## **B. PROJECT DESCRIPTION**

### **1. Lending instrument and eligibility for Regional IDA envelope**

25. The most appropriate lending instrument that was found to meet the funding needs of the proposed project is the Specific Investment Loan (SIL). The other lending instrument that was considered was a horizontal Adaptable Program Loan (APL).<sup>3</sup> The SIL was found to be better suited to achieve the project objectives due to the need to simultaneously implement in three countries inter-linked project activities that are at a comparable level of readiness.

26. The proposed project fully meets the eligibility criteria for funding under the IDA-14 pilot regional envelope as approved by the World Bank Board of Directors for the following reasons: (a) it covers three contiguous economically inter-dependent countries; (b) the expected transit efficiency gains cannot be fully achieved without the direct and integrated involvement of all three countries sharing the Corridor; (c) the expected benefits can only be achieved through the simultaneous implementation of an integrated set of infrastructure and facilitation measures in the three countries along the Corridor; and (d) by fostering enhanced competition between different transport corridors in the sub-region, it will indirectly benefit Niger.

27. Furthermore, the proposed project focuses on the Corridor which is one of the highest priority regional transport corridors in the sub-region for both WAEMU and ECOWAS. That's because a well functioning Corridor is essential for all three landlocked countries (Burkina Faso, Mali and to a lesser extent Niger) in ECOWAS to ensure their regional economic integration and enhance their access to overseas markets. At present, the Port of Tema handles about 30 percent of the transit traffic for the landlocked countries in the sub-region. That is why all of the other development partners are supporting, with substantial financial resources, the regional integration objectives of the RP-I program.

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<sup>3</sup> Phased approach by which countries would come up sequentially depending on their readiness level.

28. Lastly, each of the proposed road sections is critically important for the region's international transit traffic.<sup>4</sup> More specifically, the road section in Ghana supports the movement of transit traffic from the Port of Tema to Burkina Faso, Mali and Niger. The road section in Burkina Faso also carries transit traffic for Mali from Togo, most of the traffic from Ghana to Mali, but also all the traffic from Côte d'Ivoire to the Ouagadougou area and Niger. The Mali section carries all the international trade between Mali and Burkina Faso/Ghana, but also between Mali and Côte d'Ivoire.

29. For the above cited reasons, the proposed project has been designed as a regional project and is eligible for regional IDA funding.

## **2. WAEMU's PACITR's program objective and phases**

30. The proposed project supports the objectives of the WAEMU's *PACITR* program. The program is expected to contribute to the strengthening of economic integration of the member countries of the WAEMU/ECOWAS block. More specifically, the program seeks to improve access by Burkina Faso, Mali and Niger to the Ghanaian ports of Tema and Takoradi, reduce general transport costs and promote economic activity and private sector development. The *PACITR* is expected to include two phases: (a) phase I focuses on the rehabilitation of road sections along the Corridor to better integrate Burkina Faso and Mali to the ports of Ghana and in the implementation of activities to facilitate inter state road movement of goods along the Corridor (RP-I program); and (b) phase II focuses on other high priority transport corridors in the sub region, such as Dakar – Bamako.

## **3. Project development objective (PDO) and key indicators**

31. The overarching objective of the RP-I program is to facilitate trade within the sub-region and improve access to world markets by Burkina Faso and Mali. **The PDO for the proposed project aims to improve access by Burkina Faso and Mali to Ghanaian ports, as well as improve port operations and facilitate the efficient movement of traffic along the Tema – Ouagadougou – Bamako transport corridor.**

32. The following are the key outcome indicators that will be used to measure the achievement of the PDO: (a) average transit time for containerized imports from the exit at the Port of Tema to Ouagadougou and to Bamako; and (b) variance in transit time for containerized imports from the exit at the Port of Tema to Ouagadougou and to Bamako. Details on the results framework and the arrangements for results monitoring are described in Annex 3.

## **4. Project components**

33. The proposed project will fund the following two major components:

- a. Corridor road infrastructure improvement: This component is expected to improve the road Corridor to carry inter- and intra-country traffic by: (a) rehabilitating and strengthening key road sections; (b) constructing rest stop areas; (c) implementing social and environmental mitigation measures for the civil works; (d) implementing a Corridor-

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<sup>4</sup> See Annex 4 and section C.4 for a more complete description of the road sections funded under the project.

specific HIV/AIDS action plan; and (e) designing and implementing a Corridor-specific physical road safety action plan.

- b. Corridor transport and transit facilitation measures: This component is expected to strengthen the capacity of customs and transport authorities to better manage the movement of transit traffic along the Corridor by: (a) constructing a STTV adjacent to the Port of Tema; (b) rehabilitating and equipping Faladie multi-functional platform in Bamako; (c) supporting the upgrading of customs-related ICT and extension of cargo tracking system to better monitor and secure transit traffic; and (d) logistical, capacity building and TA support to improve the effectiveness of customs and transport authorities to monitor and control transit traffic.
- c. Project management, monitoring and evaluation: This component is expected to fund the management, monitoring and evaluation of project implementation activities in Ghana, Burkina Faso, and Mali.

34. IDA funding for the road infrastructure and the facilitation elements of the proposed project will complement already mobilized funding from other development partners supporting the implementation of WAEMU/Ghana's RP-I program. On the infrastructure side these are: (a) improvement of Techiman – Kintampo road in Ghana; (b) improvement of Ouagadougou – Po – Ghana border road and Sabou – Bobo Dioulasso road in Burkina Faso; (c) improvement of Bougouni – Sikasso road in Mali; (d) construction and equipping of Joint Border Posts (JBP) at Paga on the border between Ghana and Burkina Faso and at Heremakono on the border between Burkina Faso and Mali. On the facilitation side these are: (a) creation of a regional transit guarantee system that would replace the three national guarantee systems; (b) establishment of a cargo tracking system that would enable customs to follow cargo movements in real time; and (c) creation of an electronic transit management system that would facilitate the passage of transit trucks through the Corridor and in particular facilitate border crossings.

35. The total cost of the proposed project is estimated at **US\$197.2 million**. IDA will contribute about **US\$190 million** in funding, while GOG and GOM will respectively contribute **US\$5 million** and **US\$2.2 million** in counter part funding. The updated total cost of the RP-I program has been estimated by WAEMU at over **US\$1 billion**. So far about **US\$538 million** of the RP-I program has been funded by the respective governments, WAEMU and development partners, including IDA with the proposed project. The following tables give a summary of the proposed project costs, broken down by components and by countries. For more details on the project description, components and estimated costs, see Annexes 4 and 5.

**Table 1 - Total project cost broken down by main components (US\$ million)**

Component	Burkina Faso	Ghana	Mali	Total
1. Corridor infrastructure improvement works:	60.8	72	29.9	162.7
2. Corridor transport and transit facilitation measures:	6.8	10.6	11.3	28.7
3. Project Management:	1.2	0.9	1	3.1
4. Project Preparation Facility advance (PPF):	1.2	1.5	0	2.7
<b>Total:</b>	<b>70</b>	<b>85</b>	<b>42.2</b>	<b>197.2</b>

**Table 2 – Total project cost broken down by country and by funding source (US\$ million)**

Country	IDA contribution	Counterpart funding	Estimated total cost
1. Burkina Faso:	70	0	70
2. Ghana:	80	5	85
3. Mali:	40	2.2	42.2
Total:	<b>190</b>	<b>7.2</b>	<b>197.2</b>

36. The proposed project is expected to fund the following major activities and actions in each country:

37. **Burkina Faso (about US\$70 million).** The proposed project is expected to support the following major activities in Burkina Faso: (a) rehabilitation and strengthening of the Ouagadougou – Sakoinsé (54 km) section of the Corridor; (b) construction of up to two rest stops; (c) design and implementation of a road safety action plan for the Burkinabé section of the Corridor; (d) extension of the existing Automated SYstem for Customs Data ++ (ASYCUDA ++) customs management system to the Ghanaian and Malian borders; (e) interconnection of the Burkinabé ASYCUDA ++ system with the Malian ASYCUDA ++ and Ghanaian Customs Management System (GCMS); (f) training and procurement of equipment to strengthen the capacity of customs and transport authorities to better monitor and secure transit traffic along the Corridor; (g) extension of cargo tracking system to the Burkinabé section of the Corridor; and (h) implementation of a HIV/AIDS action plan for the Burkinabé portion of the Corridor.

38. **Ghana (about US\$85 million).** The proposed project is expected to support the following activities in Ghana: (a) rehabilitation and strengthening of the Buipe – Tamale (103 km) section of the Corridor; (b) design and construction of a Satellite Transit Truck Village (STTV) near the Port of Tema; (c) design and construction of two intervening transit check points/rest stop areas and up to two rest stop areas on the Ghanaian section of the Corridor; (d) design and implementation of a road safety action plan for the Ghanaian section of the Corridor; (e) capacity strengthening of customs authorities to better monitor and secure transit traffic along the Corridor; (f) interconnection of the GCMS with the customs systems of Burkina Faso (ASYCUDA ++) and Mali

(ASYCUDA ++); and (g) implementation of a HIV/AIDS action plan for the Ghanaian portion of the Corridor.

39. *Mali (about US\$42.2 million)*. The proposed project is expected to support the following activities: (a) part of the rehabilitation of the Bamako – Bougouni (154 km) section of the Corridor; (b) rehabilitation and strengthening of the Sikasso-Heremakono (45 km) section of the Corridor; (c) modernization of the multifunctional platform at Faladié (Bamako); (c) construction of up to two rest stops on the Corridor; (d) capacity strengthening of customs and transport authorities to better monitor and secure transit traffic along the Corridor; (f) implementation of a HIV/AIDS action plan for the Malian portion of the corridor; and (g) design and implementation of a road safety improvement action plan on the Malian portion of the Corridor.

## **5. Lessons learned and reflected in the project design**

40. The recently published Implementation Evaluation Group (IEG) World Bank Report on multi-country operations<sup>5</sup> noted the following critical points: (a) programs/projects that address issues where countries' interests are symmetric have generally been more successful than those that don't; and (b) the objectives should match national and regional capacities to effectively deal with the complex implementation coordination challenges. In the specific case of the proposed project, the interest of the transit and landlocked countries broadly coincide because all three countries share the same interest in improving transport infrastructure along the Corridor and each individual country wants a secure transit system to avoid losing customs revenue through trade diversion.

41. Broadly speaking, regional transport facilitation projects in Africa may be affected by: (a) complex design caused by the number of countries and components involved; (b) asymmetric distribution of benefits among participating countries; (c) overlapping and weak RECs; (d) cumbersome and overlapping internal oversight and processing procedures; (e) preparation and implementation pace that can only move at the speed of the slowest country involved; (f) inadequate attention to training, TA and capacity building measures; and (g) varying ownership by implementing countries.

42. IDA's direct experience in implementing similar regional transport projects has expanded over the last decade. For example IDA has successfully implemented the TTFSE in Southeastern Europe and the Greater Mekong Area Regional Integration Program. In the Africa Region, there are at present two similar transport, trade, and transit facilitation projects (CEMACTTFP and EATTFP) under implementation. A third project (Abidjan – Lagos Transport and Transit Facilitation Project) is now under preparation. The following lessons can be drawn from the implementation of the EATTFP and CEMACTTFP:<sup>6</sup> (a) the need for strong political support to drive the integration process forward is essential; (b) simple project objectives and design are critical in light of their inherent complexity due to the large number of stakeholders and countries involved; (c) implementation readiness is key to ensure early project implementation “wins”; (d) implementing agencies' capacity and ownership should be more fully assessed, and if need be strengthened, to ensure smooth implementation; (e) adequate resources must be provided by both the clients and

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<sup>5</sup> The Development Potential of Regional Programs: An Evaluation of World Bank Support of Multi-country Operations December 19, 2006.

<sup>6</sup> Quality at Entry Report – EATTFP – Partial Risk Guarantee, World Bank Quality Assurance Group, Oct. 2006.

IDA to ensure the proper preparation and supervision; and (f) project preparation and implementation can only move at the speed of the slowest country involved.

43. As a direct result of the experience gained in preparing and implementing similar projects, the proposed project incorporates the following lessons: (a) simplify project objectives, design and components; (b) anchor the objectives of the proposed project to the already well defined objectives of the RP-I program; (c) undertake early and comprehensive preparation of engineering, social, environmental and institutional aspects to ensure quality at entry; (d) conduct extensive consultation with key stakeholders critical to increased ownership; and (e) develop a robust, sustainable monitoring and evaluation framework.

## **6. Alternatives considered and reasons for rejection**

44. The proposed project supports the objectives of WAEMU/Ghana's *PACITR* RP-I program, which primarily focuses on facilitating transport and transit along this specific Corridor. During the project preparation stage, the following alternatives were considered.

45. *Abidjan – Ouagadougou – Bamako corridor.* The main transit corridor for Burkina Faso and Mali was historically through Côte d'Ivoire. However, in light of the deteriorated security situation in Côte d'Ivoire, there was a major shift in transit patterns to other corridors ports in the sub-region, including the ports of Ghana. This pushed WAEMU to focus on the Corridor through Ghana as the first priority of the *PACITR*, even if Ghana was not part of WAEMU. To decrease transport costs and ensure transit security, Burkina Faso, Mali and Niger have diversified their transit corridors. To encourage further diversification of transport corridors, the proposed project supports the development of the Corridor through Ghana. It will also strengthen intra-regional trade between Mali and Burkina Faso since the Ivorian corridor does not directly link Mali to Burkina Faso.

46. *Country-by-country approach.* This approach was already unsuccessfully attempted in West Africa. For example, in Côte d'Ivoire the Transport Sector Adjustment and Investment Project supported the removal of road blocks along the major transport corridors, but showed the limits of addressing corridor issues through reforms promoted at a single country level. This is because a strong regional framework, as supported by the proposed project, is required to resolve transit issues in an integrated fashion which goes beyond a single country.

47. *Elimination of all border controls.* The fluidity of border crossings is one of the key facilitation objectives of both WAEMU and ECOWAS. However, considering the political, fiscal and trade regime obstacles to be overcome, it is unlikely that all border controls will be eliminated in the foreseeable future. Therefore, the proposed project focuses on the streamlining of existing border and transit procedures, rather than on their elimination.

## **C. IMPLEMENTATION**

### **1. Partnership arrangements**

48. The proposed project is expected to support the RP-I program, which is already being supported by other development partners, including the AfDB, EU and *BOAD*. The *BOAD* funding for infrastructure works on the Corridor is primarily from an IDA line of Credit (WAEMU Capital

Market Development Project). The monitoring of the RP-I program also benefits from the inputs of the United States Agency for International Development (USAID) sponsored West African Trade Hub (WATH), which has established a partnership with WAEMU and ECOWAS for corridor performance monitoring. In light of the fact that funding from other development partners is already in place, and partly disbursed, the proposed project is expected to bring complementary financing to finance part of the RP-I program.

49. To ensure a holistic approach in the implementation of the RP-I program, there has been extensive collaboration between IDA and other development partners involved in the implementation of the RP-I program. This recently also included exploratory discussions with China-Exim Bank to see if they were interested in funding road infrastructure works along the Corridor. Extensive formal and informal consultation will continue during the life of the program. Furthermore, WAEMU organizes quarterly technical meetings with all relevant stakeholders involved in the implementation of the RP-I to review implementation progress and share implementation experience.

50. The details of the support that the other development partners have already put in place to fund part of the RP-I program can be found in Annex 4.

## **2. Institutional and implementation arrangements**

51. In light of its regional focus, the proposed project will include a two levels institutional and implementation framework. More specifically, the framework includes components with strong linkages both at the regional and national level. It will also benefit from mechanisms for multi-level and country project coordination and overall performance monitoring. Details of the implementation arrangements are given in Annex 6.

### ***Regional Coordination***

52. WAEMU is responsible for the overall coordination and monitoring of the *PACITR*, of which the RP-I program is part of. The AfDB funding for the RP-I program provides for technical assistance to WAEMU in order to improve its capacity to coordinate and monitor all RP-I program related activities.

53. To ensure proper coordination and implementation of the activities under the RP-I program, a Joint Technical Committee (JTC) has been established by WAEMU. The JTC includes senior and technical level representatives from all governmental departments (transport, roads and customs) involved in the implementation of RP-I program. The JTC is responsible for: (a) coordinating the implementation of all program related activities; (b) troubleshooting of issues affecting the implementation of the program; and (c) promoting the transport and transit facilitation agenda in countries participating. The JTC meetings are chaired by WAEMU. Meetings are held on average three times a year on a rotating basis in the three countries involved in the RP-I program.

54. The proposed project is expected to use the same RP-I program level regional institutional and implementation architecture. What follows is a description of the agreed country level institutional and implementation arrangements.

## ***National Coordination***

55. The implementation of the proposed project will involve several implementing agencies in three different countries. To maximize the use of implementation arrangements that are already in place for other IDA-funded transport operations in the three countries covered by the proposed project, a hybrid implementation structure was put in place. Project implementation in Burkina Faso and Mali will be facilitated by existing project coordination units, while in Ghana, project implementation will be fully mainstreamed.

56. ***Burkina Faso.*** A Steering Committee (Comité National de Pilotage), co-chaired by the Minister of Transport and Minister of Infrastructure, and including representatives of the presidents office, the Ministry of Finance, the Ministry of Environment, the Directors of the relevant implementing agencies involved in the project, private operators and other stakeholders, will be established prior to the start of project implementation. The Steering Committee will be responsible for policy guidance, overall program and project oversight and will ensure communication and cooperation among stakeholders (including road users). The existing transport sector PCU will be used to facilitate the implementation of the proposed project. The Project Coordinating Unit (PCU) will also be responsible for meeting the financial management and procurement fiduciary standards for the proposed project. The implementing agencies will consist of the Department of Roads (*Direction Générale des Routes (DGR)*), the Department of Land and Maritime Transportation (*Direction Générale des Transports Terrestres et Maritimes (DGTMM)*) and the Customs Department (*Direction Générale des Douanes (DGD)*). The implementing agencies have already appointed the required focal points who will be responsible for the day to day project implementation activities.

57. ***Ghana.*** The Ministry of Transportation (MOT) will have the overall responsibility for the implementation of the proposed project in Ghana. The three implementing agencies (Ghana Highway Authority (GHA), Customs Excise Prevention Services (CEPS) and Ghana Ports and Harbours Authority (GPHA)) will be responsible for the actual day to day implementation of their respective project sub-components. The following implementation framework has been put in place for the proposed project.

- ***Inter-Ministerial Steering Committee (IMSC):*** The IMSC includes high level officials from the MOT, Ministry of Harbours and Railways (MHR), Ministry of Finance and Economic Planning (MOFEP). They will have overall oversight for the implementation of the proposed project.
- ***Project Implementation Team (PIT):*** The PIT will include MOT staff already holding sector related positions, and will be responsible for the overall coordination and monitoring of the fiduciary aspects of the proposed project.
- ***Agency Implementation Teams (AIT):*** The three implementing agencies (GPHA, GHA and CEPS) have established AITs with existing staff to ensure the effective and mainstreamed implementation of all aspects of the proposed project.



58. **Mali.** The proposed project will use the same implementation framework that has been put in place for other IDA-funded transport projects in the country. This framework includes a steering committee and a technical committee. The steering committee will include officials representing the ministries in charge of public works and transport, economy, industry and trade, finances, territorial administration, internal security and civil protection, as well as the Coordination Unit (NCU), which will bear fiduciary responsibility for project implementation, and the different implementing agencies: (a) Department of Roads (*Direction Nationale des Routes (DNR)*); (b) Department of Land, Maritime and Fluvial Transportation (*Direction Nationale des Transport Terrestre, Maritime et Fluviaux (DNTTMF)*); and (c) the Customs Department (*Direction Générale des Douanes (DGD)*). The technical committee will include the NCU and the focal points from the three executing agencies (*DNR, DNTTMF and DGD*) and an official representing the AGEROUTE.

### **3. Monitoring and evaluation of outcomes/results**

59. ***Institutional framework for monitoring outcomes/results.*** The monitoring of outcomes/results will be based on the agreed results framework and monitoring arrangements that are described in Annex 3.

60. ***Responsibility for monitoring activities.*** WAEMU will continue to monitor the outputs and outcomes of the RP-I program. For the proposed project, the monitoring of outcomes will also be done at the country level, and will consist of a combination of internal and external monitoring. The internal monitoring will be conducted within the framework of the preparation of a progress report every six months, and Annual Progress Reports (APRs). External monitoring will consist of two field assessments to monitor the achievements against the original baseline data of the agreed Project Monitoring Indicators (PMIs). The first assessment includes a user satisfaction survey to be completed within three months before the mid term review of the project. The second assessment provides for a second user satisfaction survey, to be completed three months before the closing of the project. Each assessment will cover the whole Corridor, and will be funded under the Credits of Burkina Faso, Mali and Ghana. The cost of monitoring and evaluation for the proposed project has been estimated at about US\$800 thousand, spread over the five year implementation period. The findings and results will be made available to all key stakeholders and the public.

61. ***Baseline data.*** The collection of baseline data to monitor the achievement of outcome/results of the proposed project and the RP-I program has been completed. The baseline data (see Annex 3/Table 4) will allow the annual benchmarking of the achievement of the agreed project outputs and outcomes. An annual report on the achievement of the agreed baseline indicators of the proposed project will be prepared and widely disseminated. As part of the dissemination campaign, there will be extensive media coverage of the achievement of the agreed results and results of the two user satisfaction surveys for the proposed project.

62. A specific area to be monitored during the life of the proposed project is the number of roadblocks along the Corridor. The baseline data will be drawn from the comprehensive 2006/2007 WATH funded survey on road blocks along the Corridor. Among the indicators to be monitored are: (a) number of formal and informal controls on traffic movements; (b) time spent at each check point and its impact on journey times; and (c) number of stopovers that may be avoided. As part of the overall monitoring framework, these indicators will be evaluated and monitored on a regular basis, using the existing partnership between WATH, WAEMU and the Sub-Saharan African Transport Policy Program (SSATP).

#### 4. Sustainability

63. The proposed project is expected to address key transport and transit bottlenecks on the Corridor through an integrated set of road infrastructure investments and facilitation measures. This set of mutually reinforcing activities will help to ensure that the outcomes of the proposed project are sustained. These are as follows:

64. First, the proposed project is part of the WAEMU/Ghana's *PACITR* RP-I program, which is the result of a very comprehensive stakeholder consultation process. As a result of this consultation process, the RP-I program has been endorsed by all the participating countries, ECOWAS, WAEMU, and development partners. The extensive consultation, together with high level of political commitment, will contribute to the sustainability of the objectives and expected outcomes of the *PACITR* RP-I program.

65. Second, to ensure that the political commitment to the objectives of the RP-I program is sustained, involvement of key non-governmental stakeholders that are the primary users of the Corridor has already been encouraged by other development partners. This will be further supported under the proposed project. Freight forwarders, shippers, chambers of commerce and insurance companies will be actively consulted during the life of the proposed project to ensure continued political support for the program.

66. Third, with the introduction of second generation road maintenance funds in Ghana, Mali and Burkina Faso, funding to maintain the Corridor road infrastructure, including that funded under the proposed project, has been secured on a long term basis.

67. Fourth, the creation of national and regional transit facilitation committees, together with the regular monitoring and public dissemination of findings on non-customs barriers along the Corridor, would provide the necessary data to the public to ensure that the concerned governments do not backtrack on the already introduced transport and transit facilitation measures. Consideration will also be given during the proposed project to progressively include external stakeholder representatives on the relevant committees to ensure effective focus and transparency in their operations.

#### 5. Critical risks and possible controversial aspects

68. Although the proposed project covers three countries and a number of different implementing agencies in each country, it has been designed to reduce the risk of implementation failure through high quality at entry and working within the objectives of the RP-I program. Therefore, the weighted risk profile of the proposed project is **Moderate**. The following major risks are briefly described.

69. **Project complexity.** The proposed project involves overlapping regional bodies (WAEMU/ECOWAS), three countries, several sub-components and several implementing agencies in each country. Weak coordination between and within countries, with regional institutions, or among development partners could lead to implementation delays. To reduce complexity, project design has been simplified as much as possible. Furthermore, the objectives of the project have

been closely aligned with the objectives of the RP-I program, which is already under implementation, and has strong ownership by the countries involved, WAEMU and ECOWAS. Lastly, the primary overall implementation responsibility for the RP-I program is with the WAEMU Commission.

70. **Governance.** The three countries involved in the proposed project face Corridor governance issues (e.g., inability to permanently reduce road blocks), that may impact project implementation progress. A key example of this is that, unless the number of unauthorized check points along the Corridor is permanently reduced, part of the infrastructure improvement and facilitation benefits will not materialize. To mitigate this risk, the proposed project will enhance the existing monitoring and public disclosure of roadblocks and other non-tariff barriers along the Corridor.

71. **Lack of harmonization.** This includes the risks related to: (a) the lack of harmonization of customs procedures, such as the non-application of the ISRT convention or transit guarantees system; and (b) lack of harmonization of road maintenance financing policies and standards along the Corridor. To mitigate these risks, the RP-I program and the proposed project focuses strongly on policy harmonization between the three countries and the implementation of the regional agreements.

72. **WAEMU and concerned countries' institutional capacity.** The capacity of the WAEMU Commission to implement and monitor proposed project-related activities needs to be strengthened. With support from the development partners, audits and technical assistance were carried out to provide the WAEMU Commission with the appropriate set-up to fulfill its obligations. For activities to be implemented at the country level, special attention will be given to strengthening the capacity and performance of the implementing agencies.

73. **High construction costs.** Recent bid prices for road infrastructure works in the sub-region have shown significant increase in construction costs. This is primarily due to higher steel, cement and petroleum prices, and to limited competition for road works in the sub-region. Furthermore, the sharp depreciation of the US\$ vis-à-vis the FCFA has led to cost increases in US\$ terms. To ensure that road construction costs remain competitive the following measures have been adopted for the proposed project: (a) a procurement framework designed to minimize contractor collusion; (b) cost effective engineering design solutions; (c) contract size packaging to maximize competition; and (d) use of more realistic and up-to-date cost estimates.

74. A critical risk table has been included to more schematically present the potential risks and mitigation associated with the proposed project.

**Table 3 - Critical risk table**

<b>Risks</b>	<b>Risk Rating</b>	<b>Risk Mitigation Measures</b>	<b>Residual Risk Rating</b>
<b>Project Development Objective</b>			
<i>Exogenous risks</i>			
Corridor governance	S	<ul style="list-style-type: none"> <li>- Mitigating collusion risks and fraud risks.</li> <li>- Mobilizing civil society to reduce number of road blocks along Corridor.</li> <li>- Monitoring performance of Corridor.</li> <li>- Alternating sanctions and remedies.</li> </ul>	M
<i>Mitigable risks</i>			
Project Complexity	S	<ul style="list-style-type: none"> <li>- Simplified project design.</li> <li>- Project objectives fully aligned with objectives of the RP-I program.</li> </ul>	M
Opposition to reforms	M	<ul style="list-style-type: none"> <li>- Monitoring of performance along the Corridor.</li> <li>- Supporting implementation of already approved RP-I program</li> </ul>	N

		<ul style="list-style-type: none"> <li>- Proactive involvement of external stakeholders and ‘user public’.</li> </ul>	
<b>Component results (other than listed above)</b>			
<i>Project Coordination and management</i>			
WAEMU and concerned countries institutional capacity	M	<ul style="list-style-type: none"> <li>- Technical assistance to WAEMU provided by other development partners.</li> <li>- Strengthening the capacity of the implementing agencies at the national level.</li> <li>- Enhanced monitoring capabilities and periodic evaluation of results</li> </ul>	N
Risks of inconsistent and overlapping actions between Ghana and WAEMU	M	<ul style="list-style-type: none"> <li>- Maintain strong coordination within WAEMU/Ghana (JTC).</li> </ul>	N

<i>Component 1</i>			
High Construction costs	S	- Contract packaging to attract more competition. - Realistic cost estimates. - Adequately robust procurement procedures - Cost effective road design standards.	S
Port Efficiency	M	- Funding of part of capital investment program. - Close monitoring of productivity of Port of Tema through the Private Sector (GCNet).	N
Social and environmental impacts	N	- Comprehensive assessment of social and environmental impacts. - Development of social and environmental mitigation strategy. - Focus on upgrading existing road transport infrastructure.	N
<i>Component 2</i>			
Lack of harmonization of transit procedures	M	- Policy harmonization between the three countries.	M
		- Implementation of regional agreements. - Close follow up by the AfDB and WATH funded teams in WAEMU.	
<b>Conclusion</b>			
Weighted risk average	S	- Adequate supervision budgets during at least first two years of project implementation. - Extensive continued consultation with RECs and other development partners working on Corridor.	M

Risk Rating: H (High Risk), S (Substantial Risk), M (Moderate Risk) and N (Negligible Risk)

## 6. Loan/credit conditions and covenants

75. Conditions of effectiveness: Standard effectiveness conditions for Ghana, Burkina Faso and Mali as per the General Conditions for Credits and Grants.

## 7. Dated covenants

- Introduction by December 31, 2010 of cargo tracking system to cover the full length of Corridor.
- Publication of road block surveys results on the Corridor on the government web sites of Ghana, Burkina Faso and Mali within 24 months of effectiveness date.

➤ Burkina Faso:

- a) GOBF will have appointed within three months of the effectiveness date an external auditor on the basis of terms of reference, and with qualification and experience satisfactory to IDA.
- b) GOBF will have recruited an accountant within three months of the effectiveness date for the PCU, with terms of reference, qualification, and experience satisfactory to IDA.
- c) GOBF will conduct two procurement audits during the life of the proposed project. The first audit should be completed within 24 months of the effectiveness date. The second audit should be completed no later than September 30, 2013.

➤ Mali:

- a) GOM will have appointed within three months of the effectiveness date an external auditor on the basis of terms of reference, and with qualifications and experience satisfactory to IDA.
- b) GOM will have recruited within three months of the effectiveness date an accountant for the NCU, with terms of reference, qualification, and experience satisfactory to IDA.
- c) GOM will conduct two procurement audits during the life of the proposed project. The first procurement audit should be completed within 24 months of the effectiveness date. The second procurement audit should be completed no later than September 30, 2013.
- d) GOM will establish within one month of the effectiveness date a steering committee for the proposed project.
- e) GOM will establish within one month of the effectiveness date a technical committee for the proposed project.
- f) GOM will have updated within one month of the effectiveness date the project implementation manual and the manual for administrative, financial and accounting procedures.

➤ Ghana:

- a) GOG will have appointed within three months of the effectiveness date an external auditor on the basis of terms of reference, and with qualifications and experience satisfactory to IDA.
- b) GPHA and CEPS will train/re-train key staff on the policies and procedures of the World Bank in financial management and disbursement.
- c) GOG will conduct two procurement audits during the life of the proposed project. The first procurement audit should be completed within 24 months of the effectiveness date. The second procurement audit should be completed no later than September 30, 2013.
- d) GOG will establish within one month of the effectiveness date a steering committee for the proposed project.

## 8. Retroactive funding

76. The use of retroactive financing was agreed with the GOM for eligible payments starting from September 1, 2007, up to a maximum amount of about US\$4,300,000 (about SDR2,700,000). It was agreed that the retroactive funding provision for Mali will be used to cover expenses associated with: (a) road construction works on the Bamako – Bougouni contract; and (b) supervision consultant services on the Bamako–Bougouni contract, social, economic and environmental studies and updating of manuals. However, in case the Credit for Mali does not become effective, the GOM will bear the full risk of whatever expenditure was supposed to be financed by IDA under the retroactive funding provision.

## D. APPRAISAL SUMMARY

### 1. Economic and financial analyses

77. *Economic analysis.* The expected beneficiaries of the proposed project will be transport operators, tradable sectors of the economy, foreign investors and ultimately, consumers and producers inside and outside the region.

78. Expected impact of the project can be divided in three stages. In the short-term, the project should result in: (a) reduction in transit time; (b) reduction in transport unpredictability; and (c) reduction in non-logistics costs, such as inventory and storage costs. In the medium-term, the project should contribute to higher transport quality and lower transportation prices. In the long-term, the project would contribute to trade expansion for both imports and exports. The positive impacts are expected to be much larger than adverse trade substitution effects for local economies. The expected impact of the project may be summed up in two major activities.

Main activities	Main expected measures
1. Simplified transit procedures	Removal of customs escorts; introduction of JBP's; and regional interconnection of customs systems
2. Road infrastructure improvements	Road rehabilitation works

79. *Economic impact of transit and transport facilitation measures.* The project cost considered for the economic evaluation of trade facilitation activities amounts to US\$30.37 million excluding taxes. Benefits would reach US\$52.37 million at the completion of the project. The Net Present Value (NPV) derived is US\$7.42 million at 12 percent discount rate and would provide an Economic Internal Rate of Return (EIRR) of 26 percent. The methodology and model of the economic analysis is in Annex 9.

80. The project analysis focuses on the most important quantifiable benefits, which are mainly: (a) simplified transit procedures in Ghana; and (b) simplified transit procedures in Burkina Faso.

81. Conservative estimates were carried out since gains are computed only for all imports since they account for the largest share of traffic flows.

## **Economic impact of road rehabilitation works**

### **Road rehabilitation in Ghana**

82. *Costs.* The project costs considered for the economic evaluation amount to US\$67 million excluding taxes.

83. *Benefits.* The NPV derived is US\$13.61 million at a 12 percent discount rate and would provide an EIRR of 14.7 percent. The road infrastructure investments (Buipe – Tamale road section) were subject to a specific economic analysis using the Highway Design Model-4 (HDM-4) based on data collected during project preparation and consultant’s estimates.

84. The results of the sensitivity analysis indicate that if costs increase by 20 percent, the project economic feasibility is still justified.

### **Road rehabilitation works in Burkina Faso**

85. *Costs.* The project costs considered for the economic evaluation amount to US\$58.8 million, excluding taxes.

86. *Benefits.* The NPV derived is US\$33 million at a 12 percent discount rate and would provide an EIRR of 21.3 percent. The road infrastructure investments (Ouagadougou – Sakoinsé) were subject to a specific economic analysis using the HDM-4, using realistic assumptions on traffic growth (4 percent) on the busiest road in Burkina Faso, and market based road rehabilitation costs.

### **Road rehabilitation works in Mali**

87. The road infrastructure investments (Bamako – Bougouni and Sikasso – Heremakono) were subject to a specific economic analysis using HDM-4. Realistic assumptions on traffic growth were used together with high rehabilitation costs.

#### ***Bamako-Bougouni***

88. *Costs.* The project costs considered for the economic evaluation amount to US\$26 million, excluding taxes.

89. *Benefits.* The NPV derived is US\$12 million at a 12 percent discount rate and would provide an EIRR of 31.1 percent.



## *Sikasso-Heremakono*

90. **Costs.** The project costs considered for the economic evaluation amount to US\$23.03 million.<sup>7</sup>

91. **Benefits.** The NPV of road rehabilitation derived is US\$29.64 million and would provide an EIRR of 28.9 percent.

## **2. Technical**

92. **Road improvement works.** The proposed civil works component will finance the rehabilitation of key existing paved sections of the Corridor in Ghana, Mali and Burkina Faso. From a technical point of view the road works do not represent a major challenge in logistical, geotechnical and technical terms. Taking into consideration the rapidly increasing road construction costs in West Africa, particular attention will need to be paid to manage construction quality, costs and delays. Effective supervision monitoring mechanisms are being developed to ensure that the physical works are completed within the stipulated contractual time. Experienced supervision consultants and contractors will be selected to undertake and supervise the construction activities to ensure a high and consistent construction quality and timely execution of the civil works.

93. **Other civil works.** The construction/improvement of the rest stop areas, intermediate check points along the Corridor, multifunctional platform of Faladié, Bamako and truck parking facility near the Port of Tema do not represent a major challenge from a technical point of view. The required civil works construction expertise is widely available in the region.

94. **Facilitation aspects.** The facilitation aspects of the project will involve the procurement of Information Communication Technology (ICT), tracking systems and transport equipment to improve the monitoring to transit traffic along the Corridor. Most of the equipment that is required is available off the shelf and consistent with international standards. This is the case for the customs management tool (ASYCUDA ++) which is used by several countries around the world. Where possible, existing customs management and cargo tracking systems will be used to cover the needs of the whole corridor.

95. **Institutional aspects.** The main institutional aspects of the proposed project relate to: (a) organizational strengthening; (b) capacity building and training for management and staff involved in Corridor functions; and (c) process re-alignments/enhancements in response to introduction of new systems and responsibilities. Structurally, the existing regional and national organizational framework established during the wider RP-I program will continue to be used, subject to some project-assisted adaptation/refinement where required to accommodate new functions related to the systems being procured, to put in place effective management, monitoring and evaluation processes and capacity for Corridor operations. Project-supported training and TA will partly be ‘packaged’ as part of the procurement of new systems and equipment, and partly as new and carefully targeted training in the skills required in administration; monitoring, evaluation and reporting; resource management; use of office ICT assets and capabilities; planning and public communications. Wherever practical, the existing regional and local training delivery mechanisms will be used, with appropriate external expertise inputs.

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<sup>7</sup> Rehabilitation costs were estimated to 215 Million FCFA per kilometer (approximately 500,000 USD per kilometer).

### 3. Fiduciary

96. Despite the regional, multi country, and large number of implementing agencies, the proposed project represents a moderate procurement and financial management fiduciary risk rating. This is because all three countries involved have extensive experience in implementing IDA funded transport projects. More specifically, most of the implementing agencies involved in the proposed project are already familiar with IDA procurement and financial management fiduciary standards. As part of the project preparation process, the financial management capabilities of the implementing agencies involved in the project have been thoroughly assessed and, subject to the implementation of a few mitigation measures, are generally considered satisfactory. The full details regarding the procurement and financial management assessment of the implementing agencies can be found in Annex 7 (Financial Management & Disbursements) and Annex 8 (Procurement).

### 4. Social

97. The economy of the Project Impact Area (PIA) is predominantly focused on agriculture and livestock farming. The main food crops produced are cereals, root crops, vegetables and plantains. Cotton remains the main cash crop for Burkina Faso and Mali, with a production close to one million tons per annum. Livestock production also plays a major role in both Burkina Faso and Mali. The distribution of the various agricultural produce is facilitated by a relatively developed road network, of which the Corridor is an integral part.

98. The proposed project is expected to lead to positive socio-economic impacts by improving the road infrastructure and by facilitating trade between communities and countries. The implementation of the planned activities will also contribute to improved road safety, passenger comfort, reduction of transport costs and travel time and income generation. In addition, it will strengthen regional integration.

99. The Involuntary Resettlement Policy ([OP/BP 4.12](#)) was triggered due to very minor land acquisition and loss of income. The Ouagadougou-Sakoinsé rehabilitation and rest stops construction road works in Burkina Faso, will affect 10 hectares of farmland, 40 trees, a vaccination park and a watering hole for cattle. About 23 households will be adversely affected by the proposed road works, however, none will lose permanent structures of business. The adverse impacts are limited to the acquisition of strips of land along the road and to the cutting of some trees. In Ghana and Mali, no land acquisition is foreseen, and provisions for compensation for lost crops and trees are below US\$ 200,000 in both countries. Appropriate resettlement frameworks are already in place should any unforeseen issues be discovered during construction.

100. Appropriate safeguards instruments for the proposed project, such as Environmental and Social Management Frameworks (ESMFs), Environmental Impact Assessments (EIAs), Environmental Management Plans (EMPs), Resettlement Policy Frameworks (RPFs) and Resettlement Action Plans (RAPs), have been prepared and already disclosed.

101. ***Social assessment and benefits.*** The proposed project is expected to contribute to income generation, savings in travel time, reduced vehicle operating costs and reduced fares. Other benefits include improvements in the safety and quality of transport services as well as an increase in government tax revenue due to the decreased diversion of transit goods.

102. **Poverty and equity.** The main social contribution of the proposed project is the enhancement of basic regional access and mobility of goods, services and people using the Corridor. The social and poverty outcomes of the proposed project will include the following: (a) job creation and income generating opportunities in rural and urban areas during construction and once the rest stop areas have been completed; (b) provision of all weather transport access and services; (c) development of infrastructure to promote the growth of small towns and villages/settlements in the road corridor; (d) connecting export and import products to markets; (e) reducing transport costs for goods and people in landlocked countries; and (f) enhanced transit trade and mobility of goods and people, which contributes to the achievement of the Millennium Development Goals (MDGs).

103. **Gender issues.** The proposed project will benefit women and other vulnerable groups (children, elderly and poor) by enhancing their mobility needs through the provision of better access to basic social services (health, school, administration) and markets. However, particular attention will be given to markets, schools and health clinics along the road, by providing safe and enhanced access to those facilities, which will benefit rural women, children and other vulnerable groups (e.g. fences for schools). Small cereal drying platforms will also be provided in selected villages along the Corridor. Gender issues have been assessed and highlighted in the social assessments carried out in conjunction with the EIAs and the Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) prevention studies. The findings of the studies influenced project design.

104. **Participation.** The identification of project components including road rehabilitation, rest stops and HIV/AIDS prevention, were based on consultations with local communities, national governments, key sector administrations such as police, customs and port authorities. Representatives of national governments and of regional organizations constitute the members of the project steering committee. Local population along the road corridor will be provided income generating opportunities as workers, drivers and staff in the road rehabilitation process.

105. **HIV/AIDS mitigation.** While HIV/AIDS issues are addressed at various levels in the three countries, through their national action programs or through ad-hoc activities, these activities are mostly national and do not fully cover the specific aspect of transit traffic on regional corridors, especially at borders and at truck rest stop areas. In light of this, and under framework of the RP-I program, a Corridor specific HIV/AIDS action plan has been prepared for implementation under the proposed project. The component addresses the needs of migrants, drivers, sex workers and residents of border areas along the Corridor by improving access to HIV/AIDS prevention and treatment services. It will also support the existing National HIV/AIDS control programs.

106. The overarching objective of the HIV/AIDS component of the proposed project is to promote activities conducive to the reduction of infection and transmission risks of HIV/AIDS and Sexually Transmitted Disease (STDs) along the corridor. Specifically, it aims at: (a) promoting safe sex practices with condoms through awareness programs and information, education and communication campaigns; (b) promoting counseling for voluntary screening; and (c) building stakeholders' capacities and promoting partnerships with other existing initiatives. The main details of the Corridor specific HIV/AIDS action plan of the component can be found in Annex 10.

## 5. Environment

107. The PIA is estimated at about 120,000 km<sup>2</sup> (about 7 percent of the area of the three project countries involved.)

108. The project triggers the Environmental Assessment (OP/BP 4.01) policy and has been assigned an **Environmental Screening Category of “B”**. This rating is based on the focus and scope of the proposed project activities, which indicate limited adverse environmental and social impacts. The field assessments have revealed that the planned civil works (road rehabilitation, construction of rest stop areas and truck parking facilities) will not have a significant negative impact during project implementation. This is especially the case of the road rehabilitation works which will not require any road re-alignments and will require only very limited land acquisition or destruction of structures and/or farm buildings. Furthermore, the road sections that will be rehabilitated under the proposed project do not traverse any environmentally sensitive areas.

109. The potential negative impacts are summarized below and restricted in scope and severity: (a) dust and noise due to construction and demolition; (b) establishment of base camps and the opening or re-opening of borrow pits and solid rock quarries, which could result in soil erosion and pollution and aesthetically undesirable alteration of the landscape; (c) dumping of construction waste and accidental spillage of machine oil, lubricants, etc; and (d) encroachment to private property.

110. However, the above construction related impacts are easily manageable by implementing the mitigating measures contained in the EIA studies. The monitoring of the implementation of environmental mitigation measures by contractors and roads administrations will be done by the supervision consultants and by the respective environmental specialists attached to the various countries project coordination units or environmental cells. All of the relevant EIA studies were disclosed in-country and the InfoShop prior to appraisal, which was in December 2007.

111. As a result of the environmental and social assessments, the following safeguards documents have been prepared and have been disclosed prior to appraisal.

112. **Ghana.** The proposed project plans to fund the rehabilitation of the Buipe – Tamale section (about 103 km) of the Kintampo Tamale – Paga Road (about 396 km). An EIA covering the whole length of the Kintampo – Tamale – Paga Road was prepared and disclosed in country and the Info-shop prior to appraisal which was in December 2007. An ESMF and a RPF were also prepared and disclosed in country and at the Info-shop prior to appraisal, which was in December 2007

113. **Burkina Faso.** IDA is expected to fund the rehabilitation of the Ouagadougou – Sakoinzé road (about 54 km). The Environmental and Social Impact Assessment (ESIA) and an Abbreviated Resettlement Action Plan (ARAP) have been prepared and disclosed in country and at the Info-shop in November 2007.

114. **Mali.** The proposed project plans to fund part of the rehabilitation cost of Bamako – Bougouni road (about 154 km) and all of the Sikasso – Heremakono (about 45 km) on the Malian portion of the Corridor. In the case of the Bamako – Bougouni, the ESIA was carried out in the context of the Transport Corridor Improvement Project in 2003. The road construction works have been substantially completed. The proposed project will also fund the rehabilitation of the Sikasso – Heremekono road, which requires no land acquisition. The RPF and ESMF developed for the

second Mali Transport Sector Program will apply, where required, to the road rehabilitation works funded under the proposed project. Both documents (RPF and ESMF) were prepared and disclosed in country and at the Info-shop in November 2007.

115. **Funding and cost of implementing social and environmental mitigation measures.** Funding for the implementation of the agreed social and environmental measures will come from the three governments involved in the proposed project. More specifically, the estimated cost of implementing the social and environmental measures for the proposed project has been estimated at about US\$1 million: (a) Ghana – about US\$600 thousand; (b) Mali – about US\$200 thousand; and (c) Burkina Faso – about US\$200 thousand.

## 6. Safeguard policies

<b>Safeguard Policies Triggered by the Project</b>	Yes	No
<a href="#">Environmental Assessment (OP/BP/GP 4.01)</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Natural Habitats ( <a href="#">OP/BP 4.04</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management ( <a href="#">OP 4.09</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cultural Property ( <a href="#">OPN 11.03</a> , being revised as OP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Indigenous Peoples ( <a href="#">OD 4.20</a> , being revised as OP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests ( <a href="#">OP/BP 4.36</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams ( <a href="#">OP/BP 4.37</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas ( <a href="#">OP/BP/GP 7.60</a> )*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways ( <a href="#">OP/BP/GP 7.50</a> )	<input type="checkbox"/>	<input checked="" type="checkbox"/>

## 7. Policy Exceptions and Readiness

116. No policy exceptions are planned. The proposed project meets all quality at entry criteria and it is at a high level of implementation readiness.

\* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

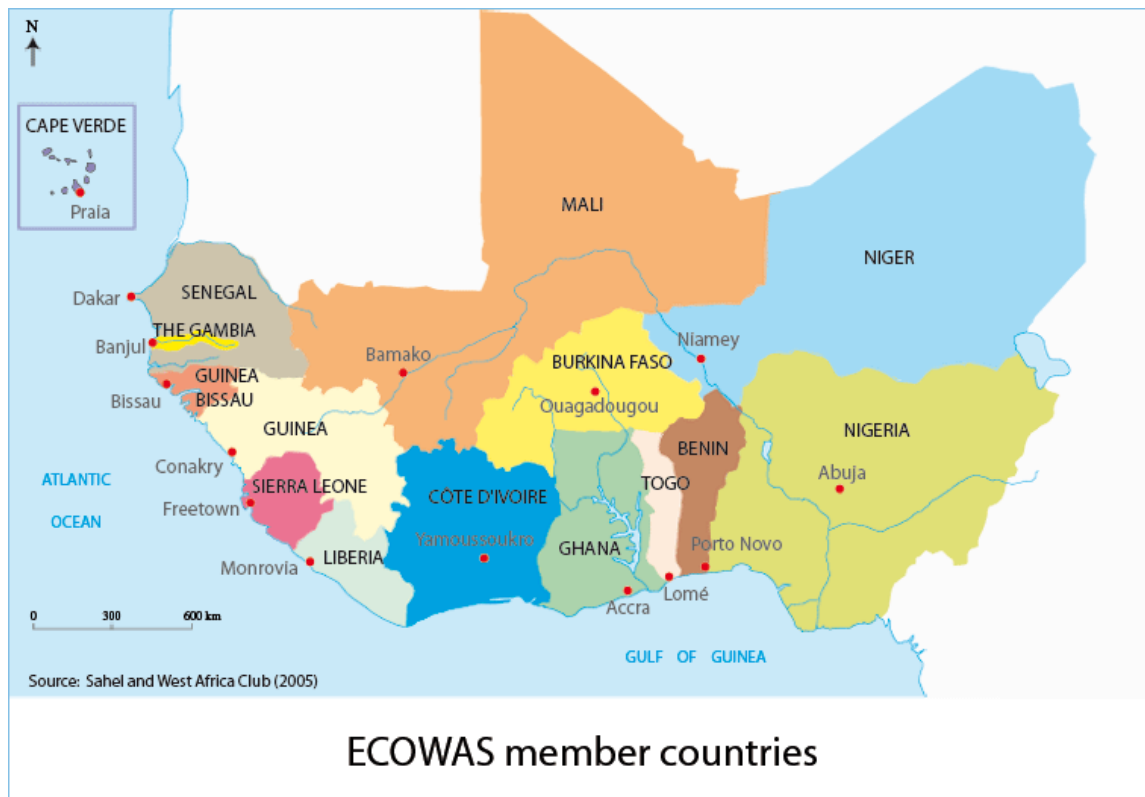
**Annex 1: Country and Sector or Program Background**  
**AFRICA: West Africa Transport and Transit Facilitation Project**

**A. Regional Context**

*Regional overview*

1. West Africa is a diverse sub-region due to geographic, demographic, cultural and historical reasons. The population, estimated at about 260 million inhabitants, is unevenly distributed, with Nigeria containing over half of the total. The sub-region covers an area of approximately 5 million sq km of which about one third is desert, one third semi-arid (Sahelian), and one third tropical humid along the coast. Population density is relatively low, except in the urbanized areas along the Atlantic coast. Only two countries (Gambia and Nigeria) can be considered densely populated. The three landlocked countries (Burkina Faso, Mali and Niger) occupy more than half of the total area, but have only about 15 percent of the total population. The transport infrastructure is increasingly deficient and the major centers of economic activity in the three land locked countries are on average close to 1000 km away from the nearest sea port. National markets are small and intra-regional trade remains limited.

**Figure 1 - ECOWAS member countries**



2. With about 60 percent of the population living on less than a dollar per day, the sub-region remains among the poorest in the world, According to the 2006 Human Development Index (HDI) compiled by the United Nations Development Program (UNDP), five of the countries in the sub-

region are amongst the lowest ranked in the world (Niger, Sierra Leone, Mali, Burkina Faso and Guinea Bissau). In 2006, the 16 countries of the sub-region had a combined GDP of about US\$160 billion. This is approximately equivalent to Malaysia's, which has about one tenth of the population. The combined GDP of four out of the fifteen countries (Côte d'Ivoire, Ghana, Nigeria and Senegal) represented about 84 percent of the total regional GDP.

**Table 1 - ECOWAS countries basic indicators**

ECOWAS Countries at a glance						
Country	Population (million)	GDP (US\$ billions)	GDP per Capita (US\$)	Surface (thousand km <sup>2</sup> )	Density	UN HDI**
Benin	8.4	4.3	510	112.6	74.6	163
Burkina Faso	13.2	5.2	400	274	48.2	174
Cape Verde	0.51	1	1740	4.03	125.8	106
Côte d'Ivoire	18.2	16.1	840	322.5	56.4	164
Gambia	1.5	0.461	290	11.3	132.7	155
Ghana	22.1	10.7	450	238.5	92.7	136
Guinea	9.4	2.7	370	245.9	38.2	160
Guinea-Bissau	1.6	0.30	180	36.12	44.3	173
Liberia	3.3	0.55	130	111.4	29.6	***
Mali	13.5	5.1	380	1200	11.3	175
Niger	14	3.4	240	1300	10.8	177
Nigeria	131.5	99	560	923.8	142.3	159
Senegal	11.7	8.3	710	196.7	59.5	156
Sierra Leone	5.5	1.2	220	71.74	76.7	176
Togo	6.1	2.2	350	56.79	107.4	147
<b>ECOWAS</b>	<b>260.5</b>	<b>160.5</b>	<b>616</b>	<b>5105.4</b>	<b>51.0</b>	<b>158</b>

\*\* out of 177 countries

\*\*\* Data not available

3. The economic performance of the sub-region has been uneven over the last two decades. However, the devaluation of the CFA franc in 1994, led to improved economic growth for those countries in the CFA zone with stable government and sound macroeconomic policies. In the last decade, several countries have made good progress towards achieving macroeconomic stability and improved real economic growth. Six countries have had a good track record (Benin, Burkina Faso, Ghana, Cape Verde, Mali and Senegal) in economic reform and improved long term growth. However, unsettled political conditions in Côte d'Ivoire, Liberia, Guinea, Guinea Bissau and Sierra Leone, have prevented them from achieving economic and social progress in recent years.

4. The population of West Africa is increasing rapidly (at about 2.7 percent per annum), and is expected to reach 320 million by 2015. Low real economic growth (about 1.5 percent) per capita over the last 20 years, has meant that West Africa has made slow progress towards achieving the

objectives of the MDGs. Unless the rate of real economic growth substantially increases from the current rate of about 3 percent, it is unlikely that West Africa will achieve several of the key MDGs.

### ***Regional institutions and their role in transport and transit facilitation***

5. **ECOWAS.** It was created in 1975, and includes 15 countries (Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo). ECOWAS has become a fully fledged 'commission' and has both a strong political and economic mandate to push for greater regional integration. More specifically, its main long-term objectives are: (a) the removal of customs duties for intra-ECOWAS trade and taxes; (b) the establishment of a common external tariff; (c) the harmonization of economic and financial policies; and (d) the creation of a single monetary zone.

6. To ensure that the transport sector contributed to the economic integration of the region, an "ECOWAS Regional Transport Program" was adopted by ECOWAS in 2002. The program is divided into two phases:

- Phase I: The objectives of the first phase are to: (a) facilitate road transport across national borders; and (b) develop the Trans-West African Highway network which includes the trans-coastal Lagos–Nouakchott Highway and the trans-Sahelian Dakar–N'Djamena Highway.
- Phase II: The objective of the second phase is to "construct the missing sections or rehabilitate the existing deteriorated road corridors between landlocked countries and sea ports.

7. **WAEMU.** It was established in 1994, and has eight member states (Benin, Burkina Faso, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo). A customs union was established in 2000 between WAEMU member-states with a Common External Tariff (CET).

8. The 1994 WAEMU founding treaty contained a specific objective to develop a customs union. One of the mainstays of the WAEMU recent trade policy has been the implementation in 2000 of a CET and the elimination of customs duties for goods originating from member countries. Since 2003, WAEMU has also adopted a new customs code to harmonize customs regimes, regulation and procedures within the union's territory. In the transport and facilitation sector, WAEMU has launched two initiatives covering facilitation issues: (a) a comprehensive port operation improvement project which deals with port stakeholders' coordination, document simplification and customs software integration; and (b) a facilitation program which addresses the lack of harmonization of transport and transit regulation and the impediments to smooth traffic and border crossing.

9. WAEMU prepared in 2001 the *PACITR* (Community Road Infrastructure and Transport Action Program) to ensure that the transport sector plays its role in the economic development and regional integration. The *PACITR* consists of two phases. Phase I (RP-I program) focuses on the rehabilitation and strengthening of road sections of the Corridor that link the Port of Tema with the landlocked countries of Burkina Faso, Mali and Niger and on the implementation of a comprehensive set of actions, to facilitate inter regional road transport and transit on the Corridor,



which at present handles about 30 percent of the transit traffic of Burkina Faso, Mali and Niger. Phase II focuses on other high priority transport corridors in the sub-region.

### ***Regional and international trade***

10. The share of world trade held by West Africa remains at around one percent. Nevertheless, over the last two decades, international trade has gained in importance for most of the ECOWAS member countries. For example in 1983, ECOWAS international trade accounted for about 20 percent of the sub-region's GDP. This had risen to about 39 percent by 2003, resulting in a greater dependence on the global market and on international logistics chains. Furthermore, there has been a clear diversification of trading partners, away from Europe and towards Asia. Greater integration of West Africa with the world economy will require a substantial improvement in transport and communication infrastructure and services.

11. Regional integration, through increased trade among member countries remains a critical objective of both ECOWAS and WAEMU. However, trade among ECOWAS member countries remains a small fraction of their total external trade. For example, in 2004, the total amount of merchandise exported by member countries to other member countries was about US\$4.1 billion, equivalent to about 8.6 percent of their total exports and 9.1 percent of their total imports. The figure for total exports from ECOWAS countries is heavily biased by the importance of Nigeria's total exports (about 71 percent of the total), of which oil represents close to 98 percent. Nigeria's oil exports to other ECOWAS member countries also accounted for a large part of intra-regional trade (about 39 percent). Eliminating the trade in petroleum products from total imports by member countries and from internal trade among countries would reduce the ratio of ECOWAS intra-trade to total imports to a low 5.7 percent.

12. A 2005 International Monetary Fund (IMF) study on Regional Trade Arrangements in Africa indicated that the share of intra-regional trade in ECOWAS has not increased significantly in the past two decades. This can be attributed to the fact that ECOWAS member countries produce a similar range of competing export goods which has slowed down intra-regional trade. However, with greater regional integration, intra-regional trade is expected to increase.

### ***Transport sector in West Africa***

13. The transport system in West Africa remains largely based on colonial era transport infrastructure, which was developed with the objective of facilitating the movement of primary commodities out of the region and imports into the region. As a result of this, much of the road and rail transport infrastructure in the region still follows a south-north axis from the major sea ports to the interior. The transport sector in West Africa plays a key role in the economic development of the region, and accounts for about 6 percent of regional GDP. While this is true for the coastal countries, it is more so for the landlocked countries that depend on the transport and transit services of their neighboring countries to channel their export and to bring in their imports. Several studies have demonstrated that transport and transit costs for landlocked countries can be up to 50 percent higher than for countries with direct access to the sea. These high transport and transit costs result in high prices to the consumer and loss of external competitiveness.

14. The surface transport system consists of roads, maritime ports, airport infrastructure and several north-south railway lines. Ghana is a major entry-point for transit trade to Mali, Burkina Faso and Niger. The Ghana gateway for Burkina Faso, Mali and Niger has gained greatly in importance since the deterioration of the security situation in the Côte d'Ivoire. In fact, whereas in 2001 transit originating from Port of Tema in Ghana and destined to Mali amounted to only 38,000 metric tons, it had risen by about 650 percent to reach 288,000 metric tons in 2005. Similarly for Burkina Faso transit traffic through the Port of Tema had risen by 448 percent from 78,000 metric tons in 2001 to 428,000 metric tons in 2005.

**Table 3 - Traffic evolution at the Port of Tema**

Transit Traffic by Destination (In metric tons)						
Destination	2000	2001	2002	2003	2004	2005
Burkina Faso	42,140	78,063	208,948	329,530	363,712	427,918
Mali	256	38,279	144,276	423,147	282,454	287,843
Niger	76,303	116,151	159,680	77,891	87,110	150,987
Others	26,274	28,758	114,849	24,525	7,471	8,577
<b>Total</b>	<b>144,973</b>	<b>261,251</b>	<b>627,773</b>	<b>830,568</b>	<b>740,747</b>	<b>875,325</b>

Source: GPHA

***Key sector developmental issues***

15. Transport service costs on the major West African corridors remain high by international standards. For example, it costs between US\$2,500-3,500 to move a 40 foot container from the Port of Tema to Ouagadougou, which can take between 4 to 14 days. High transit costs are caused by a combination of factors, most of which are not directly related to road infrastructure, but to the way transit trade is organized and customs clearance is undertaken.

16. ***Transport infrastructure along the Corridor.*** The state of road transport infrastructure has an impact on the development of trade in the sub-region. This is especially true for landlocked countries in West Africa which typically have higher production costs than those along the coast. In the case of the Corridor, several sections require rehabilitation and strengthening. The crisis in Côte d'Ivoire has triggered a shift in transit patterns in the region which has resulted in heavier usage of the Corridor for transit goods to Burkina Faso and Mali. In turn, this has led to the accelerated deterioration of parts of the Corridor and to higher transport costs. Furthermore, increase in transit cargo going through the Port of Tema, combined with higher influx of transit trucks, have resulted in additional congestion in and around the port area.

17. ***Port infrastructure.*** The productivity of the major ports in the region does not compare favorably with other parts of the world. For example the number of container movements per hour in the Port of Tema is about 15 compared to about 40 in the Port of Colombo. This is due to inadequate infrastructure, equipment, congestion, work practices and lack of integration between various port operators. Furthermore, when import cargo arrives in containers, the containers are

usually de-stuffed inside or near the port area. This results in a large share of port space being used for de-stuffing operations or storage.

18. Transit cargo suffers from port congestion since it is often inspected by customs at the port and most containers are de-stuffed in similar conditions as those of domestic traffic. Because of the cost of re-transferring cargo into the container, as well as the additional cost of renting the container itself, shippers prefer to load cargo on open trucks. In addition, the content of three 20 feet containers can be loaded on an open truck, as against two 20 feet containers, so that transporters have an additional incentive to avoid containerization, resulting in overloading. Overall, about 75 percent of goods arrive in containers at the six major ports along the West African coast, but less than 25 percent of goods are transported inland by container.

19. ***Axle load control.*** Inadequate and inconsistent enforcement of axle load controls is one of the primary causes of premature pavement failures on all of the major corridors in West Africa. In the specific case of this Corridor, a set of integrated measures is being put in place under the RP-I to more consistently enforce axle load limits. This starts with the Port of Tema, where axle weights are checked when the trucks leave the port area. Ghana has put in place six weighbridges along its part of the Corridor and Burkina Faso is installing two weighbridges to operate on the border with Ghana, at the entrance of Ouagadougou and on the border with Mali. The two Joint Border Posts (JBPs) that are in the process of being built at Paga and Heremakono will include weighbridges.

20. ***Application of regional transit regulations.*** In 1982, ECOWAS adopted two conventions to set up harmonized transit procedures for regional transport in the ECOWAS region, on the model of the European TIR (International Road Transport) convention of 1975. These are the following:

- The IST identifies one hundred and two routes in the fifteen ECOWAS countries as community road axes. It sets forth regulation for axle load (11.5 tons), dimensions of vehicles, maximum number of passengers and minimum interval for technical inspection of vehicles used for regional transport. The convention also establishes a framework for delivery of licenses to vehicles used for regional transport. The convention determines that waybills are to be used as evidence of the carriage contract. Third party liability insurance (ECOWAS Brown Card) is made compulsory aiming at facilitating payment of damages in case of accidents and harmonizing settlement of claims between countries of the community.
- The ISRT, approved by the Heads of States of the ECOWAS in May 1980, deals with interstate road transit between ECOWAS partner States and is aimed at facilitating the movement of goods and people in the region. Transit of goods is covered by the Inter-State Road Transit Declaration and the use of the ECOWAS ISRT Logbook. Goods must be transported in means of transport satisfying conditions set forth by the convention in terms of markings and sealing. In addition to the ISRT convention, a supplementary convention signed in 1990, sets up a bond guarantee mechanism for inter-state road transit. The objective of the guarantee is to ensure that customs in a transit country receive the equivalent of customs duties if transit goods are smuggled in the country. According to the supplementary convention, the mechanism was to be managed by a group of national bodies, each body being designated by each member state.

21. Despite the adoption of the IST and ISRT conventions, and the guarantee scheme, these instruments are still not fully implemented. This triggers additional vehicle controls and hinders the flow of goods and vehicles. Furthermore, most trucks do not comply with the axle load regulation specified in the IST convention. In the case of the ISRT logbook, this document has not been harmonized in the region and national “carnets” are the practice; no regional transit guarantee system is in place. In addition, other documents are still required and managed by national shippers’ councils or freight bureaus.

22. A bond guarantee system is in place in the three Corridor countries (Burkina Faso, Ghana and Mali) but covers only the section of the trip in the emitting country. In Burkina Faso and Mali, the system is managed by national Chambers of Commerce and in Ghana by the State Insurance Corporation (SIC). An agreement has recently been reached between the transit guarantors of the three countries to implement a regional transit guarantee system along the Corridor. Despite significant progress towards the implementation of this scheme, its implementation awaits a tripartite agreement on sharing of the initial transit guarantee premium between the three transit guarantors.

23. The landlocked countries in ECOWAS/WAEMU are much more affected by the failure to apply the regulatory texts, and as a result, suffer from the high transport and transit costs that they have to bear for their imports and exports. Efforts are under way to redesign the ISRT system with data centralized at the WAEMU Secretariat.

24. **Customs transit procedures.** Custom administrations remain concerned that the existing systems and procedures that are in place to prevent transit goods from being unloaded on their territory without paying the relevant duties and taxes are not fully effective. More specifically, there is limited confidence in the national transit guarantee system, the sealing of transit trucks or in their capacity to monitor the transport of transit goods without escorting the transit trucks through their territory. The escort system is expensive both to the trader and to customs. Obtaining transit documentation takes an excessive amount of time and border crossings can be lengthy. In addition, there are features of the transport and transit practices in the region that increase costs of doing business amongst which are: (a) the low share of total sea cargo that is forwarded inland in containers; (b) the system of national quotas (“*tour de rôle*”) that allocates two thirds of the transit trade to truckers of the landlocked country and one third to the country of origin; (c) the poor condition of the transport and transit vehicles; and (d) the large share of transport that is undertaken by small carriers. To assist customs of the various Corridor countries to better monitor and control transit traffic, the proposed project will finance equipment for the mobile customs teams in each country to permit them to intervene when the truck tracking system, that the project will finance, identifies possible abnormalities with the journey of the transit trucks.

25. Considerable progress has been already made in Ghana at improving the movement of transit goods through its territory. The major elements of this program are: (a) the transit module of the Ghana customs management system was rolled out to the border with Burkina Faso; (b) a simple and effective truck sealing system was introduced leading to the elimination of the transit escort system for most non sensitive goods on the Ghanaian portion of the Corridor; (c) all transit trucks are now registered in view of the introduction of a truck certification system; and (d) the transit guarantee system has been revamped and only the SIC is now issuing these guarantees and is in active negotiation with the transit guarantors in both Mali and Burkina Faso, a process that aims at establishing a regional transit guarantee system.

26. **JBP.** NEPAD, ECOWAS and WAEMU all have the common objective of introducing the JBP concept to try to streamline border crossings, a major source of transit delays. The RP-I program includes the provision to build two JBPs on the Corridor at the border between Mali and Burkina Faso (Heremakono) and on the border between Burkina Faso and Ghana (Paga). The JBP that was built at the border between Burkina Faso and Togo (Cinkansé) was to serve as an example of this initiative. WAEMU, in cooperation with the governments of Mali, Burkina Faso and Ghana has undertaken a number of crucial preparatory steps towards the construction of the two new JBP on the Corridor. More importantly, funding to construct and operate the JBPs at both Heremakono and Paga has already been identified.

27. The JBP between Mali and Burkina Faso (Heremakono) will be situated on Malian territory and the joint border post between Burkina Faso and Ghana will be situated at Paga in Ghana. Land has been acquired by the GOG and will be transferred to ECOWAS, which in turn is expected to ask WAEMU to manage the site. Several studies are underway to determine: (a) the juridical status of the two JBPs; (b) conventions between neighboring countries that will permit these JBP to operate; (c) conventions between WAEMU and ECOWAS and the three countries along the Corridor that will spell out the operational details of these JBPs; and (d) draft concession agreements for the operation of these JBP. Full operation of these JBPs will also require that an agreement be reached on the various operational procedures of all border control agencies that will operate in the JBPs, amongst which are the sequence operating procedures (nationally first and then between the two countries) and the special aspects of some border control staff that will operate extraterritorially.

28. **Use of information technology.** Transit documents are registered in the customs automation system of Ghana, which has recently established a computer connection with the Paga border with Burkina Faso. The proposed project intends to finance the extension of the ASYCUDA ++ systems of Mali and Burkina Faso to their respective frontiers and the connection between the ASYCUDA + system of Burkina Faso and the customs management system of Ghana.

29. **Institutional structure to monitor and manage the transit agreements.** On the recommendation of the fifty-third session of the Council of Ministers held in Accra in January 2005, three types of facilitation committees are in the process of being established: (a) a National committee in each Member State to discuss country issues; (b) a Regional Committee for the ECOWAS sub-region to facilitate Inter-State Road Transport and Transit; and (c) an Inter-State Corridor Cross Border Management Committee, to discuss corridor issues.

30. The national and regional transport facilitation committees are expected to oversee the implementation of the tasks assigned to them so as to ensure smooth flow of inter-state transit traffic. The Cross Border Management Committee is expected to monitor and coordinate activities relating to the implementation of the ECOWAS's "Regional Road Transport Programme" and WAEMU's *PACITR* and more specifically identify obstacles hampering the smooth flow of traffic along the corridor and make recommendations with a view to removing them. The various country and Corridor level facilitation committees will be the primary forum to keep the civil society on the facilitation of transport, transit and trade along the Corridor.

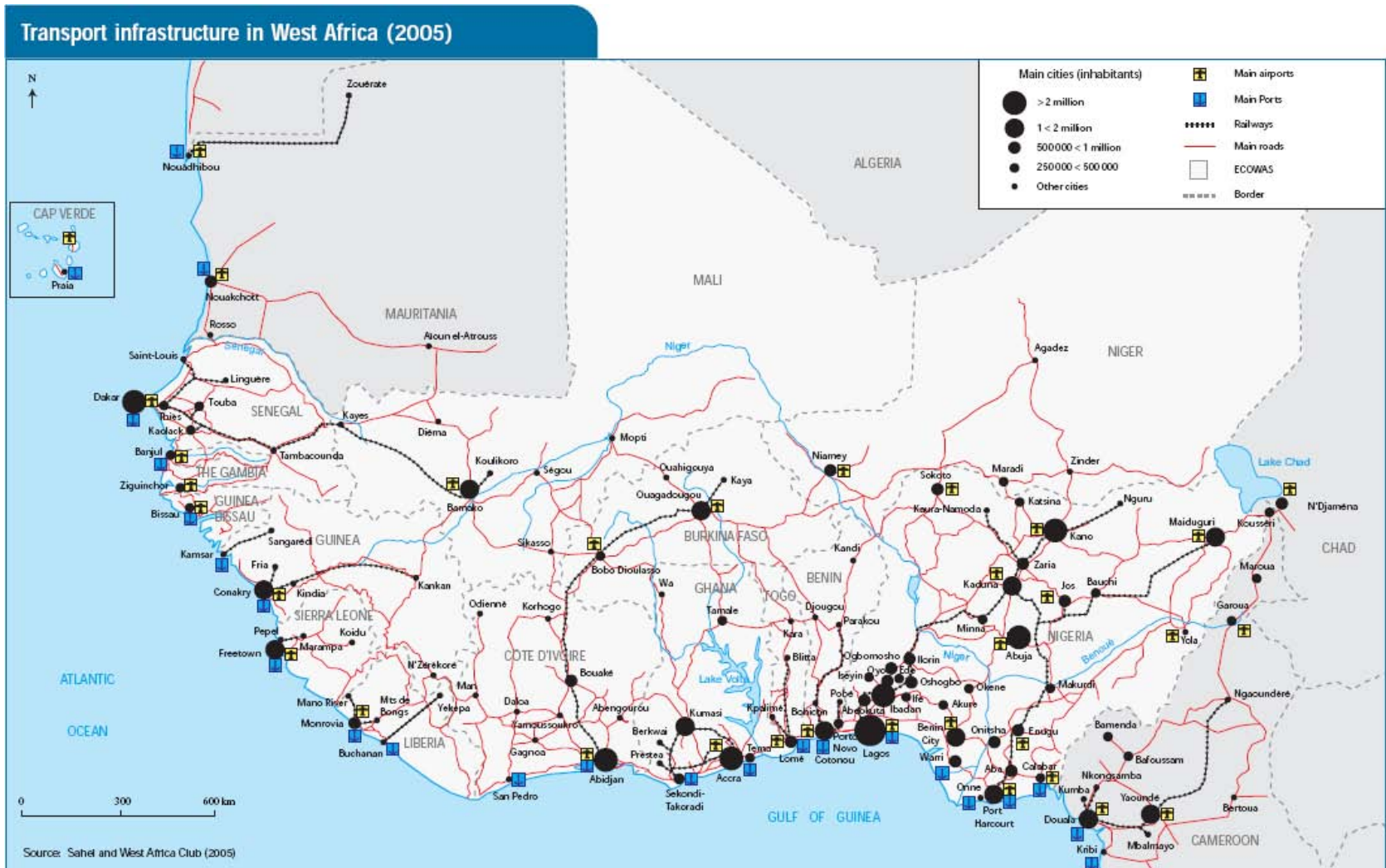
31. **Road blocks.** On average, there is one block every 40 km between Abidjan and the border between Côte d'Ivoire and Burkina Faso. The situation along the corridor is marginally better. A 2003 WAEMU sponsored survey of abnormal practices on selected inter-state roads (Burkina Faso,

Niger, Ghana and Togo) estimated the amount of illegal payments collected at roadblocks at FCFA60,000 per trip on average and about FCFA32,000 on the Ghana-Burkina Faso corridor. In addition to the cost, corruption is a disincentive for transporters to comply with transit regulation which has to be paid whether the transporter complies or not. According to a WATH sponsored survey in 2006/2007, the loss of time is also considerable and estimated at about eight hours per 1,000 km on the Corridor. This significantly reduces the economic interest of investment in road infrastructure. Although illegal roadblocks are a well-known issue throughout the sub-region, few countries have taken measures to reduce them. Most countries lack the political commitment and implementation capacity to take action. In most cases, roadblocks have quickly reappeared after being removed. Often, administrative services are not the only source of roadblocks. Transporters' unions are also present on the roads to verify compliance with regional quotas or at road stations to collect fees for the use of the station although no service is provided in exchange. An observatory for abnormal practices was created by the USAID financed Trade Hub.

32. ***Impact of international transit on population.*** Road transport has been identified as a source of propagation of HIV/AIDS along transit corridors in Africa. While most countries have national programs to fight against HIV/AIDS, not all include transport corridors and they very often ignore problems at borders. The proposed project focuses on the HIV/AIDS prevention and mitigation by funding a targeted corridor specific action plan.

33. ***Corridor road safety.*** Road corridors are considered road accidents hotspots due to the high level of traffic and the high percentage of trucks in the traffic mix. Professional drivers have been found very often involved in road accidents. Accidents result from inadequate training, insufficient knowledge of road codes, inefficiency of controls, fatigue, overloading of trucks, mechanical failure, excessive speeds, insufficient road signaling, poor road conditions, and lack of attention to pedestrians. The proposed project has developed a Corridor with specific safety measures, such as the improved driver training, safety awareness and traffic management, as well as action on physical road safety improvements along the Corridor.

Figure 2 - Transport infrastructure in the ECOWAS sub-region



**Annex 2: Major Related Projects Financed by the Bank and/or other Agencies**  
**AFRICA: West Africa Transport and Transit Facilitation Project**

<b>Bank-Financed Projects</b>	<b>Project</b>	<b>Latest Supervision (ISR) Ratings (Bank-Financed projects Only)</b>	
		<b>Implementation Progress (IP)</b>	<b>Development Objective (DO)</b>
AFTTR	P074030 - Burkina Faso -Transport Sector Project	MS	MS
AFTTR	P050623- Ghana -Road Sector Development Program	S	S
AFTTR	P092509- Accra Urban Transport	S	S
AFTTR	P079351 - Mali-Transport Corridors Improvement Project	MS	MS
AFTTR	P083751 - West and Central Africa Air Transport Safety & Security Project (Mali and Burkina Faso components)	MS	MS
AFTTR	P074850 - HIV/AIDS Project for Abidjan - Lagos Transport Corridor	S	S
AFTTR	P090075 - Second Transport Sector Project	MS	S
AFTTR	P096407 - Abidjan Lagos Trade and Transport Facilitation Project	At design stage	At design stage
AFTFS	P074525 - WAEMU Capital Market Development Project	U	U
AFTTR	P102000 - Ghana Transport Project	At design stage	At design stage
<b>Other agencies financed projects</b>			
<b>Agency</b>	<b>Project</b>		
AfDB	Road Program I		
BOAD	Funding rehabilitation of portions of the Corridor in Burkina Faso and Mali.		
European Union	Transport facilitation Project under the Regional Indicative Program. Under the 8 <sup>th</sup> , 9 <sup>th</sup> and 10 <sup>th</sup> FED funding the EU is rehabilitating significant portions of the Corridor in BF and Ghana under their respective National Indicative Programs		

The above rating abbreviations correspond to: (a) S = Satisfactory; (b) MS = Marginally Satisfactory; and (c) U = Unsatisfactory.



**Annex 3: Results Framework and Monitoring**  
**AFRICA: West Africa Transport and Transit Facilitation Project**

**Table 1 - Results Framework**

PDO	Outcome Indicators	Use of Outcome Information
<b>Improve access by Burkina Faso and Mali to the Ghanaian ports, as well as improve port operations and facilitate the efficient movement of traffic along the Tema - Ouagadougou - Bamako Corridor.</b>	<ul style="list-style-type: none"> <li>(a) Average transit time for imports moving by container from the exit at the Port of Tema to Ouagadougou.</li> <li>(b) Variance of transit from the exit at the Port of Tema to Ouagadougou.</li> <li>(c) Average transit time for imports moving by container from the exit at the Port of Tema to Bamako.</li> <li>(d) Variance in transit from the exit at the Port of Tema to Bamako.</li> </ul>	<b>Assess the extent of physical and non-physical barriers along the Corridor.</b>
Intermediate Results	Results Indicators	Use of Results Monitoring
Component one (Corridor road infrastructure improvement).	<ul style="list-style-type: none"> <li>(a) Percentage of road in good condition (International Roughness Index (IRI) &lt; 4.5) on the Tema – Ouagadougou portion of Corridor.</li> <li>(b) Percentage of road in good condition (IRI &lt; 4.5) on the Ouagadougou – Bamako portion of Corridor.</li> <li>(c) Number of fatalities on the Corridor.</li> </ul>	<b>Assess road condition, safety and performance along the Corridor.</b>
Component two (Corridor transport and transit facilitation measures).	<ul style="list-style-type: none"> <li>(a) Number of fixed customs checkpoints in Ghana, Burkina Faso and Mali (excluding the border-posts).</li> <li>(b) Border-crossing time at Paga (Ghana – Burkina Faso) and Heremakono (Burkina Faso – Mali).</li> <li>(c) Electronic transmission of transit documents collected by Ghanaian Customs is provided in quasi real-time to Burkina Faso’s and Mali’s customs.</li> <li>(d) Cargo tracking system is monitoring in real time transit trucks along full length of Corridor.</li> <li>(e) Truck tracking system is functioning on full length of Corridor.</li> <li>(f) Dwell time for transit trucks in the trucking village at the Port of Tema.</li> </ul>	<b>Assess the extent of trade and transport facilitation.</b>

**Table 2 - Logical Chain Framework**

	<b>Component</b>	<b>Activities</b>	<b>Outputs</b>	<b>Intermediate Outcomes/Indicators</b>	<b>Outcomes/Indicators</b>
1.	Improvement of regional infrastructure and mitigation of the impact of transit on the corridor.	<ul style="list-style-type: none"> <li>- Rehabilitation of the Buipe – Tamale road section in Ghana.</li> <li>- Rehabilitation of the Ouagadougou – Sakoinzé road section in Burkina Faso.</li> <li>- Rehabilitation of the Bamako – Bougouni road section.</li> <li>- Rehabilitation of the Sikasso – Heremakono road section.</li> </ul>	<ul style="list-style-type: none"> <li>- Buipe – Tamale (103 km) road section is improved.</li> <li>- Ouagadougou – Sakoinzé (54 km) road section is improved.</li> <li>- Bamako – Bougouni (154 km) road section is improved.</li> <li>- Sikasso – Heremakono (45 km) road section is improved.</li> </ul>	<p><b>Improvements in the quality of the road network</b></p> <ul style="list-style-type: none"> <li>- Percentage of road in good condition (IRI &lt; 4.5) on the Corridor.</li> <li>- Number of fatalities on the Corridor.</li> </ul>	<p><b>Reduced transport time</b></p> <ul style="list-style-type: none"> <li>- Average transit time for imports from the exit at the Port of Tema to Ouagadougou.</li> <li>- Average transit time for imports from the exit at the Port of Tema to Bamako</li> </ul> <p><b>Increased transport predictability</b></p> <ul style="list-style-type: none"> <li>- Variance of transit time for imports from the arrival in the Port of Tema to Ouagadougou</li> </ul>
2.	Transit and Transport Facilitation Investments.	<ul style="list-style-type: none"> <li>- Financial support to interconnectivity between customs ICT systems.</li> <li>- Building a satellite truck park for transit trucks at the Port of Tema.</li> <li>- Funding of TA and/or consulting services for staff training / capacity building, process and organizational refinements in support of new systems and functions.</li> </ul>	<ul style="list-style-type: none"> <li>- IT customs systems interconnected.</li> <li>- Improved customs procedures.</li> <li>- Trucking village at the Port of Tema in place and operational.</li> <li>- Fewer customs control checks along the corridor.</li> </ul>	<p><b>Simplified and less costly transit procedures</b></p> <ul style="list-style-type: none"> <li>- Number of fixed customs checkpoints in Ghana (excluding the border-post).</li> <li>- Border-crossing time at Paga (Ghana/BF).</li> <li>- Border-crossing time at Heremakono (BF/Mali).</li> <li>- Electronic transmission of transit documents collected by CEPS (Ghana customs) is provided in quasi real-time to Burkina Faso’s customs.</li> <li>- Truck tracking system is functioning on full length of Corridor.</li> <li>- Dwell time for transit trucks in the trucking village at Tema.</li> </ul>	

**Table 3 - Arrangements for results monitoring**

<b>Outcomes and results/Indicators</b>	<b>Collection methodology</b>	<b>Data collection responsibility</b>
<ul style="list-style-type: none"> <li>- Average transit time for imports from the exit at the Port of Tema to Ouagadougou.</li> <li>- Variance of transit from the exit at the Port of Tema to Ouagadougou.</li> <li>- Dwell time for transit trucks in the trucking village at Tema.</li> </ul>	<p>Already collected by GCnet.</p> <p>GPHA data (entry/exit of the village).</p>	<p>GCnet data/Customs administrations.</p> <p>GPHA.</p>
<ul style="list-style-type: none"> <li>-Average transit time for imports from the exit at the Port of Tema to Bamako.</li> <li>- Variance of transit from the exit at the port of Tema to Bamako.</li> </ul>	<p>Surveys of a representative number of transport companies and freight forwarders customs data.</p>	<p>Roads administrations / Customs administrations.</p>
<p>Percentage of road in good condition on the Tema – Ouagadougou portion of Corridor.</p> <ul style="list-style-type: none"> <li>- Percentage of road in good condition on the Ouagadougou – Bamako portion of Corridor.</li> <li>- Number of fatalities on the Corridor.</li> </ul>	<p>Road surveys, already collected.</p> <p>Regular field reports.</p>	<p>Roads administrations.</p> <p>Traffic police and/or dedicated Corridor ‘road safety patrol’.</p>
<ul style="list-style-type: none"> <li>- Number of fixed customs checkpoints in Ghana (excluding the border-post).</li> <li>- Electronic transmission of transit documents collected by Ghanaian Customs is provided in quasi real-time to Burkina Faso’s and Mali’s customs.</li> <li>- Cargo tracking system is monitoring in real time transit trucks along full length of Corridor.</li> <li>- Truck tracking system is functioning on full length of Corridor.</li> </ul>	<p>Surveys of a representative number of transport companies and freight forwarders.</p>	<p>Ministries of Transport/WATH/ECOWAS/WAEMU.</p>
<ul style="list-style-type: none"> <li>- Border-crossing time at Paga (Ghana/Burkina Faso).</li> <li>- Border-crossing time at Heremakono (Mali/Burkina Faso).</li> </ul>	<p>Surveys at the border.</p>	<p>GCnet data/Customs administrations/Ministries of Transport.</p>

**Table 4 - Indicators baseline and targets**

Outcome Indicators	Baseline (2008)	Target Values					Frequency and Reports
		YR1	YR2	YR3	YR4	YR5	
Average transit time for imports moving by containers from the exit at the Port of Tema to Ouaga. decreases by 20%.	7 days					5.6 days	yearly
Average transit time for imports moving by containers from the exit at the Port of Tema to Bamako decreases by 20%.	15 days					12 days	yearly
Variance of transit from the exit at the port of Tema to Ouaga. decreases by 20%.	3 days					2.4 days	yearly
Variance of transit from the exit at the Port of Tema to Bamako decreases by 20%.	6 days					4.8 days	yearly
<b>Results Indicators for Each Component</b>							
<b>Component One :</b> (a) Percentage of road in good condition on the Tema – Ouaga. portion of Corridor.	50%					75%	yearly
(b) Percentage of road in good condition on the Ouagadougou – Bamako portion of Corridor.	40%					60%	yearly
(c) Number of fatalities on the Corridor.	500					400	yearly
<b>Component Two:</b> (a) Number of fixed customs checkpoints in Ghana, Burkina Faso and Mali (excluding the border-post),	6/0/4					2/0/1	yearly
(b) Border-crossing time at Paga (Ghana/BF).	5 hours					4 hours	yearly
(c) Border-crossing time at Heremakono (Mali/BF).	4 hours					3 hours	yearly
(d) Electronic transmission of transit documents collected by Ghanaian Customs is provided in quasi real-time to Burkina Faso's and Mali's customs.	Not in place					In place	yearly
(e) Cargo tracking system is monitoring transit trucks along full length of Corridor.	Not in place in Mali and BF.				In place		
(f) Average dwell time for transit trucks in the trucking village at Tema.	48 hours					24 hours	yearly

## Annex 4: Detailed Project Description

### AFRICA: West Africa Transport and Transit Facilitation Project

#### A. General Description

1. The proposed project supports the objectives of RP-I program which is part of WAEMU/Ghana's *PACITR*. The objectives of the RP-I program are to facilitate transport and transit on the Corridor to boost internal and external regional trade and support sustainable economic growth of the concerned countries, a recognized vector of poverty reduction. More specifically, the proposed project supports the following three major project components to be implemented in the three countries that are along the Corridor.

- Corridor road infrastructure improvement: This component is expected to improve key sections of the road Corridor to carry inter- and intra-country traffic by: (a) rehabilitating and strengthening key road sections; (b) constructing rest stop areas; (c) implementing social and environmental mitigation measures for the civil works; (d) implementing a Corridor specific HIV/AIDS action plan; and (e) designing and implementing a Corridor specific physical road safety action plan.
- Corridor transport and transit facilitation measures: This component is expected to strengthen the capacity of customs and transport authorities to better manage the movement of transit traffic along the Corridor by: (a) constructing a STTV adjacent to the Port of Tema; (b) rehabilitating and equipping the Faladie, Bamako multifunctional platform; (c) supporting the upgrading of customs related ICT and extension of cargo tracking system to better monitor and secure transit traffic; and (d) providing logistical, capacity building and TA support to improve the effectiveness of customs and transport authorities to monitor and control transit traffic.
- Project management, monitoring and evaluation: This component is expected to fund the management, monitoring and evaluation of project implementation activities in Ghana, Burkina Faso and Mali.

2. The estimated total project cost is about **US\$197.2 million**, broken down as follows: (a) **US\$70 million** for the Burkina Faso components; (b) **US\$85 million** for the Ghana components; and (c) **US\$42.2 million** for the Mali related components. The IDA share will be about **US\$190 million**, while the GOG and GOM will provide US\$5 million and US\$2.2 million respectively in counter part funding.

#### B. Detailed project description

##### *Project Component I: Corridor road infrastructure improvement works (about US\$ 162.7 million)*

3. This component represents over 80 percent of the total IDA financing for the proposed project and includes the following activities along the Corridor: (a) rehabilitation of road sections in poor condition; (b) construction of rest stop areas; (c) mitigation of the social and environmental impacts of the civil works; (d) implementation of HIV/AIDS prevention and

mitigation measures along the Corridor; and (e) design and implementation of an action plan to enhance Corridor road safety.

4. ***Rehabilitation and strengthening of road sections in poor condition (about US\$ 151.8 million).*** This subcomponent primarily funds: (a) feasibility and design studies; (b) rehabilitation and strengthening of road sections in poor condition on the Corridor; and (c) supervision consultant services. The activities are broken down in the following manner by country.

- ***Burkina Faso (about US\$58.8 million).*** The proposed project will finance the following activities: (a) techno-economic feasibility studies and detailed engineering for two sections of the Corridor (Bobo Dioulasso – Orodora – border of Mali (130 km) and Ouagadougou – Sakoinzé (54 km); (b) rehabilitation of the Ouagadougou – Sakoinzé section of Corridor; and (c) supervision consultant services for the Ouagadougou – Sakoinzé road works.
- ***Ghana (about US\$67.0 million).*** The proposed project is financing the techno-economic feasibility studies and detailed engineering for the Kintampo – Tamale – Paga road (396 km); (b) rehabilitation of the Buipe – Tamale section (103 km) of the Corridor; (c) supervision consultant services for the works on Buipe – Tamale road works; and (d) training, consultancies, equipment and studies.
- ***Mali (total cost about US\$26 million).*** The proposed project is expected to fund part of the road rehabilitation works on the Bamako – Bougouni road (154 km) and to fund the rehabilitation of the Sikasso – Herememakono section (45 km) of the Corridor. The road works on the Bamako – Bougouni road section are currently being funded under the IDA “*Projet d’Amélioration des Corridors de Transport*” (PACT) and counterpart funding from the GOM.

5. ***Construction of rest stop areas along the Corridor (about US\$ 6.3 million).*** The objective of this sub-component comprises the identification, design and construction of up to eight major rest stops along the Corridor.

- ***Burkina Faso (about US\$1 million).*** The proposed project is expected to fund the design and construction of up to two rest stop areas along the Burkina Faso section of the Corridor.
- ***Ghana (about US\$2.5 million).*** The proposed project is expected to fund the design and construction of up to two intervening transit/rest stations and two rest stops on the Ghanaian section of the Corridor.
- ***Mali (about US\$2.8 million).*** The proposed project is expected to fund the design and construction of up to two rest stop areas along the Malian section of the Corridor.

6. ***Implementation of social and environmental mitigation measures (about US\$1.3 million).*** This activity will fund the implementation of the agreed social and environmental mitigation measures for the infrastructure works funded under the proposed project. More

specifically, the sub-component will fund the implementation of the ARAP in Burkina Faso and EIA and EMP in Ghana, Mali and Burkina Faso.

7. ***HIV/AIDS prevention and mitigation measures along the Corridor (about US\$1.1 million)***. The objective of this sub-component is to establish a common action plan to cover all three countries along the Corridor with the objective of sensitizing and mitigating the propagation of HIV/AIDS among high risk groups such as truck drivers. More specifically, the proposed project will fund the following activities in the three countries along the corridor.

- ***Ghana (about US\$500 thousand)***. Sensitization and advocacy campaigns will be conducted to promote voluntary testing and counseling along the Ghanaian portion of the Corridor, with special focus on preventive activities to minimize the spread of HIV/AIDS amongst high risk groups such as truck drivers. Furthermore, Ghana will capitalize on the experience gained in implementing the IDA funded “HIV/AIDS Project for Abidjan – Lagos Transport Corridor”. This experience will include the establishment of observatories and community engagement at the borders post and along the Ghanaian portion of the Corridor.
- ***Burkina Faso (about US\$300 thousand)***. There is an already established structure along the corridor in the Burkina Faso portion of the Corridor which includes Health centers located in strategic areas. The existing health centers will be scaled up to increase the existing capacity for Voluntary Counseling and Testing (VCT) to sensitize the targeted population and to meet an increasing demand for services.
- ***Mali (about US\$300 thousand)***. In the case of Mali, the focus will initially be on developing an HIV/AIDS awareness program which will include an aggressive communication strategy. This will then be followed by a VCT strategy.

8. ***Design and implementation of road safety Corridor improvement action plan (about US\$ 2.2 million)***. The objective of this sub-component is to develop a common road safety action plan which covers all three countries along the Corridor. More specifically, the project will fund the following activities: (a) preparation of a road safety improvement framework; (b) preparation of a road safety improvement action plan; and (c) monitoring and evaluation.

***Project Component II: Corridor transport and transit facilitation measures (about US\$28.7 million)***

9. This component, covers the following activities: (a) constructing a STTV, adjacent to the Port of Tema; (b) rehabilitating and equipping the Faladie multifunctional platform in Bamako; (c) supporting the upgrading of customs related ICT and extension of cargo tracking system to better monitor and secure transit traffic; and (d) logistical, capacity building and TA support to improve effectiveness of customs and transport authorities to monitor and control transit traffic. What follows are the details of each activity:

10. ***Construction of STTV adjacent to the Port of Tema (Ghana) (about US\$6 million)***: This sub-component includes the preparation of a techno-economic feasibility study with preliminary engineering design and social/environmental impact assessment. This sub-component includes

the construction of a STTV outside the port to be utilized by transit trucks and truckers that are picking up or discharging cargo at the Port of Tema.

11. ***Rehabilitation and equipment of the multifunctional platform at Faladié (Mali) (about US\$7.4 million)***: This sub-component includes: (a) rehabilitation of existing access road to the platform (1 km); (b) rehabilitation of warehouses; and (c) acquisition of equipment (reach stacker and forklifts).

12. ***Supporting the upgrading of customs related ICT and extension of cargo tracking system to better manage, monitor and secure transit traffic (about US\$7.4 million)***: This sub-component includes: (a) extension of the ASYCUDA++ system in Burkina Faso and Mali; (b) interconnection of the customs management systems of Ghana, Burkina Faso and Ghana; (c) introducing a cargo tracking system on the Burkina Faso section of the Corridor; (d) introducing a cargo tracking system on the Malian section of the Corridor, including the design and the implementation of the single log book; (e) the implementation of a common guarantee system; (g) Support to the implementation of the JBP in Paga (Ghana/Burkina Faso) and Heremakono (Burkina Faso/Mali); and (f) the construction and equipment of two transit check points on the Ghanaian section of the Corridor.

13. ***Logistical, capacity building, road safety sensitization, TA support to customs and transport related authorities (about US\$7.9 million)***: This sub-component includes: (a) assistance to customs and transport administrations to strengthen their capacity to monitor, manage and intervene to regulate and secure transit cargo traffic along the Corridor; and (b) studies and consultation to support the other activities of this component.

**Project Component III. Project management, monitoring and evaluation (about US\$3.1 million)**

14. The proposed project will fund project management, operating, monitoring and evaluation costs for the implementing entities involved in the implementation of the project. More specifically, the proposed project will fund the following:

- ***Burkina Faso (about US\$1.2 million)***. The proposed project will fund relevant project specific management, operating, monitoring and evaluation costs of the already established multi development partner PCU for transport projects.
- ***Ghana (about US\$900 thousand)***. Although project implementation in Ghana is mainstreamed, the proposed project will fund relevant project specific management, operating, monitoring and evaluation costs.
- ***Mali (about US\$1 million)***. The proposed project will fund relevant project specific management, operating, monitoring and evaluation costs of the already established NCU for IDA funded transport sector projects.

**PPF funding (about US\$2.7 million)**

15. PPF funding was provided under the proposed project to Ghana and Burkina Faso to facilitate the preparation of the physical components of the project. More specifically the following amounts of PPF were granted: (a) Ghana – US\$1.5 million; and (b) Burkina Faso – US\$1.2 million.



### C. Description of the elements of the Program funded by other development partners.

16. **AfDB.** Approved in December 2003, the AfDB RP-I program is under implementation and is expected to close in 2009. It has an estimated value of US\$100 million equivalent. The project is funding: (a) Road and facilitation studies including the detailed engineering studies of high priority RP-I roads, Advance Cargo Tracking system, etc; (b) improvement of Bougouni – Sikasso road (about 158 km) in Mali; (c) improvement of Ouagadougou – Pô road (about 150 km) in Burkina Faso; (d) improvement of Techiman – Kintampo (about 62 km) in Ghana (about 62 km); (e) sensitization and facilitation activities and measures including installing a radio communication system on the Corridor; (f) constructing two JBPs in Paga (border Ghana – Burkina Faso) and Heremakono (Border Burkina Faso – Mali); and (g) supporting the introduction of a single ISRT booklet.

17. **European Union.** The EU Transport Facilitation Project is a part of the Regional Indicative Program (PIR). It has allocated about €64 millions (US\$ 96 million equivalent)<sup>8</sup> to meet the facilitation needs of the designated ECOWAS/WAEMU priority corridors, including the Corridor. More specifically, this project supports: (a) harmonization and simplification of regulations, procedures and documents; (b) construction JBPs; (c) reduction of the number of checkpoints along the inter-state road axes and crossing time at JBPs; (d) improving the merchandise information system; and (e) related activities (HIV/AIDS, social and environmental mitigation measures, road safety). Furthermore, under the 8<sup>th</sup> and 9<sup>th</sup> FED, the EU has funded the rehabilitation of Boromo – Bobo Dioulasso road in BF and Kumasi – Techiman road in Ghana. Under the 10<sup>th</sup> FED, the EU is expected to fund the rehabilitation of the Sakoinzé – Boromo section of the Corridor in Burkina Faso.

18. **BOAD.** The BOAD is providing about US\$17 million equivalent to finance the following road construction and supervision of the works: (a) with AfDB, the Bougouni – Sikasso (Bougouni – Ka) road rehabilitation works in Mali; and (b) also with AfDB, part of Ouagadougou – Po road rehabilitation works in Burkina Faso. A portion of BOAD's funding on the RP-I program comes from the IDA WAEMU Capital Market Development Project.

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<sup>8</sup> Exchange rate used is EURO1 = \$1.5

## Annex 5: Project Costs

### AFRICA: West Africa Transport and Transit Facilitation Project

**Table 1 – Support by Development Partners to implementation of RP-I on the Corridor**

<b>Development Partners</b>	<b>*Total (in US\$ millions equivalent)</b>
IDA	190
EU	200
AfDB (under implementation)	100
<i>BOAD</i> (under implementation)	17
WAEMU Commission	1
Governments	30
<b>Total:</b>	<b>538</b>

\* The estimated amounts for each development partner are at the current prevailing exchange rates.

**Table 2 – Aggregated estimated costs of all project components**

Description of project component	Estimated cost (in US\$ millions*)
<b>1. Corridor infrastructure improvement works:</b>	<b>162.7</b>
<i>1.1 Road rehabilitation and strengthening:</i>	<i>142.9</i>
➤ Buipe – Tamale road:	63.2
➤ Ouagadougou – Sakoinsé road:	55.7
➤ Sikasso-Heremakono:	20
➤ Bamako – Bougouni road:	4
<i>1.2 Construction of rest stops:</i>	<i>6.3</i>
➤ Up to four stops areas on the Ghanaian section of the Corridor:	2.5
➤ Two rest stops on the Burkina Faso section of the Corridor:	1.0
➤ Two rest stops on the Malian section of the Corridor:	2.8
<i>1.3 Supervision of the road works:</i>	<i>8</i>
➤ Buipe – Tamale road:	2.9
➤ Ouagadougou – Sakoinsé road:	3.1
➤ Bamako – Bougouni road:	2.0
<i>1.4 Social and environmental mitigation measures:</i>	<i>1.3</i>
➤ Ghana:	1
➤ Burkina Faso:	0
➤ Mali:	0.3
<i>1.5 HIV/AIDS Corridor prevention and mitigation action plan:</i>	<i>1.1</i>
➤ Ghana:	0.5
➤ Burkina Faso:	0.3
➤ Mali:	0.3
<i>1.6 Road safety Corridor action plan:</i>	<i>2.2</i>
➤ Ghana:	1
➤ Burkina Faso:	0.7
➤ Mali:	0.5
<i>1.7 Training, consultancies, equipment and studies:</i>	<i>0.9</i>
➤ Ghana:	0.9
<b>2. Corridor transport and transit facilitation measures:</b>	<b>28.7</b>
<i>2.1 Construction of a STTV facility adjacent to the Port of Tema (Ghana):</i>	<i>6</i>
<i>2.2 Rehabilitation and equipment of the multifunctional platform of Faladié (Mali):</i>	<i>7.4</i>
<i>2.6 Support to the upgrading of customs ICT and extension of cargo tracking system:</i>	<i>7.4</i>
<i>2.7 Logistical, capacity building, road safety sensitization and TA support:</i>	<i>7.9</i>

<b>3. Project Management, Monitoring and Evaluation (Ghana, Burkina Faso, Mali):</b>	<b>3.1</b>
➤ Ghana:	0.9
➤ Burkina Faso:	1.2
➤ Mali:	1
<b>4. PPF advances:</b>	<b>2.7</b>
➤ Ghana:	1.5
➤ Burkina Faso:	1.2
➤ Mali:	0
<b>Total:</b>	<b>197.2</b>

\* Cost estimates include all applicable taxes, price and physical contingencies. Furthermore, the GOG and GOM will be providing US\$5 million and US\$2.2 million in counterpart funding.

**Table 3 - Estimated cost of Burkina Faso Component**

<b>Description of project components</b>	<b>Estimated cost (in US\$* millions)</b>
<b>1. Corridor infrastructure improvement works:</b>	<b>60.8</b>
<i>1.1 Rehabilitation of Ouagadougou – Sakoinsé road:</i>	<i>55.7</i>
<i>1.2 Construction of two rest stops:</i>	<i>1</i>
<i>1.3 Supervision of the road works:</i>	<i>3.1</i>
<i>1.4 HIV/AIDS prevention and mitigation:</i>	<i>0.3</i>
<i>1.5 Road safety:</i>	<i>0.7</i>
<b>2. Corridor transport and transit facilitation measures:</b>	<b>6.8</b>
<i>2.1 Transport and transit facilitation support to DGTTM:</i>	
➤ Support to JBPs and Secured ISRT/Tracking System implementation:	0.4
➤ Logistical support to the project implementation:	0.4
➤ Strengthening capacities of transport sector transit operators:	2.1
➤ Traffic management, road safety sensitization and monitoring of roadblocks on Corridor:	0.2
➤ Support to documentary production and communication:	0.3
➤ Road safety sensitization:	0.2
<i>2.2 Transport and transit facilitation support to customs:</i>	
➤ Implementation of JBP concept at Paga and Heremakono:	1
➤ Introduction of secured ISRT/Tracking System system along Corridor:	1
➤ Strengthening capacity of operators to manage transit along the Corridor:	0.8
➤ Strengthening capacity of customs, private sector and focal points:	0.4
<b>3. Project Management:</b>	<b>1.2</b>
<i>3.1 PCU operating cost:</i>	<i>0.9</i>
<i>3.2 Monitoring and evaluation:</i>	<i>0.2</i>
<i>3.3 Audit:</i>	<i>0.1</i>
<b>4. Project Preparation Facility advance (PPF):</b>	<b>1.2</b>
<b>Total:</b>	<b>70</b>

\*Cost estimates include all applicable taxes, price and physical contingencies.

**Table 4 - Estimated cost of Ghana Component**

<b>Description of project components</b>	<b>Estimated cost (in US\$ millions*)</b>
<b>1. Corridor road enhancement works:</b>	<b>72.0</b>
<i>1.1 Rehabilitation/strengthening Buipe-Tamale Road:</i>	63.2
<i>1.2 Construction of up to four major rest stop areas along Tema – Paga road corridor:</i>	2.5
<i>1.3 Consultant services for design and supervision of the road works component:</i>	2.9
<i>1.4 Implementation of social and environmental mitigation measures:</i>	1.0
<i>1.5 Implementation of HIV/AIDS prevention action plan on the Ghanaian section of Corridor:</i>	0.5
<i>1.6 Implementation of Corridor Road Safety Action Plan:</i>	1.0
<i>1.7 Training, consultancies, equipment and studies:</i>	0.9
<b>2. Corridor transport and transit facilitation:</b>	<b>10.6</b>
<i>2.1 Transport and transit facilitation support to customs (CEPS):</i>	
➤ Construction of two transit check points and rest stop areas:	3.0
➤ Procurement of ICT equipment to fully equip two transit check points and rest stop areas:	0.2
➤ Procurement of vehicles to equip mobile CEPS patrols along Corridor:	0.3
➤ Training, equipment and studies:	1.1
<i>2.2 Transport and transit facilitation support to GPHA:</i>	
➤ Social and environmental impact assessment studies for construction STTV near the Port of Tema:	0.025
➤ Techno-economic feasibility studies and preliminary design for STTV:	0.2
➤ Detailed engineering design, preparation of tender documents(goods and works) and construction supervision of works:	0.3
➤ Civil works for construction of STTV:	5.5
<b>3. Implementation related operating costs:</b>	<b>0.9</b>
<b>4. *Project Preparation Facilities (PPFs):</b>	<b>1.5</b>
<b>Estimated Total:</b>	<b>85</b>

\*Cost estimates include all applicable taxes, price and physical contingencies. Furthermore, GOG will be providing about US\$5 million in counterpart funding.

**Table 5 - Estimated cost of Mali Component**

<b>Description of project component</b>	<b>Estimated cost (in US\$ millions*)</b>
<b>1. Corridor infrastructure improvement works:</b>	<b>29.9</b>
<i>1.1 Complementary funding for the rehabilitation of Bamako – Bougouni road:</i>	4
<i>1.2 Rehabilitation of Heremakono – Sikasso road :</i>	20
<i>1.3 Design and Supervision of road works:</i>	2
<i>1.4 Construction of two rest stops:</i>	2.5
<i>1.5 Supervision of the rest stops works:</i>	0.3
<i>1.6 HIV/AIDS prevention and mitigation:</i>	0.3
<i>1.7 Implementation of social and environmental mitigation measures:</i>	0.3
<i>1.8 Road Safety:</i>	0.5
<b>2. Corridor transport and transit facilitation measures:</b>	<b>11.3</b>
<p><i>2.1 Transport and transit facilitation support to DNTTMF:</i></p> <ul style="list-style-type: none"> <li>➤ Training, technical assistance to facilitation committee and formation travels: 0.5</li> <li>➤ Implementation of tracking system: 0.3</li> <li>➤ Logistical support to the implementation of the project (mobile patrols): 0.2</li> <li>➤ Design and engineering for rest stop areas: 0.5</li> </ul>	
<p><i>2.2 Transport and transit facilitation support to customs:</i></p> <ul style="list-style-type: none"> <li>➤ Modernization and equipment for Faladie multifunctional platform:, and access roads rehabilitation 7.4</li> <li>➤ Equipment for mobile transit patrols: 0.9</li> <li>➤ Implementation of tracking system: 0.5</li> <li>➤ Implementation of secured ISRT: 0.4</li> <li>➤ Interconnection of ICT systems: 0.6</li> </ul>	
<b>3. Project Management:</b>	<b>1</b>
<i>3.1 PCU operating cost:</i>	0.5
<i>3.2 Monitoring and evaluation:</i>	0.2
<i>3.3 Audit:</i>	0.3
<b>Total:</b>	<b>42.2</b>

\* Cost estimates include all applicable taxes, physical and price contingencies. Furthermore, GOM will be providing US\$2.2 million in counter part funding.

## **Annex 6: Implementation Arrangements**

### **AFRICA: West Africa Transport and Transit Facilitation Project**

1. The proposed project involves one regional institution, three countries and nine major implementing agencies. Establishing a clear implementation framework is crucial to ensure the smooth implementation of the proposed project. Given the issues at stake, the proposed implementation framework includes both regional and national dimensions.

#### ***Regional Coordination***

2. The WAEMU is responsible for the overall coordination and monitoring of the RP-I program, which the proposed project supports. This task will be managed by the Department of Community Territorial Development, Infrastructure, Transport and Telecommunications (*DATC*) through its Directorates of Infrastructure and Transport and Telecommunications.

3. In addition, a JTC was set up after the approval of the RP-I program, and includes representatives of the relevant implementing agencies, in each of the three countries involved in the program. The JTC, inter alia, ensures the oversight of the AfDB funding. It is chaired by WAEMU, and meets on a regular basis (every three months) to resolve any pending issues and ensure the smooth implementation of the RP-I program. The proposed project will be overseen by the JTC. This is to simplify the implementation framework and to ensure close coordination between all key stakeholders involved in the implementation of the RP-I program.

4. A limited number of small, specific-purpose regional and national level committees and/or working groups may be initiated during the proposed project, under the oversight of the respective National Transport Transit Facilitation Committees (NTTFCs). These bodies will be primarily tasked with guiding and monitoring the capacity building and training activities, ensuring that organizational development needs are effectively addressed and helping line management to plan and implement intra-agency workplace adjustments (process and function), in response to the introduction of new systems, approaches and responsibilities in Corridor management. The activities and results of such ad hoc committees will be reviewed periodically by the JTC.

#### ***National Coordination***

5. The proposed project components will be implemented by several ministries and departments. For instance, the ministries in charge of roads of the three countries will manage the implementation of the road rehabilitation works component. The customs and transportation administrations will ensure the implementation of the transit facilitation component. Therefore, the smooth implementation of the proposed project requires at the national level explicit coordination arrangements involving all stakeholders in the same country.

6. However, the proposed project has been designed to rely on existing government structures in order to simplify fiduciary accountability. For example, in Burkina Faso, the PCU is an established structure within the “*Ministère des Infrastructures et du Désenclavement*”. In Mali, the existing NCU falls under the “*Ministere des Transports Terrestres, Maritimes et Fluviaux*”,



and it will be involved in the implementation of the proposed project. Finally, in Ghana, it was agreed to mainstream project implementation within the MOT. What follows, are the details on the implementation arrangements broken down by individual countries involved in the implementation of the proposed project.

### ***Burkina Faso***

7. It was agreed that the proposed project would rely on the existing PCU is already in place for the implementation of the Transport Sector Project and the WCAATSSP funded by the World Bank.

8. The PCU is an established structure within the “*Ministère des Infrastructures et du Désenclavement*” and “*Ministère des Transports*”. It will be in charge of the overall coordination and supervision of the Burkina Faso component of the proposed project as well as the fiduciary activities related to its implementation.

9. The main activities of the PCU will be: (a) consolidation of the annual implementation programs and budgets; (c) monitoring the implementation of all project related activities; (c) producing periodic implementation reports; (d) maintenance of records and accounts for all transactions related to the PCU; (e) preparation of consolidated annual financial statements and Implementation Financial Reports (IFRs); (f) management of disbursements for components under its responsibility and replenishment applications for the special account; and (c) monitoring and evaluation of the various activities supported under the proposed project.

10. The following Implementing Agencies (IAs) are responsible to implement the Burkina Faso component of the proposed project: (a) General Directorate of Roads (*DGR*); (b) General Directorate of Land and Maritime Transportation (*DGTTM*); and (c) General Customs Directorate (*DGD*). Focal points have been designated in each of the aforesaid IAs in order to ensure more effective management and accountability for project preparation and implementation.

11. A Steering Committee (Comité National de Pilotage), co-chaired by the Ministers of Transport and Infrastructure, and including representatives of the Ministry of Finance, the Ministry of Environment, the Directors of the relevant implementing agencies involved in the project (*DGR*, *DGTTM*, *DGD*) will be established prior to the start of project implementation. The Steering Committee will be responsible for policy guidance and overall program and project oversight and will ensure communication and cooperation among stakeholders (including road users). The Steering Committee will meet on a regular basis (usually every quarter) during the first two years of project implementation. Its Secretariat will be entrusted to the PCU.

12. During project preparation and implementation, a technical committee comprising the PCU coordinator and appropriate staff as well as the focal points in the different IAs will continue to meet at least once a month to review implementation progress and expeditiously address any implementation related issues.

## ***Ghana***

13. The proposed project will rely on a three level implementation framework which includes: (a) one IMSC; (b) one PIT; and (c) three AITs.

14. The IMSC includes officials from the MOT, MHR, MOFEP, as well as the GHA, GPHA and CEPS. The IMSC is responsible for policy guidance and overall program and project oversight and will ensure communication and cooperation among stakeholders (including road users). It is expected to meet on a regular basis (quarterly) especially during the first two years of project implementation.

15. MOT will be responsible for the overall coordination of the Ghanaian project sub-components. More specifically, it will: (a) coordinate the procurement process for the services, goods and works component; (b) be responsible to ensure that the agreed implementation schedules are followed by the AITs; (c) review all technical and financial reports received by the agencies from consultants and contractors working under the project; (d) provide overall management of the financial accounts of the project; (e) arrange annual independent technical audit of the works under the project and procurement audit of all facets of the Ghanaian component of the project; and (f) prepare and distribute aggregated semestrial (every six months) reports.

16. The implementation framework for the Ghanaian component of the project comprises three AITs corresponding to the Implementing Agencies (IAs) involved in the implementation of the proposed project: (a) GHA; (b) GPHA; and (c) CEPS.

## ***Mali***

17. In Mali, the proposed project will use the existing implementation framework that is being used for the IDA funded Second Transport Sector Project (PST2), “Transport Corridors Improvement Project” (TCIP) and the WCAATSSP.

18. The overall coordination and implementation of the proposed project will be carried out by the NCU, established at the national level. The NCU is headed by a national coordinator recruited on a competitive basis and will be responsible for project execution, including procurement, financial management, monitoring and evaluation, of the activities supported under the proposed project.

19. The main activities of the NCU will be: (a) consolidation of the annual implementation programs and budgets; (b) monitoring the implementation of all project related activities; (c) producing periodic implementation reports; (d) maintenance of records and accounts for all transactions related to NCU; (e) preparation and production of consolidated annual financial statements and quarterly Interim Financial Reports (IFRs); (f) management of disbursements for components under its responsibility and replenishment applications for the special account; and (g) monitoring and evaluation of the various activities supported under the project.

20. The three major IAs that are involved in the Malian component of the proposed project are: (a) National Directorate of Roads (*DNR*); (b) National Directorate of Land, Maritime and Fluvial Transportation (*DNTTMF*); and (c) General Customs Directorate (*DGD*).

21. These IAs have been supporting the preparation and will be in charge of implementing their respective sub-components of the proposed project. Furthermore, focal points have been designated in each of the aforesaid IAs in order to enhance coordination efficiency, boost preparation progress and ensure effective implementation of the proposed project.

22. During project implementation, a Steering Committee (*Comité National de Pilotage*), chaired by the Minister of Transport or its representative and composed of representatives of the Ministry of Finance, the Ministry of Environment, the Ministry of Decentralization, the Directors of sector institutions and implementing agencies involved in the proposed project will be established prior to project effectiveness. The Steering Committee will be responsible for: (a) policy guidance; (b) looking after the application of policy guidance in the implementation; (c) overall project oversight; (d) updating the manual; and (e) approving financial and technical implementation reports. Especially during the first two years of project implementation, the Steering Committee will meet on a regular basis (quarterly). Its secretariat will be entrusted to the NCU.

23. A technical committee, composed of the NCU, the focal points of implementing agencies (*DNR, DGD, DNTTMF*), and a representative of *AGEROUTE* will be established prior to the start of implementation. This committee will meet on a regular basis and at least monthly in order to: (a) ensure adequate communication between agencies at the implementation level; (b) follow up on the respect of the times schedule; and (c) follow up on the implementation of the procurement plan.

**Annex 7: Financial Management and Disbursement Arrangements**  
**AFRICA: West Africa Transport and Transit Facilitation Project**

**Introduction**

1. The financial management assessments were conducted in line with the Financial Management Practice Manual issued by the Financial Management (FM) Board in November 2005. The objective of the assessment was to determine whether the implementing entities for the proposed project in Burkina Faso, Ghana and Mali have acceptable financial management arrangements to ensure: (a) that the funds are used only for the intended purposes in an efficient and economical way; (b) the preparation of accurate, reliable and timely periodic financial reports; and (c) safeguard of the entities' financial and capital assets.

**1. Overview of Program and Implementation Arrangements**

2. For each country and the project components, the implementation arrangements are already described in the main text of the PAD and Annex 6.

Country	Implementing agency and overview of implementation arrangements	Status
<p align="center"><b>Burkina Faso</b></p>	<p>The PCU is under the oversight of the Ministry of Transport and the <i>Ministère des Infrastructures et du Désenclavement (MID)</i>. The PCU will be the main Budget Management and Accounting Center (BMAC) for the project/Burkina Faso Component (project/BF). Currently, the PCU is managing two Bank-funded projects with the support of trained staff and it has established financial management systems. The Chief Financial Officer (CFO) and the two accountants are familiar with the Bank's financial management procedures.</p> <p>The DGD is overseen by the Ministry of Economy and Finance. Its staff includes one CFO, nine accountants and accounts assistants and support staff.</p> <p>The DGTTM is under the supervision of the Ministry of Transport. It is staffed with one Accountant, three Accounts Assistants and three financial support staff.</p> <p>The DGD and the DGTTM will be accounting centers (CA). With regard to its capacity, the PCU will process all the direct payments to the suppliers of goods, and implementers of works for the DGR, DGD and DGTTM to contribute to the implementation of the components of the proposed project in Burkina Faso.</p>	<p>Existing body under oversight of two Ministries'</p> <p>Government Agency</p> <p>Government Agency</p>

<p><b>Ghana</b></p>	<p>GHA: The GHA is a semi-autonomous government agency under the oversight of the MOT. It has a Finance and Accounting Division headed by a professionally qualified accountant, the Director of Finance, who reports to the Chief Executive, the administrative head of the Authority, who is answerable to a Board. The Director of Finance is assisted by five Account Managers, including a manager for projects.</p> <p>GPHA: The GPHA is a semi-autonomous government agency supervised by the Ministry of Port, Harbours and Railways (MPHR). The Head of Finance and Accounting, the General Manager (GM), is a fellow of the Association of Chartered Certified Accountants with twenty six years of work experience. He reports to a Chief Executive, the administrative head of the Authority, who reports to a Board of Directors. The GM Finance is assisted by a Finance Manager and a Senior Accountant, who holds a degree in Accounting with six years of experience.</p> <p>CEPS: CEPS is a semi-autonomous revenue agency collecting board of GOG under the supervision of the Ministry of Finance and Economic Planning (MOFEP). It is headed by a Commissioner, who reports to the Revenue Board. The finance and accounting unit of CEPS as professionally qualified staff that supervise the finance and accounting function of the Service. The Head of Finance and Accounting is the Deputy Commissioner. He is assisted by an Assistant Commissioner, and a Chief Collector. All the aforementioned personnel are professionally qualified accountants.</p>	<p>Government Agency</p> <p>Government Agency</p> <p>Government Agency</p>
<p><b>Mali</b></p>	<p>The project will be coordinated by the NCU under the Ministry of Equipment and Transport. The Financial Division of the NCU will be responsible for the overall financial management of the project. The GOM may delegate contract management to other agencies for some components but these agencies will not have financial management responsibility.</p> <p>The NCU Financial Division is staffed with an experienced financial specialist and accountants who have already implemented several IDA funded projects.</p>	<p>Existing body under Ministry's oversight</p>

## 2. Country Issues

### Burkina Faso

3. A Country Financial Accountability Assessment (CFAA) was carried out for Burkina Faso in 2002. The following issues were highlighted: (a) serious staffing problem in the public and private sectors accounting services; (b) delays and irregular audit of the public entities' annual accounts because of weak capacity of the Public Sector Control Institutions; (c) a liquidity problem at the Public Treasury, which negatively impact budget implementation; (d) weak non-financial assets management, and absence of non-financial assets accounting and annual physical inventories; and (e) absence of an integrated computerized public circuit of revenue.

4. The GOBF has made good progress in improving financial management through the Public Financial Management Reform Program (PRGB). Additional assessments under a series of PRSC preparations showed that Public Financial Management (PFM) core systems work reasonably well. Budget coverage is generally complete and extra-budgetary expenditures are negligible. The budget is now a reliable implementation tool with the inclusion of medium-term estimates and the strengthening of the link with the Medium Term Expenditure Framework (MTEF) since 2002. 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 WAEMU-wide budget classification with poverty-reducing expenditures already 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 due to weak capacity. External audits of budget execution are submitted - since 2004 - for parliament's approval within 12 months of the end of the fiscal year. The procurement system has been strengthened between 2000 and 2005.

5. PFM reforms are strongly supported by the development partner community. For instance, the Bank approved in May 2006 an Institutional Development Fund (IDF) to strengthen the capacity of the public sector control institutions. Another example is the Administration Capacity Building Project partially financed by the Bank. Overall, the Burkina Faso PFM system is relatively satisfactory but will only partially be used to implement the project for the above cited reasons. Furthermore, currently there are no overdue audit reports in the IDA portfolio in Burkina Faso.

### *Ghana*

6. The GOG has implemented several reforms in response to the findings of the CFAA for Ghana, carried out in 2001 and updated in June 2004. Some of the key actions taken include the enactment of: (a) Financial Administration Act 2003, in response to the identified weakness of the fragmented legal structures that governed public financial management; (b) Internal Audit Agency Act of 2003 to set up modern internal audit in all government departments; and (c) the Public Procurement Act, to improve the efficiency of public procurement systems and practices.

7. The enactment of these laws is intended to remove weaknesses in the regulatory frameworks for procurement, financial administration and internal audit. It is recognized that the process of implementing these regulations and procedures will take time, involve continuous capacity building and demand greater accountability. However some inherent risks still remain in the areas of: (a) enforcement of the enacted laws; and (b) effectiveness of independent oversight authorities.

8. The summary risk analysis is based on the country work and assessment of the financial management units of GHA, GPHA and CEPS, the institutions, which will be responsible for the financial management of the various components of the project. Hence, where adequate, country systems will partially be used as elaborated below.

## Mali

9. The two country issues are: (a) weak capacity of the Public Sector Control Institutions; and (b) difficulty in mobilizing counterpart funds.

10. In 2005, the GOM adopted a comprehensive action plan (the *PAGAMGPF*) to improve the country financial management systems. The *PAGAMGPF* is structured around five strategic pillars: (a) improve the quality of preparation and implementation of the budget; (b) develop efficiency in fiscal and financial administration; (c) incorporate external funds into national budget procedures; (d) increase efficiency and transparency in government procurement procedures; and (e) strengthen good governance and transparency. Regarding good governance, the Auditor General, an independent institution, has planned to cover all the public service entities.

11. The CFAA indicates that significant progress has been made in the areas of financial management. The country's own control systems are operating more efficiently, while some weaknesses in project supervision remain. However, the country PFM systems will not be used to implement the proposed project due to the fact that the NCU will be the implementing entity in light of its previous experience.

### 3. Risk Assessment and Mitigation Strategy

12. What follows is the financial management risk assessment and mitigation broken down by country.

**Burkina Faso:** The overall residual FM risk for the project is “**Moderate**” as tabulated below.

Risk	Rating	Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design	Residual risk
<b>Inherent risk</b>	<b>M</b>				<b>M</b>
<b>Country level:</b> Quality of PFM, standard of financial accounting, reporting and auditing; and quality of FM profession.	M	Expenditure classification allows comparison with budget. What remains to be done is the inclusion of external financing in the computerized expenditure circuit. Accounts audited in a timely manner but partially because of lack of audit capacity. Delays observed with the audit the GOBF's annual accounts.	N	Commitment was made by GOBF in 2006 to finalize implementation of these reforms. At present, donors such as EU and World Bank are financing the strengthening of the Court of Account's capacity.	M

Risk	Rating	Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design	Residual risk
<p><b>Entity level:</b></p> <p>Independence of entity's management and appropriateness of organizational structure.</p>	M	The legal and institutional framework of the <i>MID</i> and of the MOT is satisfactory and the PFM system is working reasonably well. It would work better if the required number of qualified staff were appointed to both Ministries, which are overseeing Bank-funded projects.	N	Both ministries capacity would be strengthened by the appointment of required staff on contract under the project.	M
<p><b>Project level:</b></p> <p>Funds flow and accountability issues due to dispersed implementing units with limited experience in implementing Bank-assisted projects.</p>	M	The PCU is managing two existing Bank-financed projects. In addition to the PCU, there are only three implementing agencies.	N	In addition to its experience, the PCU's fiduciary management capacity is rated moderately satisfactory and related capacity will be strengthened.	M
<b>Control risk</b>	<b>M</b>				<b>M</b>
<p><b>Budgeting:</b></p> <p>Lack of clear definition of budget preparation process.</p> <p>No authorization for, and no monitoring of budget variations, preventing decision making during a given FY.</p>	M	The PCU has good experience in budget preparation process and in monitoring variations for the two existing Bank-funded projects, but budgetary analysis is insufficient.	N	The existing FM Procedures Manual includes the project's administrative procedures related to budgeting preparation process as well as monitoring and analysis of variations.	M
<p><b>Accounting:</b></p> <p>Bookkeeping delays.</p> <p>Lack of</p>	M	The PCU accounting function is adequately staffed by experienced and qualified staff for the two Bank-funded	N	Relevant charts of accounts and adequate accounting procedures will be developed as parts of the FM	M



Risk	Rating	Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design	Residual risk
<p>compliance with acceptable accounting standards.</p> <p>Lack of adequate policies and procedures, including chart of accounts.</p> <p>Accounting function not staffed with adequately experienced and qualified staff.</p> <p>Software not customized on the basis of the project's accounting needs.</p>		<p>projects, but the workload is heavy.</p>		<p>Procedures Manual. An accountant will be recruited and trained for the project.</p> <p>Appropriate software has been purchased and customized.</p>	
<p><b>Internal controls:</b></p> <p>Lack of quality and document of policies and procedures, including segregation of duties and for procurement.</p> <p>Delays in preparation of bank reconciliations.</p> <p>Limited records maintained for fixed assets and stocks.</p> <p>Absence of internal audit function.</p>	M	<p>The PCU has its FM procedures Manual for the two Bank-funded projects. Its staff has been trained in Bank's financial management and procurement procedures.</p> <p>An Internal Auditor placed in the <i>MID</i> is in charge of all the Bank-funded projects managed by the PCU, but no work done up to now.</p>	N	<p>The existing FM Procedures Manual has been updated for the project.</p> <p>The Internal Auditor will be officially informed of the existence of the project and its accounting and auditing requirements.</p>	M
<p><b>Funds flow:</b></p> <p>Cash flows</p>	M	<p>The PCU is using funds flow</p>	N	<p>The PCU will manage a designated account</p>	L

Risk	Rating	Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design	Residual risk
<p>constraints due to delayed fund flows affecting project implementation.</p> <p>Complex and inefficient fund flow arrangements using normal GOBF procedures.</p>		<p>arrangements of the two Bank-funded projects, which are running well.</p>		<p>opened at <i>BCEAO</i> to receive the Bank's funds. At the level of the <i>DGD</i> and the <i>DGTTM</i> a bank account will be opened to receive funds from the designated account.</p>	
<p><b>Financial reporting:</b></p> <p>Low quality in form, content and periodicity of IFRs and annual financial reports produced.</p> <p>No document detailing FM reporting responsibilities.</p> <p>Delays in preparation and production of IFRs and annual financial reports.</p>	M	<p>The PCU is now producing IFRs for the two Bank-funded projects and the annual financial statements. However, these interim financial reports are not produced on time and the <i>DGD</i> and the <i>DGTTM</i> need their reporting capacity strengthened.</p>	N	<p>The appropriate detailed formatting and responsibilities allocations for IFRs will be designed and included in the FM Procedures Manual as well as the one for Annual Financial Statements. The Accountant of <i>DGD</i> and of the <i>DGTTM</i> will be trained on reporting on monthly basis.</p>	N
<p><b>Auditing:</b></p> <p>Inadequate institutional arrangements in place, for the appointment of external auditors.</p> <p>Limited capacity of national external auditors.</p>	M	<p>The annual financial statements of the two Bank-funded projects are prepared by the PCU and are externally audited every year.</p>	N	<p>The audit terms of reference (TOR) will be developed to cover the fiduciary risks of the project and external auditors then will be appointed.</p>	M

*Ghana:* The overall fiduciary risk for the project is also “**Moderate**”.

Risk	Rating	Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design
<b>Inherent risk</b>	<b>S</b>			
Country level	S	Delay in the implementation of New Financial Administration Act (FAA).	N	GOG has introduced a new comprehensive legal framework for public financial Management (the FAA), with related regulations for implementation. There is need for close monitoring to ensure effective implementation of this Act.
	H	Non-compliance of statutory regulations and non-enforcement of penalties.	N	GOG needs to institute measures that ensure the systematic review, update and enforcement of penalties for non-compliance.
	S	MDA may not fully comply with new Internal Audit Agency Act, in the establishment of internal audit units within their offices.	N	GOG has passed legislation, Internal Audit Agency Act (IAAA), for all MDAs to establish internal audit function within their offices. Assistance will be provided to strengthen the Internal audit of implementing institutions to meet the Act’s requirements and for the benefit of the project.

				Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design
	GHA	CEPS	GPHA			
➤ Entity Level	M	M	M	Individually the implementing agencies have good FM arrangements and no inherent risk is expected during implementation	N	The implementation within country will be coordinated and monitored by a NTTFC.

				Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design
	GHA	CEPS	GPHA			
				n. The major challenge will be coordination.		
➤ Project Level	M	M	M	The project level risk is how to effectively coordinate the three implementing agencies.	N	This risk will be addressed through the coordination role of the NTTFC and regular engagement of the implementing agencies by the Bank.
Control risk				Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design
	GHA	CEPS	GPHA			
<b>Accounting:</b> Accounting staff of the agency's accounts unit may leave, resign from employment or be transferred.	L	L	L	There is often the tendency for internal transfers within MDAs and this requires new training.	N	Staff will be provided training in Bank's FM and disbursement procedures. Staff will be encouraged to participate in Bank's periodic FM and disbursement workshops.
Agencies may not have qualified staff and in adequate numbers to perform the required accounting functions.	M	M	M	Accounts staff who are transferred are normally replaced with staff of equal competence and may only require training in IDA processes	N	The implementing agencies will be required to ensure that qualified staff will be posted at all times, and to promptly replace staff that may resign or be transferred. In addition, training will be provided to any staff replacements.
<b>Funds Flow:</b> Delays in processing payments to beneficiaries during implementation.	L	M	M	Implement. may be delayed due to internal clearances and procedures.	N	Agencies will put in place simple streamlined procedures for processing payment to beneficiaries. This will be reflected in the accounting procedures manual to be used under the project.

				Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design
	GHA	CEPS	GPHA			
Untimely preparation and submission of WA to the World Bank for the releases of funds.	M	S	S	Effective implementation can be hampered by the quality and frequency of WA.	N	Regular periodic training will be provided to ensure that CEPS and GPHA staff become familiar with Bank procedures, and submission of applications to the Bank will be monitored for timeliness and accuracy.
<b>Internal Audit &amp; Control:</b> Internal Audit function may not be well integrated into project implementation.	M	M	M	Internal Audit departments exist but these need to be incorporated to review project transactions	N	Implementing Agencies will be assisted to incorporate their IA units to perform checks and reviews as part of implementation arrangements.
Accounting Policies and procedures may not be documented in a manual or if documented may have been outdated.	M	M	M	Our review indicated that manuals existed but some needed revisions	N	The IA units will ensure updates of manuals and assisted to document all policies and procedures, as derived from the FA FAR and the Accountant Generals guidelines for producing financial management and accounting procedures manual and to reflect project transactions.
<b>Financial Reporting</b> Delays in the preparation and/or submission of IFRs.  Delays in obtaining consolidated reports on implementation.	M	M	M	Since there are 3 implementing agencies consolidating reports may be a challenge.  Compliance with submission requirements of IFR will be a condition to process WAs.	N	Project may use the services of independent financial consultancy firms to carry out routine and periodic financial reviews as a mechanism to strengthen financial systems within the Agencies.  Support will be provided by the Bank to improve overall FM at agencies and institute good records management practices to facilitate production of relevant reports.  The IAs will be assisted to re-structure their chart of accounts and accounting records to capture project

				Remarks	Conditions (Y/N)	Risk mitigating measures incorporated into project design
	GHA	CEPS	GPHA			
						components/activities to facilitate the production of annual Project Financial Statements and other management reports as required.
<p><b>External Audits:</b></p> <p>Delays in the submission of audit reports.</p>	M	S	S	It must be impressed to the IAs that timely submission is a financial covenant of the FA.		Independent auditors will be engaged on competitive basis, in consultation with the Auditor General, to audit the project. Auditors' contracts will be limited to one year and renewable contingent on timely completion and submission of audited reports. In addition to this, the Ministry of Transportation (MOT) would be in charge of managing the project audits for all three implementing agencies involved in the implementation of the Ghana component of the proposed project,
<p><b>Information Systems</b></p> <p>Reliance on a combination of manual and computerized systems may delay the processing of information and reporting.</p>	S	M	M	Most agencies in Ghana use a combination of manual and electronic processing of data and reporting.	N	In the absence of computerized systems, the GHA will be assisted to institute good records management practices to facilitate easy and speedy retrieval of information for management decision purposes.

**Mali:** The overall fiduciary risk for the project is “Moderate”.

<b>Risk</b>	<b>Rating</b>	<b>Remarks</b>	<b>Conditions (Y/N)</b>	<b>Risk mitigating measures incorporated into project design</b>
<b>Inherent risk</b>	<b>S</b>			
<b>Country level:</b> Quality of PFM, standard of financial accounting, reporting and auditing; and quality of FM profession.	S	Funds may not be used in an efficient way and exclusively for purposes intended due to corruption and poor governance.	N	The NCU team is well experienced and a procurement specialist and an internal auditor have been recruited under the Second Transport Sector Project
<b>Entity level.</b> Independence of entity’s management and appropriateness of organizational structure.	M	Since the project will be implemented by the NCU which is already in charge of three other Bank-supported projects, the risk could be the possible confusion in managing several credits.	N	One additional accountant dedicated to this new project will be recruited
<b>Control risk</b>	<b>M</b>			
<b>Accounting:</b> Delays in bookkeeping Lack of compliance with acceptable accounting standards. Lack of adequate policies and procedures, including chart of accounts. Accounting function not staffed with adequately experienced and qualified staff. Software not fully customized to meet project	M	These risks are unlikely to occur given NCU’s experience and the existence of a computerized accounting system that only needs to be expanded to meet the needs of the project.	N	Expand the existing financial management system to the new project (software & manual of procedures).

<b>Risk</b>	<b>Rating</b>	<b>Remarks</b>	<b>Conditions (Y/N)</b>	<b>Risk mitigating measures incorporated into project design</b>
accounting needs.				
<b>Internal controls:</b> Existing internal controls may not reflect the proposed project's needs. Delay in preparation of bank recons. Records for fixed assets and stocks not maintained. Lack of internal audit function.		The updated manual of procedures will document the specifics of the new project in terms of internal controls.	N	An internal auditor has been recruited under the General Secretary of the Ministry. He will make sure that all projects are well managed in compliance with rules and procedures or will raise and make recommendations on issues which may affect the implementation of the project.
<b>Funds flow:</b> Cash flow constraints due to delayed fund flows affecting project implementation. Complicated and inefficient fund flow arrangements at GOM level.	M	Delays in mobilization of counterpart funds.	N	GOM has confirmed that it will make the necessary provisions for the counterpart funding of the project.
	M	Delays in submission of request for funds.	N	The NCU is experienced in managing Bank-funded projects and this will facilitate the request for funds
<b>Financial reporting:</b> Low quality in form, content and periodicity of IFRs and annual financial reports. No document detailing FM reporting responsibilities. Delays in preparation and production of IFRs and annual	M	Delays in the submission of agreed IFRs and other relevant reports.	N	Since disbursement will be based on IFRs, there are incentives for the submission of the required reports.



<b>Risk</b>	<b>Rating</b>	<b>Remarks</b>	<b>Conditions (Y/N)</b>	<b>Risk mitigating measures incorporated into project design</b>
financial reports.				
<b>Auditing:</b> Inadequate institutional arrangements in place, for the appointment of external auditors. Limited capacity of national external auditors.	S	The government audit function is disputed by separate bodies with different approaches. The quality of the audit performed by this administration may not be in compliance with international auditing standards and reports may not be received on time.	N	External qualified audit firm will be appointed based on TOR acceptable for IDA

#### **4. Strengths and Weaknesses**

##### **Burkina Faso**

13. The PCU in Burkina Faso is managing two Bank-funded projects with the support of trained staff and has established sound financial management systems. The CFO and the accountants are familiar with the Bank's FM procedures. In addition, for the proposed project fiduciary needs, the DGD and the DGTMM will strengthen their FM reporting systems.

##### **Ghana**

14. GPHA has an accounting, administrative policies and procedures manual for its staff members, as reference guide in the performance of their duties. GPHA operates an accounting information system based on the Sun Accounting Software, which enables the production of separate project information.

15. CEPS operates a computerized accounting system which is based on DataFlow32 software. It has an accounting manual for its staff members as reference guide in their duties.

16. GHA has an accounting manual for its staff members as reference guide in their duties. It has managed a number of Bank funded projects (including the Transport Sector Development Program) and has a few in the pipeline (project Ghana Transport Sector Development Project).

##### **Mali**

17. The NCU Financial Division is staffed with experienced financial specialists and accountants who have already implemented several Bank-financed projects. However, an additional accountant will be needed to support this project. The NCU is implementing the TCIP and the WCAATSSP, and will be responsible for the financial management for the implementation of the 2<sup>nd</sup> TSP. In addition, for the proposed project needs, the NCU will strengthen its FM reporting systems.

**Weaknesses (other than those stated in section 3 above)**

<b>Country</b>	<b>Weaknesses</b>	<b>Action</b>	<b>Responsible</b>	<b>Completion</b>
<b>Burkina Faso</b>	Heavy workload for the PCU FM staff.	Recruitment of an accountant.	PCU	3 months after effectiveness
	Weak reporting capacity of the DGD and DGTTM.	Training in reporting procedures formalized in the updated FM Manual.	PCU	Before first disbursement
<b>Ghana</b>	Delays in conducting annual project audit by the Auditor General's office.	a) Prepare TOR for annual financial audit of the project to procure independent external auditors with the consent of the AG's office. b) Prepare RFP to invite interested Audit Firms to bid for the annual project financial audit services.	<b>MOT</b>	6 months after effectiveness
	Accounting Staff may not have experience in Bank financial management and disbursement procedures.	Provide initial training for key staff of accounting unit of CEPS and GPHA in Bank FM and disbursement procedures.	<b>GPHA - GMF</b> <b>CEPS - DCF</b> <b>World Bank - FM Team</b>	3 months after effectiveness
<b>Mali</b>	Heavy workload for the NCU FM staff..	Recruitment of an accountant.	NCU	3 months after effectiveness

**5. Action Plan**

<b>Country</b>	<b>Actions to be taken</b>	<b>Completion date</b>	<b>Responsible</b>
Ghana	1. <b>GPHA:</b> train/re-train its key staff on the policies and procedures of the Bank in FM and Disbursement.	3 months after effectiveness	GPHA
	2. <b>CEPS:</b> Key staff of the finance and accounting unit will get training in Bank's FM and Disbursement procedures.	3 months after effectiveness	CEPS
	3. Appointment of external auditor.	6 months after effectiveness	MOT

Mali	1. Agreement on IFR format and accountant TORs.	By negotiations	NCU
	2. Contract signed with an acceptable external auditor.	3 months after effectiveness	NCU
	3. Appoint an accountant.	3 months after effectiveness	NCU
	4. Expand the existing financial management system to the new project (software and manual procedures).	3 months after effectiveness	NCU

## 6. Financial covenants

18. For each country:

- The Recipient shall maintain or cause to be maintained a financial management system including records, accounts and preparation of related financial statements in accordance with accounting standards acceptable to the Bank.
- The Financial Statements will be audited in accordance with international auditing standards. The Audited Financial Statements for each period shall be furnished to the Association not later than six (6) months after the end of the project fiscal year.
- The Recipient shall prepare and furnish to the Association not later than 45 days after the end of each calendar quarter, interim un-audited financial reports for the Project, in form and substance satisfactory to the Association.
- The Borrower will be compliant with all the rules and procedures required for withdrawals from the Designated Account for the proposed project.

## 7. Supervision plan

19. Given the moderate level rating for the overall FM control risk for the three countries, the proposed project will require one supervision mission per year. 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 World Bank's financial management team involving the respective country Financial Management Specialist (FMS) who will conduct the following tasks: (a) conduct financial management supervision before effectiveness/disbursement; (b) review the financial management aspects of the IFRs; (c) review the Audit Reports and Management Letters from the external auditors and follow up on accounting and reporting issues; and (d) the quality of the audit will be monitored closely to ensure that it covers all relevant aspects and provide enough confidence on the appropriate use of

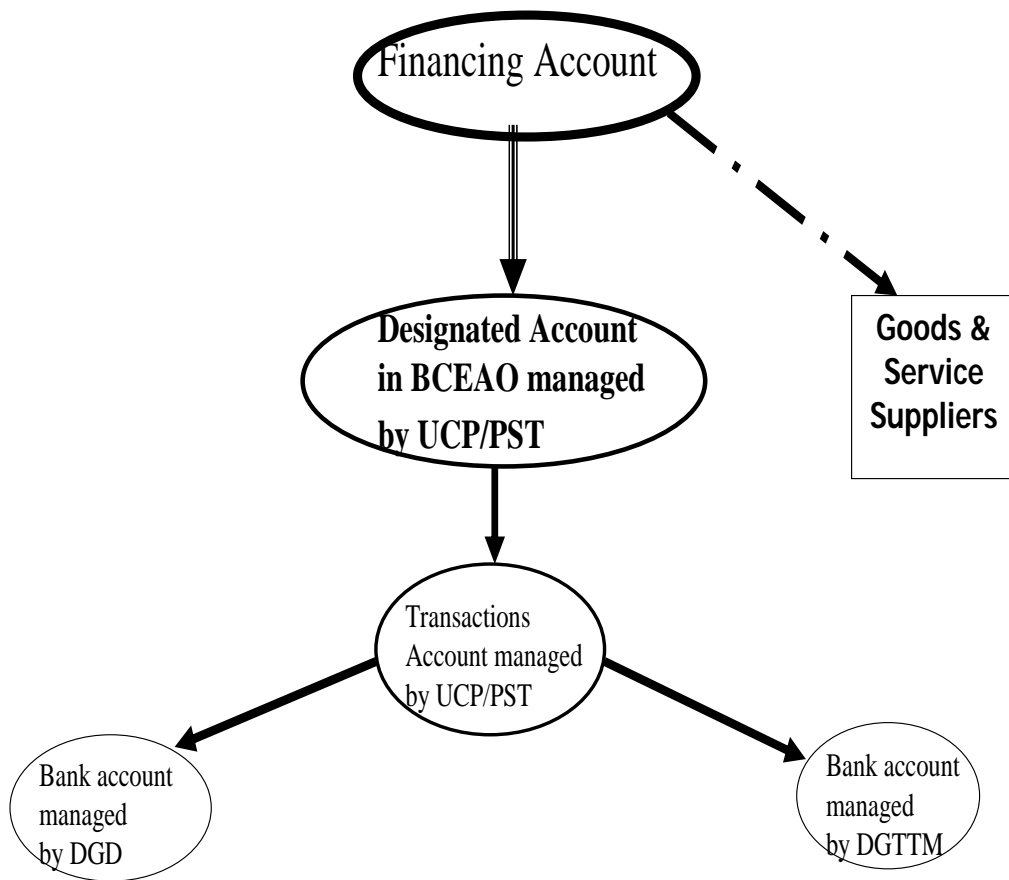
funds by recipient; and provide assistance to build or maintain appropriate financial management capacity.

**Funds Flow**

*Burkina Faso funds flow*

# ADVANCES and DIRECT PAYMENTS

## World Bank

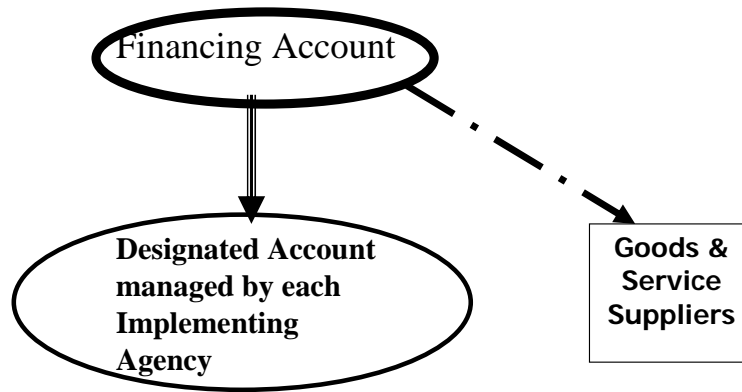




**Legend :**

Transactions-based fund claims in the designated account	====
Direct payments	- . - .
Transfer of funds in the transactions account and in the bank accounts of the DGD and the DGTMM	_____

*Ghana funds flow*

# ADVANCES and DIRECT PAYMENTS World Bank



<b>Legend :</b>	
Transactions-based fund claims in the designated account	
Direct payments	

20. An initial advance will be disbursed into each Designated Account on request, subject to compliance with conditions that will be specified in the Financing Agreement and additional instructions that may be provided in the Disbursement Letter. In addition to the Designated Accounts, implementing agencies will each maintain a project account to receive GOG counterpart funds to support project implementation. GOG will, periodically, deposit an agreed amount into the Project Account and thereafter replenish the proposed project account by agreed amounts required to finance its contribution to expenditures under the Project as agreed between GOG and IDA.

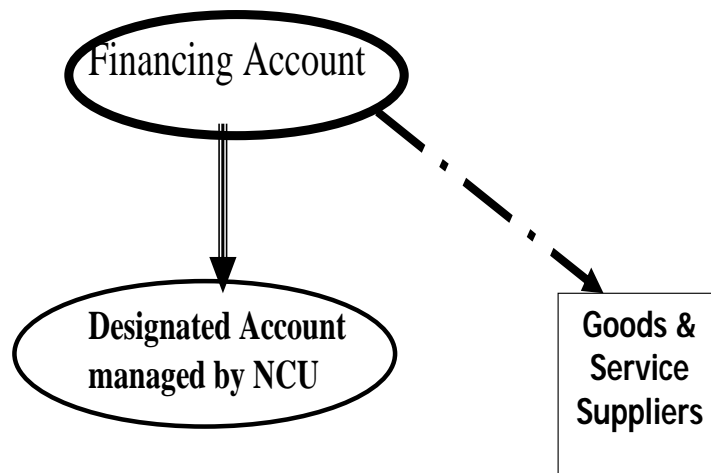
21. Implementing agencies will execute their respective budgets as approved in respect of the project components and activities and make requests to their respective Finance and Accounting Units/Departments for payments of approved and authorized transactions to contractors, suppliers and service providers. To facilitate timely processing of requests, the F&A units of implementing agencies will issue instructions to all implementing departments/units on the steps

required and supporting documentation that will be considered sufficient/adequate in order to effect payments on approved transactions.

22. The F&A units of implementing agencies will be responsible for making replenishment requests to the World Bank in accordance with the Bank's disbursement guidelines, policies and procedures.

***Mali funds flow***

# ADVANCES and DIRECT PAYMENTS World Bank



<b>Legend :</b>	
Transactions-based fund claims in the designated account	====
Direct payments	- . - .

Country	Disbursement Methods and Mechanisms
<p><b>Burkina Faso</b></p>	<p>The PCU will be responsible for executing the FA's for Burkina Faso component and will claim disbursements by sending the withdrawal and direct payment applications to the Bank after payment authorization from the MOEF of GOBF.</p> <p><b>Disbursement methods.</b> Disbursements will be transaction-based and will include the Reimbursement, Designated Account Advance, Direct Payment, and Special Commitment methods. The disbursement method is expected to shift to quarterly IFR-based disbursement as soon as the Bank is satisfied with the accounting and reporting capacity of the PCU.</p> <p><b>Minimum value of applications.</b> The minimum value of withdrawal applications submitted under the IDA Financing for Direct Payments and Special Commitments will be documented in the Disbursement Letter.</p> <p><b>Reporting on use of credit proceeds.</b> Disbursements for all expenditures should be made against full documentation except for some values of contracts for goods and consultants as well as operating costs (documented in the Disbursement Letter), which will be claimed on the basis of Statement of Expenditures (SOEs) without supporting documentation. Training will also be claimed on the basis of SOEs. All supporting documentation for SOEs will be retained at the PCU. They will be kept readily accessible for internal ex post reviews on request. The supporting documentation will also be subject to periodic reviews by IDA teams during supervision missions as well as by the external auditors.</p> <p>The PCU will submit to the Bank a bank statement and a reconciliation of the designated account together with the withdrawal applications on a monthly basis. The <i>DGD</i> and the <i>DGTTM</i> will submit the same documentation and financial statements to the PCU on a monthly basis.</p> <p><b>Counterpart funding.</b> No counterpart funds will be required. The project is exempted from all taxes which could be considered as one of the country's contributions.</p>
<p><b>Ghana</b></p>	<p>The proceeds of the credit would be disbursed over a 5-year period. A period of four (4) months after closing date would be allowed to make disbursements for expenditures incurred until the closing date of the credit.</p> <p><b>Designated Account Advance.</b> Under the project, each implementing agency will establish a Designated Account (DA) with a Commercial Bank acceptable to the Bank. The Designated Account will be maintained in US dollars to receive disbursements from the Bank.</p> <p><b>Direct Payments.</b> The Bank may make payments direct to a third party (i.e., consultants, contractors and suppliers) at the request of the borrower in a prescribed format to the Bank for eligible expenditures incurred under the project. We anticipate that CEPS, GPHA and GHA would avail themselves of this method of disbursement.</p> <p><b>Special Commitments.</b> The bank may make payments to a third party for eligible expenditure under Special Commitment entered into, in writing, at the borrower's request and on terms and conditions agreed between the Bank and the borrower (in this instance CEPS, GPHA and GHA on behalf of GOG).</p> <p><b>Counterpart funding.</b> Counterpart funds will be provided to fully fund the Ghana project component.</p>



Country	Disbursement Methods and Mechanisms
<b>Mali</b>	<p>As the NCU is familiar with the disbursement based on the IFR, IDA may disburse funds based on the report at effectiveness. However, many agencies are involved in the implementation of the project and not all are familiar with the IFR constraints. Therefore disbursement will be based on transactions at effectiveness for about 6-9 months and be shifted later to IFR- based disbursement. Also, NCU will manage the Designated Account operating in FCFA.</p> <p><b>Counterpart funding.</b> Counterpart funds will be provided to fully fund the Mali project component.</p>

### *Disbursement Arrangements*

#### *Banking arrangements and funds flow*

Country	Accounts	Flow of funds
<b>Burkina Faso</b>	<p>A designated account will be opened in BCEAO in Ouagadougou and will be managed by the PCU. Transfers of funds will be made from the designated account to a transactions account for eligible expenditures paid directly by the PCU. Bank accounts will be opened for the <i>DGD</i> and the <i>DGTTM</i> to receive advances from the transactions account.</p>	<p>The designated account will be managed by the PCU. The designated account will be located in the BCEAO in Ouagadougou. The currency of designated account will be the FCFA. The advance for the designated account will be documented in the Disbursement Letter for the Financing. The advances should provide sufficient liquidity for an average of four to six months of expenditures. Funds will be transferred into a transactions account for eligible expenditures and to fund the bank accounts of the <i>DGD</i> and the <i>DGTTM</i>. These funds will be used by the <i>DGD</i> and the <i>DGTTM</i> to finance eligible expenditures.</p>
<b>Ghana</b>	<p>Each agency, CEPS, GPHA and GHA, will maintain a Designated Account, with a Commercial Bank acceptable to IDA, to receive the financial proceeds of the Credit.</p>	<p>The Designated Accounts will be maintained in US dollars to receive Advances disbursed by the Bank. Upon Credit effectiveness, agreed amounts of Advance of money would be deposited in the Designated Accounts by the World Bank upon receipt of withdrawal applications from the implementing agencies, on behalf of the Government of Ghana. Further deposits would be made into these accounts against withdrawal applications supported by appropriate supporting documentation. The financial resources made available through the Designated Accounts will be used only for agreed project activities of implementing agencies under respective components.</p>

Country	Accounts	Flow of funds
<b>Mali</b>	Designated Account in FCFA at the Sahel Commercial Bank of Mali	To facilitate project implementation and reduce the volume of withdrawal applications, one Designated Account in local currency (FCFA) has been opened by the NCU at the Sahel Commercial Bank of Mali on terms and conditions acceptable to IDA. The authorized allocation will cover about four months of eligible expenditures. The DA will be replenished through the submission of Withdrawal Applications on a monthly basis and will include reconciled bank statements and other documents as required until such time as the borrower may choose to convert to report-based disbursement.

23. Use of SOEs. The SOE limits for works, goods, consulting firms and individual consultants will be documented in the Disbursement Letter of each country.

## 8. Conclusion of the FM Assessment process

Country	
<b>Burkina Faso</b>	<p>The PCU is managing two Bank-funded projects, with the support of trained staff and established financial management systems. The CFO and the two accountants are familiar with the Bank's financial management procedures. The assessment concluded the financial management arrangements in place at the PCU level meet the Bank's minimum requirements under OP/BP10.02 and are therefore adequate to provide, with reasonable assurance, accurate and timely information on the status of the project required by IDA. However, another accountant will need to be recruited to lighten the present two accountants' workload and the existing FM procedures manual will be updated in association with appropriate software to cover the project/BF needs. On the other hand, the <i>DGD</i> and <i>DGTTM</i> will just need to strengthen their FM reporting capacity in line with the Bank's procedures, as the accounting on accrual basis in place is enough to meet reporting requirements to be set-up by the PCU. Taking into account the PCU's significant FM capacity and experience, which will benefit <i>DGD</i> and the <i>DGTTM</i>, the overall residual control risk as been assessed as <b>moderate</b>, provided the agreed mitigation measures are implemented in a timely and satisfactory manner.</p>
<b>Ghana</b>	<p>The financial management assessment concluded that the risk for the Project is moderate and actions have been put in place to ensure that the identified risks are adequately mitigated. The provision of training for CEPS and GPHA in Bank policies, FM and disbursement procedures and the agreed auditing arrangements for the Project will ensure that the project risks are minimized. This will also require intensive Bank supervision in the first year of project implementation, especially for CEPS and GPHA, to ensure that funds flow mechanisms are functioning well and that all agreed actions have been fully implemented.</p>
<b>Mali</b>	<p>A financial management assessment of the NCU was done in October 2007 and the overall risk of the implementing unit was rated moderate, provided the mitigating measures that have been agreed are implemented in a timely and satisfactory manner. It is considered that the Financial management satisfies the Bank's minimum requirements under OP/BP10.02, and therefore is adequate to provide, with reasonable assurance, accurate and timely financial management information on the status of the project required by World Bank.</p> <p>The NCU is implementing three IDA funded projects. The chief financial officer and the two accountants are familiar with the Bank's financial management procedures. However, another accountant will be recruited to lighten the present two accountants' workload and ensure segregation of duties between the different projects. The existing FM procedures manual will be updated to cover the project needs.</p>

## **Annex 8: Procurement Arrangements**

### **AFRICA: West Africa Transport and Transit Facilitation Project**

#### **General**

1. Procurement for the proposed project would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 revised October 2006; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 revised October 2006, and the provisions stipulated in the Financing Agreements. The various items under different expenditure categories are described in general below. For each contract to be financed by the Credits, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Borrowers and the Bank in the Procurement Plans. The Procurement Plans will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.
2. Burkina Faso. The 2005 Country Procurement Assessment Review (CPAR) has been finalized and the Action Plan was adopted by the Council of Ministers in March 2006. The 2003 National Procurement Act evaluated in light of the OECD Benchmark Indicators system has been found unsatisfactory (there is a strong need to improve the institutional framework) even if major progress has been made. Based on the progress made since 2000 (from 31 percent to 55 percent of requirements for International Standards), the system has been found acceptable for National Competitive Bidding (NCB) process. It has been agreed that the implementation of the action plan included in CPAR 2005 would help to achieve 76 percent of requirements by 2010.
3. As suggested by the CPAR 2005 action plan (currently under implementation), the 2003 National Procurement Act has been modified in light of new WAEMU Guidelines (supported by IDA and AfDB). The modified National Act is applicable as of 2008. There are no Standard Bidding Documents (SBD) issued by the country that have been formally agreed by IDA. However a SBD for all WAEMU member countries is planned to be prepared and completed before 2009.
4. Ghana. In the circumstances specified in the said guidelines, procurement and selection of consultants will be carried out in accordance with the Ghana Public Procurement Act 663 of 2003.
5. Mali. In the circumstances specified in the said guidelines, procurement and selection of consultants may refer to the Mali Public Procurement regulation as set forth in the Decree # 95-401/P-RM of November 10th, 1995, amended under the Decree # 99-292/P-RM of September 21, 1999. In general, the country's procurement procedures are consistent with the Bank guidelines. No special dispositions are required in the legal documents, since Mali procurement practices allow IDA procedures to take precedence over any contrary local regulation or practice.
6. A CPAR was carried out in Mali in December 1998, and was updated in 2004. The final report was delivered to GOM in January 2006, and the recommendations and action plan of this exercise (a revised procurement code, strengthening and capacity building of the procuring

entities, institutional reinforcement through a regulatory body, an appeal body, strengthening of the private sector, judiciary reinforcement, etc.) will be taken into account during project implementation.

### ***Advertisement***

7. In order to get the broadest possible interest from eligible bidders, a General Procurement Notice (GPN) will be prepared for each country upon Board approval and published in the UN Development Business (UNDB) online, Development Gateway's Market (DgMarket), and in national newspapers of wide circulation to advertise for major consulting assignments (above US\$200,000 equivalent) and International Competitive Bidding (ICB) for which specific contracts are applicable as per the guidelines. The Borrowers will keep a roster of the responses received from the potential bidders interested in the contracts.

8. Specific Procurement Notices (SPN) for goods to be procured under ICB and National Competitive Bidding (NCB) and for consultant services will be published in at least one national newspaper of national circulation (or official gazette). Moreover, for all ICB procurement and all requests for expressions of interest relating to large consulting services (above US\$200,000 equivalent), the SPN will be published in the UNDB online and the DgMarket. At least two weeks will be allowed for submission of the Expression of Interest (EOI).

### ***Procurement of Works***

9. ***Burkina Faso.*** Civil works under the project will include; (a) rehabilitation of the Sakoinsé-Ouagadougou road; (b) construction of up to two rest stop areas along the Corridor. Due to the high level of the contract amount, it has been agreed that the Ouagadougou-Sakoinsé road procurement would be conducted through an ICB with pre-qualification process. Domestic preference will be applicable to local contractors bidding for contracts through ICB.

10. ***Ghana.*** Civil works would include: (a) the rehabilitation and/or strengthening of the Buipe – Tamale section; (b) construction of up to two major rest stop areas along Tema-Paga road; (c) construction of two intervening transit check points/rest stop areas; (d) construction of a STTV adjacent to the Port of Tema; and (e) implementation of the corridor road safety action plan.

11. ***Mali.*** Civil works would include the: (a) contribution to the improvement of Bamako - Bougouni road; (b) rehabilitation of Sikasso-Heremakono road; (c) the construction of a limited number of transit check points; (d) the modernization of the multifunctional platform at Faladié (Bamako); and (e) construction of two rest stops on the Corridor.

12. Depending on the country, contracts for works will be procured through ICB, NCB or shopping in accordance with the thresholds indicated in the table below.

**Table 1 - Thresholds and Procurement Methods for Works**

<b>Country</b>	<b>ICB</b>	<b>NCB</b>	<b>Shopping</b>
Burkina Faso:	> US\$1 million	< = US\$1 million	< = US\$50,000
Ghana:	> US\$1 million	< = US\$1 million	< = US\$50,000
Mali:	> US\$2 million	< = US\$2 million	< = US\$50,000

13. Civil works procured through shopping will be done on the basis of simplified bidding documents by soliciting quotations from not less than three qualified domestic contractors (preferably more) in order to obtain at least three comparable offers. The invitation shall include a detailed description of the works, including basic specifications, the required completion date, and a standard form of agreement acceptable to the Bank, with relevant drawings, where applicable. In all cases the award shall be made to the contractor who offers the lowest price quotation for the required work (lowest evaluated responsive bidder), and who has the experience and resources to complete the contract successfully.

***Procurement of Goods***

14. Goods under the project will include vehicles, motorcycle and equipment for specialized information system network interconnection, tracking (of transit vehicles) system via satellite, weighing axle, Information Technology (IT), radio communication etc. Procurement of goods will be combined where feasible into packages worth at least US\$250,000 for Burkina Faso, US\$300,000 for Ghana and US\$500,000 for Mali and procured through ICB.

**Table 2 - Thresholds and Procurement Methods for Goods**

<b>Country</b>	<b>ICB</b>	<b>NCB</b>	<b>Shopping</b>
Burkina Faso:	> US\$0.3 million	< = US\$0.3 million	< = US\$50,000
Ghana:	> US\$0.3 million	< = US\$0.3 million	< = US\$50,000
Mali:	> US\$0.5 million	< = US\$0.5 million	< = US\$50,000

15. Goods estimated to cost the equivalent or less per contract than the amount indicated above under shopping may be procured on the basis of a comparison of written quotations from at least three eligible suppliers. The request for quotation will be in writing and will include key information needed by the suppliers, such as description and quantities of the goods, and time and place of delivery. For transparency purposes, quotations will be in sealed envelopes and opened at the same time. The award would be made to the supplier with the lowest price quotation, provided the goods have met the technical specifications included in the request for quotation.

***Consulting Services***

16. Consulting services foreseen under the project are for the preparation of techno-economic feasibility studies, other studies and engineering designs for rest stops and transit check points, design of tracking (of transit vehicles) system via satellite, contract management and supervision,

communication strategy studies, financial audits, contract management and supervision, implementation of social and environmental mitigation measures, etc..

17. Consulting services will be selected using the most appropriate of the following methods allowed by IDA Guidelines and included in the approved procurement plan: (a) Quality and Cost Based Selection (QCBS); (b) Least Cost Selection (LCS) for financial audits; (c) selection based on the Consultant’s Qualification (CQ); (d) Quality-Based Selection (QBS); (e) Fixed Budget Selection (FBS); and (f) Single Source Selection (SSS). All terms of references will be subject to IDA’s prior review.

18. Consulting assignments estimated to cost less than US\$100,000 equivalent may be procured on the basis of shortlists featuring only national firms (in accordance with paragraph 2.7 of the Consultants Guidelines) provided a sufficient number of qualified national firms are available and no foreign consultants desiring to participate has been barred.

19. SSS can be used for assignments which meet the requirements of paragraphs 3.9-3.13 of the Consultant Guidelines and will always require the Bank's prior review, regardless of the amount. Procedures for the selection of Individual Consultants (ICs) can be used for assignments which meet the requirements of paragraph 5.1 and 5.4 of the Consultant Guidelines. For all contracts to be awarded following QCBS, LCS and FBS, the Bank's Standard Request for Proposals will be used.

20. The use of civil servants as individual consultants or team member of firms should strictly follow the provisions of Article 1.9 to 1.11 of the Consultants Guidelines.

Table 3 - Thresholds and Selection Methods for Consultants

Country	QCBS	QCBS/LCS/QBS/FBS	Individuals
Burkina Faso:	> US\$100,000	< = US\$100,000	<= US\$100,000
Ghana:	> US\$100,000	< = US\$100,000	<= US\$100,000
Mali:	> US\$100,000	< = US\$100,000	<= US\$100,000

***Training, workshops and study tours***

21. Training, workshops and study tours will be carried out on the basis of approved programs. The programs submitted to IDA should clearly specify: (a) the purpose of the training or workshop; (b) personnel to be trained; (c) institution that will conduct the training; (d) duration; and (e) training or workshop costs estimation; reasonable per diem (if applicable) and so forth. When the training is planned to be conducted by a center and if there is possibility of getting proposal from several center, a competitive selection will be conducted. In that case and to ensure quality, the technical qualification mark could be raised.

### ***Operational Costs***

22. Operational costs would include project implementation-related expenditures such as in-country travel, office supplies, office rentals, utilities, communication costs, staff salaries, per diem for project supervision activities in the field, etc.

23. ***Burkina Faso.*** For any procurement related to operational costs a procedure included in the approved FAPM and in the current version of Burkina National procurement act will be followed. For efficiency purposes it has been agreed that purchase of office supplies and furniture will be done on the basis of 6 or 12 months need and procured competitively. Furthermore, for services (car maintenance, computer maintenance, and so forth) to be financed through operating costs, the project will fund service contracts for a defined period.

24. ***Ghana.*** Operational costs will be financed by the project and will be procured using the Ghana's Public Procurement Act 663 of 2003 where appropriate.

25. ***Mali.*** These costs will be financed by the project and would be procured using the implementing agencies' administrative procedures reviewed and found acceptable to the Bank. The procurement process may refer to the public procurement code when this one does not conflict with the Bank Guidelines.

### **Assessment of the agency's capacity to implement procurement activities**

26. ***Burkina Faso.*** During preparation phase it has been found that the three implementing agencies (*DGD*, *DGR* and *DGTTM*) involved in the project have limited procurement capacity. Taking this into consideration, it has been decided to use the same implementation unit (PCU) for the two other ongoing projects (PST-II and WCAATSSP) for the project procurement activities. The PCU has been successfully handling procurement for the PST2 for 5 years and a WCAATSSP for more than a year. By using an already existing unit with trained staff, the project would build on acquired experience and run activities as quick as possible. However, to increase ownership and reduce workload on the PCU, each implementing agency (*DGD*, *DGTTM*, *DGR*) will run the following procurement activities included in their agreed plan: (a) operating cost items; (b) small items less than US\$40,000 related to workshops and related activities; and (c) non-consulting services costing less than US\$40,000 equivalent. However, all procurement processes will be under the overall technical and fiduciary responsibility of the PCU, who will design the necessary working tools and do appropriate quality control of the procurement documents.

27. Responsibilities between the PCU and implementing agencies will be described in the project Administrative Manual. In order to be ready upon effectiveness, each of the three implementing agencies has already nominated a procurement focal point and an alternate who are receiving appropriate procurement training. During implementation, focal points will work closely with the PCU procurement specialist to: (a) delegate procurement activities to their respective agencies; and (b) help with TORs, technical specifications, and first draft of bidding documents that will be reviewed and finalized by the PCU.

28. ***Tender Board (TB).*** *DGR* and PCU are under administrative responsibility of Ministry of Infrastructure while *DGTTM* and *DGD* are respectively under Ministry of Transport and



Ministry of Finance responsibility. For contract award, it has been agreed that the TB of the ministry responsible for the procuring agency (or on behalf of which the process is run) will be used. More specifically, MID's TB will be responsible to award contracts for activities included in DGR and PCU's annual agreed programs while MOF and MT's Tender Board will respectively be in charge of procurement foreseen in DGD's and DGTMM's agreed annual work program.

29. **Procurement Capacity.** The PCU is a well-known unit, handling procurement for several Bank projects for at least five years. Therefore, no formal procurement capacity assessment was conducted. However, a desk review was undertaken to assess the current situation. The desk review was based on: (a) the assessment conducted during WCAATSSP preparation in the year 2006; (b) the FY07 Post procurement review conducted in June 2007; and (c) the quality of procurement documents submitted for IDA's prior review. The review revealed that the PCU procurement unit is a well experienced unit. The PCU's procurement officer has not changed for the last five years, and has improved his skills over that period. Currently, his experience in World Bank procedures is strong and the procurement documents prepared by him and submitted to IDA are of an acceptable quality.

30. Based on the above description of the PCU's capacity, and on the country's general procurement environment (see country procurement reform paragraph), the procurement risk has been evaluated as moderate. In order to ensure a smooth implementation, the following actions have been proposed to further mitigate procurement risks or address issues identified: (a) update PCU FAMP within three months of effectiveness to fully reflect project; (b) plan before start of disbursements procurement specific clinics (conducted by the project procurement specialist) on current bidding documents and evaluation reports for procurement focal points' attention; (c) use IDA standard bidding documents; and (d) finalize and submit detailed procurement plan for the first 18 months of implementation and the general procurement plan to cover the project's life.

31. **Ghana.** Procurement activities under the project will be carried out by three IAs: (a) GHA; (b) GPHA; and (c) CEPS. The detailed capacity assessment of the IAs that are involved in the procurement activities for the proposed project is available in the Bank's files. The assessment reviewed the organizational structure for implementing the project and the interaction between the IAs divisions/units or staff responsible for procurement and the MOT's relevant central unit for administration and finance.

32. The assessment concluded that: (a) GHA, GPHA and CEPS were in compliance with the Ghana's public procurement law; (b) had entity committees and review boards in their permanent organizations; (c) had adequate internal technical and administrative controls and anti-corruption procedures; and (d) had satisfactory appeal mechanisms for bidders. The capacities of these agencies to implement procurement under the PPA and the Bank's Guidelines have been determined as follows:

### **GHA**

33. The GHA is one the three road agencies in Ghana currently operating under the MOT. GHA is an implementing agency working directly under the MOT and has very well established lines of communication with the MOT and its offices of administration and finance. GHA has three major departments (Development, Administration and Maintenance Departments), and in

addition has offices in all the ten regional capitals and also in eighteen towns focal points for the management of road areas, which fall within the regions. The Development Department has Planning, Road Safety and Environment, Contracts, Survey and Design, Bridges, Materials and Valuations as its divisions. The Administration Department has Human Resources, Training, Finance, Audit, Legal Public Affairs, MIS and Investigations as its divisions, while the Maintenance Department is made up of the Roads, Estates, Plant & Equipment, Central Mechanical Workshop, and the Store/Supplies divisions. All the Departmental Heads report to the Chief Executive Officer (CEO) who has overall responsibility for procurement management. The detailed procurement capacity assessment is available in the Bank's project files.

34. The overall assessment is **medium** risk for procurement.

35. The key procurement risk is the limited number of individual staff with dedicated procurement responsibility thereby making them liable and accountable for the conduct of goods, services and works procurement. This results in delays in implementing procurement plans and also in the delivery of expected outputs.

36. To address this, and given that the corporate tasks of GHA have a very high proportion of procurement inputs, from planning, implementation and monitoring of services, goods and works activities, it is recommended that GHA: (a) appoints a dedicated focal person with very good knowledge in procurement, to support the Project Manager, to manage the GHA aspects of the project; (b) selects at least three staff from each of the three departments, and at least one staff from each of the ten regions, who would be interested in the procurement management function; (c) arranges for these staff members to undergo training on procurement of services, goods and works, at GIMPA (Ghana), ESAMI (Tanzania), or at any approved procurement training center; (d) appoints or assigns these staff members to procurement responsibilities upon completion of their courses; and (e) encourages the departmental and regional officers to network and work together to provide more effective and timely procurement management services for GHA.

### ***GPHA***

37. The GPHA, an autonomous state authority currently operating under the MHR, was established by the GOG by the GPHA Law, PNDCL 160 (1986). Therefore, GPHA is subject to the national laws and the Public Procurement Act 663, which was enacted in 2003. Since GPHA operates under a different Ministry, there are no direct interactions between the GPHA divisions that participate in procurement and the MOT's relevant central units for administration and finance. In addition to the Port of Tema, GPHA has corporate responsibility for development and management of the Port of Takoradi and the Sekondi ABS Fishing Harbour. The detailed procurement capacity assessment is available in the project files.

38. The overall assessment is **medium** risk for procurement.

39. To improve institutional memory, and provide sustainability in procurement capacity, given that procurement competence currently resides in staff in the management level, who may not have the time to handle the day-to-day issues, it is recommended that GPHA: (a) appoints a dedicated focal person with very good knowledge in procurement to manage the GPHA aspects of the project; (b) trains selected younger staff members with interest in the procurement of services, goods and works, using World Bank guidelines, at the regional procurement training

centers of GIMPA (Ghana), ESAMI (Tanzania), etc.; and (c) encourages the staff trained in procurement to network with a view to providing the required procurement support for GPHA at its Tema, Sekondi and Takoradi ports.

### ***CEPS***

40. CEPS has gone through several enactments and amendments. The most current law is PNDC Law 330 of January 05, 1993. Therefore, CEPS is subject to the national laws and the Public Procurement Act 663, which was enacted in 2003. CEPS is a member of the Revenue Agencies Governing Board and, as an Implementing Agency, works directly under the MOFEP. Being outside the MOT, it does not have very well established lines of communication with the MOT and its offices of Administration and Finance. The detailed procurement capacity assessment is available in the Country Office's files.

41. The overall assessment is, therefore, **high** risk for procurement.

42. The key risk is sustainability of the apparent top-heavy procurement capacity which may not be available to conduct procurement when required. To address this situation, there is a need for CEPS to: (a) appoint a dedicated focal person with very good knowledge in procurement, to manage the aspects of the project for which CEPS is the implementing agency; and (b) train younger members of staff, with interest in procurement of services, goods and works, using World Bank guidelines, at the regional procurement training centers at GIMPA (Ghana) or ESAMI (Tanzania). These staff should work as a team to provide effective, timely and focused procurement support to CEPS under competent procurement leadership.

43. **Mali.** Procurement activities will be carried out by the NCU, and by three other technical directorates (*DNR*, *DNTTMF* and the *DGD*).

44. An assessment of the capacity of those entities to implement procurement actions for the project has been carried out by IDA.

45. The NCU has been the coordination unit for the first Transport Sector Project, and actually the coordination unit for the IDA funded TCIP, TSP-II and WCAATSSP. The procurement activities may also be delegated to Procurement Agents such as *AGEROUTE* and *AGETIER*, acting with delegation of the implementation responsibility. In order to ensure the good quality of the procurement activity, this NCU has been strengthened by recruiting a qualified Procurement Officer in September 2007.

46. The DNR and the DNTTMF have already handled projects under IDA financing. In addition, they are involved in the implementation of the TCIP and the TSP-II, and they benefit from the support from the NCU and procurement Agents (*AGEROUTE-Mali* and *AGETIER-Mali*).

47. The DGD has a Sub-Directorate for General Services, which has its Procurement Unit. This unit is proficient in the national procedures, but not in the World Bank Procedures. Thus, capacity building and assistance are needed to build up the capacity.

48. The assessment reveals some generic issues which are listed below:

- the staff in charge of procurement of activities may comprise new staff which will need additional capacity in: (a) the preparation of bidding documents or requests for proposals, the evaluation of bids or proposals, the contract negotiation with consultants, the contract execution and supervision especially for new staff; and (b) procurement filing; and
- each unit listed above, has critical concerns about procurement filing: the main issues pointed out are insufficient space or absence of space for filing, and absence of office furniture for filing.

49. It is recommended that, related to the organizational structure for implementing the project, the Project Implementation Manual (PIM) is updated to reflect the interaction between the technical structures, the procurement agencies, and the NCU in their responsibility for procurement.

50. This PIM should include a specific section on procurement, detailing in addition to the procurement procedures, the SBDs and other standard procurement documents to be used.

51. The corrective measures which have been agreed to mitigate the issues and risks highlighted are:

- The use of the Procurement Agents as *AGEROUTE* may be adequate for civil works contracts and the related consultants services;
- intensive capacity building including clinics and hands-on training on procurement focusing on: (a) procurement planning; (b) preparation of bidding documents or requests for proposals, evaluation of bids or proposals, contract negotiation with consultants, contract management (execution and supervision) especially for new staff; and (c) procurement filing. It is planned that an experienced individual consultant will be hired to deliver the procurement capacity building;
- all interactions related to procurement responsibility must be consistent with the institutional arrangements agreed on with the GOM. In particular, all procurement documents prepared by any execution agency will be reviewed by the NCU, and transmitted for review to: (a) the National Authorities in charge of such review; and (b) the World Bank. In the case of procurement documents prepared by *AGEROUTE* as delegated agency, the documents will be reviewed by the Procurement Officer based in the NCU, and if subject to prior review, transmitted to the World Bank; and
- technical and financial assistance to build a computerized system in the different entities, including adequate spaces and office furniture for filing.

52. The overall project risk for procurement is **moderate** for the NCU, the *DNR* and *AGEROUTE*, but it may be **high** for the *DNTTFM* and the *DGD*. Thus, the procurement risk can be ranked as **medium-high**.

### **C. Procurement plan**

53. A detailed consolidated plan including all procurement to be carried out for the first 18 months has been finalized by the respective borrowers and submitted to IDA before negotiations. The detailed plans include relevant information on all goods and services to be procured,

estimated costs, selection method, timing, review status (prior or post reviews), and so forth. The detailed procurement plan will be updated on an annual basis or as required (to reflect implementation needs) in agreement with the project team. The procurement plan will be available in the project's database (and on IDA's external Website). During project implementation, all procurement will be carried out in accordance with the formally agreed procurement plan (original and formally updated).

#### **D. IDA Prior Review**

54. The following thresholds for IDA procurement prior-review are recommended for Mali.

- a) Each contract for works estimated to cost US\$2,000,000 equivalent or more.
- b) Each contract for goods estimated to cost US\$500,000 or more.
- c) Each contract procured on the basis of direct contracting.
- d) Each contract with consulting firms estimated to cost US\$200,000 equivalent or more.
- e) All TORs.
- f) All single-source consulting assignments regardless of value.

55. The following thresholds for IDA procurement prior-review are recommended for Burkina Faso.

- a) Each contract for works estimated to cost US\$1,000,000 equivalent or more.
- b) Each contract for goods estimated to cost US\$300,000 equivalent or more.
- c) Each contract procured on the basis of direct contracting.
- d) Each contract with consulting firms estimated to cost US\$300,000 equivalent or more.
- e) All TORs consistent with the Procurement Plan.
- f) All single-source consulting assignments regardless of value.

56. The following thresholds for IDA procurement prior-review are recommended for Ghana.

- a) Each contract for works estimated to cost US\$1,000,000 equivalent or more.
- b) Each contract for goods estimated to cost US\$300,000 equivalent or more.
- c) Each contract procured on the basis of direct contracting.
- d) Each contract with consulting firms estimated to cost US\$300,000.
- e) All single source consulting assignments regardless of value.
- f) All TORs estimated at more than US\$50,000.

57. **Publication of awards and debriefing.** The results of the bidding process for all ICB goods and works, and also for consultant contracts estimated at US\$200,000 and above, in response to paragraphs 2.60 and 2.65 of the World Bank's Procurement and Consultant Guidelines shall be published in UNDB online and also in dgMarket. Publication of all other procurement activities, including debriefing and review shall be subject to the relevant stipulates in the national Public Procurement Act.

58. **Fraud and corruption.** All procuring entities as well as bidders and service providers, i.e. suppliers, contractors and consultants shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraphs 1.14 of the Procurement Guidelines and paragraphs 1.22 of the Consultants Guidelines.

## **E. Frequency of procurement supervision**

59. A mandatory post review mission will be carried out yearly. Furthermore, a supervision mission will take place twice a year (every 6 months), visiting the field and addressing all procurement pending issues faced by the project.

## **G. Procurement Audits**

60. During the life of the proposed project, the GOBF, GOG and GOM will have prepared two procurement audit reports, by consultants selected in accordance with the guidelines for selection of consultants and TOR incorporated in the project implementation manuals. The audits would: (a) verify that the procurement and contracting procedures and processes followed for the projects were in accordance with the Financing Agreement; (b) verify technical compliance, physical completion and price competitiveness of each contract in the selected representative sample; (c) review and comment on contract administration and management issues as dealt with by participating agencies; (d) review capacity of participating agencies in handling procurement efficiently; and (e) identify improvements in the procurement process in the light of any identified deficiencies. The first procurement audit will be finalized three months before the proposed project mid-term review, in order to take into account the results of the audit during the mid-term review. The second procurement audit will be finalized six months before the closing date of the proposed project. The Borrowers and IDA will review all thresholds stated in the procurement plan on an annual basis. Amendments may be agreed upon based on performance and actual values of procurement implemented.

## Attachment 1: Details of the procurement arrangements involving international competition

### Burkina Faso

#### *Goods, works and non-consulting services*

**Table 1: List of Contract Packages which will be procured following ICB method and direct contracting**

1	2	3	4	5	6	7	8
Ref. No.	Description of assignment	Estimated cost (US\$)	Selection method	Domestic preference	Review by World Bank (prior/post)	Expected proposals submission Date	Comments
1	Acquisition of equipments for the installation of specialized liaisons.	977,000	ICB	No	Prior	13/06/08	
2	Acquisition of vehicles.	621,000	ICB	No	Prior	23/05/08	
3	Equipment (mobile overload weighting devices, GPS, breathalyzer, batteries).	368,000	ICB	No	Prior	18/06/08	
4	Rehabilitation road works for Ouagadougou-Sakoinsé road.	55,700,000	ICB	No	Prior	16/06/08	PQ will be used
5	Construction of rest stops.	1,053,000	ICB	No	Prior	27/07/08	

#### *Consulting services*

**Table 2: List of Consulting Assignments with short-list of international firms**

1	2	3	4	5	6	7
Ref. No.	Contract (description)	Estimated cost (US\$)	Procurement method	Review by World Bank (prior/post)	Expected bid opening date	Comments
1	Diagnostic on the definition and implementation of the harmonization and application of common text on transport, transit	526,000	QCBS	Prior	1/07/08	

1	2	3	4	5	6	7
	and commerce strategy.					
2	Selection of consultant firm for the implementation of a transit tracking system.	316,000	SSS	Prior	1/09/08	
3	Supervision of RN1 Ouagadougou -Sakoinsé road works.	2.632,000	QCBS	Prior	13/06/08	
4	Hiring of a computer scientist to develop the interface for Dakola-Paga interconnection.	42,000	SSS (National telephone operator - ONATEL and/or GhanaTelecom)	Prior	16/09/08	

## Ghana

### Works and non-consulting services

Table 1: List of contract Packages which will be procured following ICB method and direct contracting:

Ref. No.	Contract (Description)	Estimated Cost (US\$)	Procurement Method	Prequalification (yes/no)	Domestic Preference (yes/no)	Review by Bank (Prior / Post)	Expected Bid-Opening Date
1W	Rehabilitation of Buipe -Tamale Road.	63,200,000	ICB	Yes	No	Prior	20/10/08
5W	Construction of a STTV adjacent to Port of Tema.	5,500,000	ICB	No	No	Prior	05/10/09

### Consulting Services

Table 2: List of Consulting Assignments with short-list of international firms

Ref No.	Contract Description	Estimated Cost (US\$)	Selection Method	Review by Bank (Prior/ Post)	Expected Proposals Submission date
1.	Consultant services for the supervision of rehabilitation works on Buipe – Tamale road.	2,000,000	QCBS	Prior	08/07/08
2.	Corridor road safety study.	1,000,000	QCBS	Prior	14/07/08
3.	Training, TA and studies.	1,000,000	QCBS	Prior	TBD
4.	Techno-economic feasibility studies for proposed STTV.	150,000	QCBS	Prior	08/07/08
5.	Detailed engineering design	350,000	QCBS	Prior	28/07/08



	preparation of bid documents and supervision consultant services for construction of STTV.				
6.	Consultancy services for design and construction supervision of (2) intervening stations and (4) rest stop areas.	762,000	QCBS	Prior	28/07/08
7.	Consultancy services for training/development of software on data entry and processing.	250,000	QCBS	Prior	22/09/08

## **Mali**

### **Goods and Works and non-consulting services**

Table 1: List of contract Packages which will be procured following ICB method and direct contracting

<b>Ref. No.</b>	<b>Contract (Description)</b>	<b>Estimated Cost (US\$)</b>	<b>Procurement Method</b>	<b>Prequalification (yes/no)</b>	<b>Domestic Preference (yes/no)</b>	<b>Review by Bank (Prior / Post)</b>	<b>Expected Bid-Opening Date</b>
1	Vehicles (11 pickup trucks and 20 motorcycles).	637,150	ICB	Post	Yes	Prior	12/12/08
2	Heavy material handling equipment.	938,144	ICB	Post	Yes	Prior	12/01/09
3	DGD and Faladie customs office access road rehabilitation civil works.	2,330,000	ICB	No	Yes	Prior	21/07/09
4	Modernization and equipment for the Faladie multifunctional platform.	3,330,000	ICB	No	Yes	prior	11/09/09
5	Rehabilitation of Heremakono – Sikasso road.	20,000,000	ICB	Yes	Yes	prior	18/06/09
6	Construction of two rest stops on the Corridor.	2,500,000	ICB	No	Yes	prior	27/04/10
7	Communication devices (35 RAC, 35 phones / fax machines).	255,000	ICB	No	Yes	Prior	14/01/09

## Consulting Services

**Table 2: List of Consulting Assignments with short-list of international firms**

<b>Ref No.</b>	<b>Contract Description</b>	<b>Estimated Cost (US\$)</b>	<b>Selection Method</b>	<b>Review by Bank (Prior/Post)</b>	<b>Expected Proposals Submission date</b>
1	Design and studies of DGD and Faladie customs office access road rehabilitation civil works.	186,000	QCBS	prior	25/09/08
2	Design and studies for the modernization and equipment for the Faladie multifunctional platform.	266,000	QCBS	prior	16/10/08
3	Supervision of DGD and Faladie customs office access road rehabilitation civil works.	163,000	QCBS	prior	09/07/09
4	Supervision of Modernization and equipment for the Faladie multifunctional platform.	233,000	QCBS	prior	31/08/09
5	Design and studies of Sikasso - Hérémakono – Sikasso road works.	1,067,000	QCBS	prior	05/08/08
6	Supervision of Sikasso - Hérémakono road works.	933,000	QCBS	prior	16/03/09
7	Techno-economic and detailed technical study with bidding documents production for the construction of two rest stops on the Bamako- Heremakono road.	250,000	QCBS	prior	03/0508
8	Formation of civil servants and carriers on the transit rules and transport on the Bamako- Heremakono road.	464,000	QCBS	prior	03/05/08
9	Supervision of the construction of two rest stops on the Bamako Heremakono road.	250,000	QCBS	prior	17/01/09
10	Information, education et sensitizing of populations on Bamako-Heremakono road.	300,000	QCBS	prior	23/10/08

## **Annex 9: Economic and Financial Analysis**

### **AFRICA: West Africa Transport and Transit Facilitation Project**

#### **I. Expected benefits from the project**

1. The overarching goal of the *PACITR* program is to expand trade inside and to/from West Africa by providing more reliable and less costly land transport corridors in the region. With this end in mind, the main objectives of the project are twofold: (a) to increase efficiency of the logistics chain along the Tema-Ouagadougou-Bamako corridor; and (b) to increase transit procedure reliability in order to reduce transport costs, time and unpredictability in the sub-region.

2. Expected impact of the proposed project can be divided in two stages. In the short term, the proposed project would result in: (a) reduced transit times; (b) reduced transport unpredictability; and (c) reduced non-logistics costs, such as inventory and storage costs. In the medium term, the proposed project would contribute to higher transport quality and lower transportation tariffs. Indeed, reducing transport time will lead to reduced transportation costs for transportation companies and increased transport supply. The decrease of transportation costs for trucking companies will increase the competitiveness of transportation companies which bear high fixed costs i.e. companies offering a better quality of service.

3. Increased competition will result in decreased transport tariffs and, ultimately, in trade expansion.<sup>9</sup> Increased transport services reliability and decreased tariffs will also facilitate the integration of local companies into global supply chains. Trade gains are obtained by combining trade creation and trade substitution effects. Since transport inefficiencies are more important for imports, they would be most affected initially and the analysis will mostly focus on the project impact on imports. Nevertheless, improvement of corridor efficiency would impact exports as well as imports in the region. Increased import volumes would benefit local consumers (including local companies relying on foreign inputs) by increasing their consumer surplus but it may also create a loss for some local manufacturers, whose products could be replaced by cheaper imports.

4. However, increased export volume would benefit local producers by opening market opportunities. Overall, trade creation effects are expected to be much larger than trade substitution effects.

#### **Empirical evidence of high transportation time and uncertainty in West Africa**

5. Transport costs along the Corridor are recognized as a major constraint to the regional trade and competitiveness of those economies. Transport delays and uncertainty contribute to higher transportation costs (see Annex 1 of the PAD). Even more importantly, unreliability and unpredictability of transport services remains the norm throughout West Africa.

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<sup>9</sup> These impact have however not been quantified in this analysis, as they are deemed to be much less certain than the impact on delays and variance in transit time.

6. Unreliability and unpredictability increase transportation and inventory costs. In an uncertain environment, transport companies strive to cope with these problems by investing in costly information systems or employing additional people in charge of smoothing transactions. Transport operators invest in costly communication systems such as satellite phones, tracking systems and finally charge the exporter/importer accordingly.<sup>10</sup>

7. Furthermore, Fafchamps<sup>11</sup> demonstrated empirically in nine African countries that the incidence of delayed deliveries has a strong positive effect on inventory holdings. Based on large firm-level surveys, he finds that firms hedge delivery risk by building up inventories, notably inputs. In Africa, firms hold, on average, the equivalent of three months of input needs. A strong correlation exists between late deliveries and inventory. Firms experiencing late deliveries hold, on average, 133 to 198 percent more inventories of inputs and 130 to 147 percent more total inventory. 1 out of 4 firms surveyed declared experiencing late deliveries. In economies where the cost of funds is high, this strategy is costly and considerably limits economic efficiency.

8. Moreover, the cost of lost sales in time-sensitive supply chains may be even more costly for developing countries.

### **Economic impact of project activities**

9. Reducing transport delays, uncertainty and tariffs in West Africa is consequently a legitimate objective to enhance economic efficiency in the region. To reach this objective, countries not only will have to improve their roads condition, but most critically reduce delays and uncertainty caused by poor transport logistics, themselves dependent on multiple stakeholders. Several links particularly contribute to transport delays and uncertainty such as:

- port dwell time<sup>12</sup> (mainly depending on port authorities, freight forwarders and customs' responsibilities);
- transit rules (depending on the legal framework and on the existence of enforcement and consultation mechanisms between countries and with stakeholders);
- multimodal and inland clearance facilities efficiency (mainly depending on inland facilities operators and customs efficiency); and
- infrastructure and services conditions along the main corridors (depending mainly on roads administration, road transporters and rail operators).

10. Taking into account the importance of the constraints described above, the project will try to tackle the main factors impacting delays and variance in transport time.

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<sup>10</sup> For a detailed assessment of the impact of transport unreliability and unpredictability on trade, see Arvis, Jean-Francois, Raballand, Gaël and Marteau, Jean-François (2007), "The Cost of Being Landlocked: Logistics Costs and Supply Chain Reliability", World Bank Policy Research Working Paper 4258.

<sup>11</sup> Fafchamps, M., (2004), *Market Institutions in Sub-Saharan Africa*, Cambridge (MA): MIT Press, Chapter 7 "Inventories and Contractual Risk", pp.137-149.

<sup>12</sup> Several causes contribute to high dwell time such as port efficiency, transporters and shippers' efficiency, customs and other controlling agencies efficiency and a lack of cooperation between all the stakeholders.

11. For itemization purposes, the proposed project has been summed up into five detailed set of activities (see Table 1 below).

**Table 1: Main Activities**

Main Activities	Step
<b>Simplified transit procedures in Ghana</b>	Introduction of JBP concept at Paga; Removal of escorts; regional interconnection of customs systems; introduction of a transit sticker system.
<b>Simplified transit procedures in Burkina Faso</b>	Introduction of JBP concept at Paga; Regional interconnection of customs systems; introduction of a transit sticker system.
<b>Road infrastructure improvements in Ghana</b>	Road rehabilitation works.
<b>Road infrastructure improvements in Burkina Faso</b>	Road rehabilitation works.
<b>Road infrastructure improvements in Mali</b>	Road rehabilitation works.

### Model to estimate the impact of the proposed project

12. In the short/medium term perspective, the model presented below enables us to estimate most savings generated by a typical transit and transport facilitation project.<sup>13</sup> Estimates are based on a limited number of parameters such as.

- Expected travel/dwell time and uncertainty decrease along the corridor.
- Value of time consignees' bear for storage and inventory.
- Value of time for passengers and crew.
- Value of time for transportation equipment such as the fixed costs per day for a truck.
- Unit maintenance costs for transportation equipment and infrastructure.

13. We model a supply chain as a succession of links. Each link along the corridor is characterized by the distance covered,<sup>14</sup> the average time spent, the uncertainty (modeled as a standard deviation ( $\sigma$ ) and the fixed costs borne. This definition is suitable for transports of goods as well as of passengers.

Link in the supply chain	Distance	Time/Delay	Uncertainty	Fixed Transit Cost
:	:	:	:	:
i	$x_i$	$t_i$	$\sigma_i$	$c_i$

<sup>13</sup> Computation of medium/long term gains remains more complex as it should include spillover effects induced by changes in the market structure of transportation and logistics services.

<sup>14</sup> For some links, distance can be equal or close to 0 such as port clearance, weighbridge crossing, and checkpoint or border-crossing.

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14. For goods, we define the transportation costs per trip  $C_{trans}$  by:

$$C_{trans} = \sum_i (\alpha x_i / \lambda + \beta t_i + C_i)$$

15. Here, we model the operating parameters per truck for transportation companies<sup>15</sup> by:

- Variable costs  $\alpha$  (calculated per km);
- Fixed trucking costs  $\beta$ ; and
- Load factor  $\lambda$ , to take in account the fact that the truck<sup>16</sup> may not be full on return.

16. And we define also  $C_i$ , the fixed costs a transport company bears on average for a unit of trade in transit on this link (taxes, customs procedures and roadblocks).

17. We define costs of carrying inventory  $C_{inv}$  as the sum costs of carrying inventory during transit plus a slack time to take into account the impact of uncertainty in the transit time:

$$C_{inv} = V * s * (\sum_i t_i + k * \sigma)$$

18. Here,<sup>17</sup>  $V$  equals the value of the cargo,  $s$  is the cost of inventory and storage per cargo,<sup>18</sup>  $k$  is a safety coefficient and  $\sigma$  is the total standard deviation for the chain given by:

$$\sigma = \sqrt{\sum_i \sigma_i^2}$$

The total transportation costs per trip  $C_{pass}$  for a unit of trade in transit on the corridor are then

$$C_{total} = C_{trans} + C_{inv}$$

$$C_{total} = \sum_i (\alpha x_i / \lambda + \beta t_i + C_i) + V * s * (\sum_i t_i + k * \sigma)$$

We also define the travel time costs by passenger  $C_{pass}$ :

<sup>15</sup> We have not included a payload utilization coefficient because it is generally considered as a fixed coefficient with a rather limited impact. This omission simplifies the operating parameters.

<sup>16</sup> The unit of trade in the model is a single shipment (truckload or tonne).

<sup>17</sup> This equation implies two main non substantial simplifications: normal distribution of the delays and similar value of time for goods in transit and storage.

<sup>18</sup> The main inventory carrying costs are opportunity costs of the money invested in inventory and also inventory shrinkage and obsolescence. Nevertheless, other costs occur such as rent and utilities for warehousing, insurance and taxes on inventory.

$$C_{\text{travel}} = \sum_i (\varepsilon t_i)$$

Here  $\varepsilon$  equals the average value of time for passenger and crew.

19. The total expected impact of the proposed project is measured in terms of transportation cost savings for both the passenger traffic and the trade traffic on the Corridor.

20. The parameters and variables defined above will be instrumental in assessing the economic impact of the main project activities described above. The Cost-Benefit Analysis compares the economic cost per unit of trade and per passenger before and after transit and transport facilitation measures on the Corridor.

21. The following main impacts will be assessed in sections 2 and 3.

**Table 2: Main expected impacts by activity**

Parameter or variable	Traffic improvement in Tema	Transit procedure improvements	Road infrastructure improvements
$\alpha$ variable trucking costs per km			- positive impact of better road infrastructure on vehicle operating costs (fuel, lubricants and parts consumption)
$\beta$ fixed trucking costs per day			- positive impact of better road infrastructure on fixed costs for trucking company
$t_i$ time/delay for the link $i$	- positive impact of improved facilities for trucks in transit and reduced congestion (for goods only)	- positive impact of escort removal, Customs interconnection (for goods only)	- positive impact of better road infrastructure on travel time (for passengers and crew mainly)
$\sigma_i$ uncertainty on the link $i$	- positive impact of improved facilities for trucks in transit and reduced congestion (for goods only)	- positive impact of escort removal, Customs interconnection (for goods only)	
$c_i$ fixed costs per shipment or passenger for the link $i$		- reduction of en route controls and checkpoints	

22. Benefits of improved transport and transit facilitation for each link can be written as: facilitation\_savings<sub>i</sub> = -(ΔC<sub>total</sub>)<sub>i</sub> = (β + V \* s) \* (t<sub>i</sub> - t'<sub>i</sub>) + V \* s \* k \* (Δσ)<sub>i</sub> + Δc<sub>i</sub> for a link which includes trucking and

facilitation\_savings<sub>i</sub> = -(ΔC<sub>total</sub>)<sub>i</sub> = (V \* s) \* (t<sub>i</sub> - t'<sub>i</sub>) + V \* s \* k \* (Δσ)<sub>i</sub> + Δc<sub>i</sub> for a link without trucking (e.g. clearance in the port)

where (Δσ)<sub>i</sub> is the contribution of link i to the reduction of uncertainty<sup>19</sup>.

$$(\Delta\sigma)_i = -(\sigma' + \sigma) \times \frac{\sigma_i'^2 - \sigma_i^2}{\sum_i \sigma_i'^2 - \sum_i \sigma_i^2} = -\frac{\sigma_i'^2 - \sigma_i^2}{\sigma' + \sigma}$$

23. These benefits of facilitation investments will be assessed in Part II with conservative cargo traffic assumptions

24. Benefits of road infrastructure improvements have been assessed for the main three links to be rehabilitated in this project (Kitampo-Paga in Ghana, Ougadougou-Paga in Burkina Faso and Bamako-Bougouni in Mali) and using the HDM-4 and can be written as:

infrastructure\_savings<sub>i</sub> = -(ΔC<sub>total</sub>)<sub>i</sub> = (α - α') \* x<sub>i</sub> / λ + (β \* t<sub>i</sub> - β' \* t'<sub>i</sub>) + V \* s \* (t<sub>i</sub> - t'<sub>i</sub>) for goods<sup>20</sup>,  
 while infrastructure\_savings<sub>i</sub> = -(ΔC<sub>total</sub>)<sub>i</sub> = ε \* (t<sub>i</sub> - t'<sub>i</sub>) for passengers and crew.

25. These benefits of infrastructure improvements will be assessed in Part III with conservative passenger traffic assumptions.

## II. Expected impacts of facilitation investments (facilitation of traffic in Tema and transit procedures improvements)

### Summary of costs-benefits analysis

26. The project cost considered for the economic evaluation amounts to US\$30.37 million excluding taxes. Benefits would reach US\$52.37 million at the completion of the project. The derived NPV is US\$7.42 million at a 12 percent discount rate and would provide an EIRR of 26 percent.

### Conservative estimates

27. It is worth noting that our approach consists of conservative estimates in order to avoid overestimating the benefits of the project.

<sup>19</sup> The weight of each link is selected proportional to the decrease of variance.

<sup>20</sup> The benefits on inventory costs are mainly captured by the facilitation investments' cost-benefit analysis detailed in Part II.



28. We chose to focus on the most important quantifiable benefits. Consequently, our estimate is conservative because the project will have more impact than estimated for the following reasons.

- Gains resulting from decreased delays and uncertainty are only estimated for imports because they represent the largest share of traffic flows in the sub-region. Nevertheless, exports will also be affected positively by the project.
- Gains in transport costs are not expected to be passed on to the end user during the life span of the project but they may well materialize before that.
- Gains resulting from expected reduced bribes and delays due to multiple checkpoints are not estimated because of difficulties in quantifying the expected decrease.
- Returns are calculated based on the project duration (5 years), while effects are likely to last beyond the project if compared with a “without project” situation.

### ***Expected transport time and uncertainty decrease***

29. The impact of the various components of the proposed project should be concentrated on some particular links of the supply chain in the region.

30. Taking into account the complexity and difficulties of tackling transport facilitation projects in the region and based on estimates of the possible impact of project measures, we selected conservative targets for the project.

31. The target reductions used for the calculations are the following. Baseline data and expected indicators at the end of the project are presented in Table 3.

**Table 3: Comparison between Baseline and Expected Indicators for the Corridor**

	Baseline			Expected at the end of the Project		
	Time (in days)	Uncertainty <sup>21</sup> (in days)	Fixed transit costs (in US\$) <sup>22</sup>	Time (in days)	Uncertainty (in days)	Fixed transit costs
1st link: Ghana transit	$t_1 = 5$	$\sigma_1 = 2$	$c_{1} = \text{N/A}$	$t_{1}' = 3$	$\sigma_{1}' = 1$	$c_{1}' = \text{N/A}$
2 <sup>nd</sup> link: Burkina transit	$t_{2} = 3$	$\sigma_2 = 1$	$c_{2} = 120$	$t_{2}' = 1.5$	$\sigma_{2}' = 0.75$	$c_{2}' = 120$
Total	$t = 8$	$\sigma = 2.2$	N/A	$t' = 4.5$	$\sigma' = 1.25$	N/A

### ***Value of Time for Transportation Equipment and for Goods***

32. Derived from our model, we collected data for two key parameters: (a) fixed costs for a truck in the region; and (b) the value of time for containerized cargo.

<sup>21</sup> Based on parameters calibration used for the EAC trade and transport facilitation project.

<sup>22</sup> The baseline of US\$120 fixed transit costs by TEU is derived from the DTIS prepared by the World Bank .

- Fixed costs for a truck are estimated at US\$45 per day<sup>23</sup> for a company operating along the corridor in West Africa.<sup>24</sup>
- Value of time for cargo is estimated at US\$20 per day per TEU/truckload<sup>25</sup>.

33. Simplified transit procedures generate major benefits on top of the benefits in the Port of Tema for Burkina Faso and Mali. The benefits are calculated with respect to the without-project alternative.

**Table 4: Costs-Benefits analysis of the project**

FY	FY09	FY10	FY11	FY12	FY13	FY14 (3 months)
<b>Total Costs (US\$ million)</b>						
<b>Costs</b>	<b>9.16</b>	<b>10.27</b>	<b>5.12</b>	<b>3.99</b>	<b>1.62</b>	<b>0.20</b>
<b>Benefits (US\$ million)</b>						
Ghana Transit	0.00	2.24	5.98	8.98	11.97	14.96
Burkina Transit	0.00	0.42	1.12	1.67	2.23	2.79
<b>Total Benefits<sup>26</sup> of the project</b>	<b>0.00</b>	<b>2.66</b>	<b>7.10</b>	<b>10.65</b>	<b>14.20</b>	<b>17.75</b>
<b>Net Benefits of the project</b>	<b>-9.16</b>	<b>-7.61</b>	<b>1.98</b>	<b>6.66</b>	<b>12.58</b>	<b>17.55</b>
<b>EIRR = 26 %</b>						

### Sensitivity Analysis on EIRR

34. Table 6 presents the various assumptions tested and their influence on the EIRR of the project. The projected EIRR remains above the opportunity cost of capital unless investments costs would dramatically increase.

**Table 5: Sensitivity Analysis**

<sup>23</sup> Derived from trucking surveys conducted in June 2007. Fixed operating costs (depreciation, insurance, road tax, administration costs including financial costs and salaries) calibrated for an average transport company operating from Tema/Accra to Ouagadougou.

<sup>24</sup> For the Trade and Transport Facilitation Project in South East Europe (FYROM), average value of time for trucks had been estimated to US\$250 per day.

<sup>25</sup> It has been estimated in a draft World Bank discussion paper (Arnold, J. "Best Practice in Corridor Management", forthcoming) that the average value of a TEU is close to US\$40,000, which is equivalent to US\$20-30 per TEU per day.

<sup>26</sup> Benefits are calculated in two stages using the formula defined above with the following parameters.

1. benefits per day and per cargo with  $\beta = 45$ ,  $V*s=20$ ,  $k=1$ ,  $(\Delta\sigma)_i = \frac{\sigma_i'^2 - \sigma_i^2}{\sigma_i' + \sigma_i}$ ,  $\sigma_i'$  and  $\sigma_i$  are given in table 3 as well as  $t_i$  and  $t_i'$ .
2. daily savings per cargo are multiplied by yearly traffic.

	<b>Upside 20%</b>	<b>Downside 20%</b>
<b>Daily Fixed Costs</b>	32%	19%
<b>Investment Costs</b>	16%	38%

### **Part III. Economic analysis of road works component**

35. The road infrastructure investments funded were subjected to a specific economic analysis using the HDM-4, based on data collected during project preparation and consultant's estimates.

#### **GHANA**

36. The derived NPV is US\$13.61 million at 12 percent discount rate and would provide an EIRR of 14.7 percent.

37. The following economic analysis has been prepared on the basis of the feasibility study of the road project. The main sources of benefits for the improvement were: (a) savings in Vehicle Operating Costs (VOC); (b) savings in road maintenance costs; and (c) savings in travel time.

38. Calculations were carried out for a set of vehicle types considered representative of the whole fleet of vehicles using the Project road as identified during the traffic surveys. The VOC savings estimated by the program is the difference between final VOC after improvement and initial VOC before improvement.

39. The savings in maintenance costs is the difference between the costs of maintenance before and after the improvement. The residual value of road structures such as bridges, culverts, etc., at the end of the evaluation period were considered where appropriate.

40. A detailed economic analysis using HDM-4 was done for the rehabilitation of the Kintampo – Tamale - Paga section of the Corridor in Ghana. Kimtanpo – Tamale – Paga was broken down into four sub sections (Kintampo – Buipe, Buipe – Tamale, Tamale – Walewale and Walewale – Paga) which were prioritized. The main results of these studies and the main assumptions used to run the model are summed up in the following paragraphs.

#### **Road sections and traffic estimates**

41. Summary of existing conditions of the section is indicated in Table 6.

**Table 6: Road sections and traffic estimates**

<b>Carriageway width (in meters)</b>	<b>Shoulder (in meters)</b>	<b>Surface type</b>	<b>Condition</b>	<b>AADT</b>
7.3	2.5	Paved	Fair	1134

#### **Traffic Growth Rates**

42. Traffic growth rates for both passenger and freight have been estimated by combining the growth rates of various sectors. Growth rates for freight vehicles have been derived based on GDP growth rates for agriculture mainly and that for passenger mainly from vehicle registration and population parameters. The high, medium and low rates considered for the analysis for both passenger and freight traffic is shown in the tables below.

**Table 7: Traffic growth rate (1)**

Goods Vehicles			
Rate	First 5 yrs	Next 5 yrs	Remaining Years
<b>High</b>	7	6	5
<b>Medium</b>	5	5	4
<b>Low</b>	4.6	4.3	4

**Table 8: Traffic growth rate (2)**

Passenger Vehicles			
Rate	First 5 yrs	Next 5 yrs	Remaining Years
<b>High</b>	6	5	4
<b>Medium</b>	5	4	3
<b>Low</b>	4	3	2.6

43. The table below sums up the Average Annual Daily Traffic (AADT) before the project and its composition.

**Table 9: Traffic composition in 2005**

Item	Vehicle Type	Kintampo –Tamale		Tamale – Paga	
		AADT	Percent	AADT	Percent
1	Cars	113	10	113	11
2	Pick up	239	21	233	3
3	Mini bus	206	18	122	29
4	Bus	184	16	112	15
5	Light Truck	109	10	37	14
6	Medium Truck	132	11	86	4
7	Semi -Trailer Truck	50	5	34	11
8	Articulated truck	101	9	75	14
	<b>Total</b>	<b>1134</b>	<b>100</b>	<b>812</b>	<b>100</b>

44. The proposed project was compared with maintaining the road without the improvement. Therefore, two alternatives considered and compared were:

1. Maintaining the road without the project - Baseline Alternative; or
2. Improving the road and maintaining it throughout its life - Improvement.

### **Baseline Alternative**

45. The baseline Alternative assumes routine maintenance activities using the following standards:

## **Routine Maintenance Activity**

## **Frequency**

### *Surface maintenance*

Pothole patching	Scheduled for the year
Crack sealing	Scheduled for the year
Grass cutting	4 times per year

### *Drainage maintenance*

Ditch cleaning	Once a year
Culvert cleaning	Once a year
Culvert desilting	Once a year
Culvert channel	Once a year

## **Improvement**

46. The proposed project has been designed to reconstruct or rehabilitate bad portions of the road and overlay the entire stretch with asphaltic concrete. It is expected that routine and periodic maintenance would be carried out throughout the life of the proposed project.

47. The improvement includes reconstruction/rehabilitation and overlay with 50 mm asphaltic concrete on granular base.

48. Routine maintenance would be similar to the base alternative but the road surface interventions would be responsive. They would be carried out when potholes are greater than 10/km and cracking about 10 percent of area.

49. Periodic maintenance would be overlay (50 mm thickness) of asphaltic concrete to be carried out when IRI is greater than 6 and cracking greater than 15 percent of surface area.

50. The financial cost of the improvement was \$ 596,213/km and the economic cost using a conversion factor of 0.85 is \$506,781/km. The cost compared to the benefits to be derived at a discount rate of 12 percent generated the following results:

➤ EIRR	-	14.7 percent
➤ NPV	-	13.61 (Millions of Dollars)
➤ Benefit Cost Ratio (B/C Ratio)	-	1.27
➤ First Year Rate of Return (FYRR)	-	11.2 percent

51. The above results indicate that the proposed project is viable with the estimated cost of improvement. However, since cost estimates are likely to change due to a number of factors, the sensitivity analysis carried out considered increases in cost up to 20 percent. The results of the analysis are shown in Table 10 and demonstrate that, in spite of increased costs, the project remain economically viable.

**Table 10: Sensitivity analysis**

Item	Percent Increase	Cost/km		EIRR %	NPV in Millions \$
		Financial	Economic		
1	0%	596,213	506,781	14.7	13.61
2	10%	655,834.	557,459	13.7	9
3	20%	596,213	506,781	12.8	4.39

## BURKINA FASO

52. The following economic analysis has been prepared on the basis of the feasibility study of the road project. The project's main benefits are the savings to be made by road users on vehicle operating costs, and passenger time costs. A detailed economic analysis using HDM-4 was done for the rehabilitation of the Ouagadougou-Sakoinsé section of the Corridor in Burkina Faso. The NPV derived is US\$32.99 million at 12 percent discount rate and would provide an EIRR of 21.3 percent.

### General assumptions

53. Net benefits were computed using the HDM-4 model which simulates highway life cycle and vehicle operation conditions and costs for multiple road design and maintenance alternatives.

### Project alternatives and assumptions

54. Three main alternatives have been considered for the rehabilitation of the Ouagadougou – Sakoinsé section: (a) “Without project” alternative; (b) scenario A) a 9 meters wide roads and; (c) scenario B) a 9 meter wide road with increased width at critical points,

### Road sections and traffic estimates

55. Traffic counts along the corridor have enabled to determine the initial traffic volume and its composition according to the 12 vehicle classes defined. In addition, modeling of the traffic growth scenarios has been performed using statistical series of three classes of variables: the transport variables, the correlation factors, and the influential parameters. As a consequence, a medium value of **4 percent** has been retained for the **traffic growth**. This value was subject to sensitivity analysis. The table below sums up the Average Annual Daily Traffic (AADT) before the project and its composition.

**Table 11: Traffic composition estimates in 2005**

	Cars	PU	Jeeps	MB	B	C2	C3	C4	C5	C6	GR	others	Total
<b>ADT Section 1</b>	484	77	317	106	156	201	49	102	111	93	4	4	1705
<b>ADT Section 2</b>	356	72	322	102	162	106	34	77	93	86	2	6	1416

**Maintenance strategies and typical unit costs**

56. Typical unit costs are presented in the table below:

**Table 12: Maintenance unit costs**

<b>Operation</b>	<b>Financial Cost</b>
Routine maintenance (FCFA/kilometers)	200,000
Periodic Maintenance without project (FCFA/square meter)	5,600
Periodic Maintenance with project (FCFA/square meter)	3,600

57. As for the **without project alternative**, routine maintenance works would be performed every year and periodic maintenance works would be needed every 8 years.

**Economic evaluation results**

58. The rehabilitation benefits were evaluated using HDM-4 in terms of savings in vehicle operating costs and time costs, considering a traffic growth rate of 4 percent for all vehicle classes based on historical traffic data along with economic trends. For a conservative analysis, no generated traffic was included in the analysis.

**Table 13: Economic evaluation results**

	<b>Project costs (in millions US\$)</b>	<b>IRR</b>	<b>Net Present Value (12% discount rate)</b>
<b>Scenario A: Width 9m</b>	34.8	21.3	32.99
<b>Scenario B: Width 9m with increased width at critical points</b>	39.2	24.5	37.18

**Table 14: \*Sensitivity analysis**

	<b>Scenario A</b>	<b>Scenario B</b>
<b>EIRR</b>	19.9	17.9
<b>NPV (in millions US\$)</b>	26.11	21.52

\*Evaluation with a 3% annual growth of traffic instead of 4%.

59. According to the economic analysis, the EIRR of the rehabilitation of the Ouagadougou-Sakoinsé section in Burkina Faso, either with the scenario A or the scenario B is acceptable and the sensitivity analysis has demonstrated that the results would not be sensitive to a moderate decrease in the growth rate of traffic, which is unlikely to happen in the mid-term.

## **MALI**

60. The following economic analysis has been prepared on the basis of the feasibility study for the road project. The project's main benefits are the savings to be made by road users on vehicle operating costs, and passenger time costs. A detailed economic analysis using HDM-4 was done for the rehabilitation of the Bamako – Bougouni and Sikasso – Heremakono sections of the Corridor in Mali. The derived NPV derived is US\$32.99 million at 12 percent discount rate and would provide an EIRR of 21.3 percent for the section Bamako-Bougouni and US\$29.64 million and would provide an EIRR of 29.9 percent for the section Sikasso-Heremakono.

### ***Bamako-Bougouni Summary of Benefits and Costs:***

61. **Methodology.** The economic analysis was conducted using the HDM-4 Model. The NPV derived is US\$12.09 million at 12 percent discount rate and would provide an EIRR of 31.1 percent.<sup>27</sup>

62. **Periodic maintenance of the road Bamako-Bougouni.** The results of the economic analysis are summarized in the following table for five technical options described in the section on main assumptions.

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<sup>27</sup> see table below for details.



**Table 15: Economic evaluation results**

Solutions observed	Urban section	Interurban section				
	Solution 1	Solution 2.0	Solution 2.1	Solution 2.2	Solution 2.3	Solution 2.4
<b>ERR (percent)</b>						
Section A (KP 0 to Carrefour vers Sénou)	16,6	NA	NA	NA	NA	NA
Section B (Carrefour vers Sénou to Sanankoroba)	NA	55,3	47,5	55,3	56,8	55,3
Section C (Sanankoroba to Ouéléssébougou)	NA	35,1	31,6	32,3	36,3	31,6
Section D (Ouéléssébougou to Bougouni)	NA	26,2	24,5	25,0	27,2	24,5
<b>Net Present Value discounted at 12 percent, CFAF million</b>						
Section A (KP 0 to Carrefour vers Sénou)	340,2	NA	NA	NA	NA	NA
Section B (Carrefour vers Sénou to Sanankoroba)	NA	4 213,8	3 217,1	4 213,8	3 775,9	4 213,8
Section C (Sanankoroba to Ouéléssébougou)	NA	3 521,9	2 333,2	3 516,6	3 152,5	2 333,2
Section D (Ouéléssébougou to Bougouni)	NA	4 014,9	2 372,6	4 113,0	3 685,7	2 372,6

63. **Main assumptions.** The road was built in 1965 and rehabilitated and upgraded between 1988 and 1990. Six bridges were rebuilt in 1996. The existing wearing course is a double layer surface treatment which is reaching the end of its life. Low rainfall has helped to extend the life of the wearing course which is usually seven years for the level of traffic supported by the road. The structure of the road has deteriorated mainly on two sections (between km133.4 and km 141.2 and km 151.7 and km 153.1) as shown by the deflection measurements carried out as part of the engineering design study. The average roughness, measured by the International Roughness Index (IRI) is 3.9 which is good. About 10 percent of the road has a roughness above 5.5 which is moderate. Also, 94 percent of the road shows cracking with 29 percent being cracks larger than 50 cm. However, this resulted from the action of the sun and not from structural default. Rutting averages 8 mm and spalling averages 6 cm which remains moderate. The average number of potholes which require patching is 2.6 per km. On average, 2.2 potholes per km have already been repaired in the past.

64. The results of the traffic survey are given in the following table. The survey was carried out both night and day over a seven day period.

**Table 16: Average Daily Traffic (vehicles per day)**

	Senou	Sanankoroba	Ouelessebougou	Bougouni
	KP 10.5	KP 23.6	KP 68.7	KP 150.8
Private cars	1,352	509	309	329
Minibuses/pick-ups	1,653	514	202	92
Buses	65	64	56	65
2 axle trucks	107	78	63	60
3 axle trucks	22	20	5	7
4 axle trucks	124	97	93	109
5 axle trucks	47	49	39	43
6 axle trucks	13	14	12	13
Articulated truck	6	5	4	3
Total	3,389	1 351	782	721
Percentage of heavy trucks	11%	19%	28%	33%

65. A survey was carried out to measure the axle loads of trucks. This survey shows that the percentage of overloaded trucks is important, with between 7 percent and 95 percent of trucks being overloaded based on the axle load limits in Mali.

66. Traffic growth is estimated at 3 percent near Bamako reflecting the growth of the population in the capital city of Mali. Consumption of gasoline and fuel oil has remained modest in the past. Based on this conclusion, the average traffic growth is estimated at 2.5 percent between Senou and Sanankoroba and 2 percent between Sanankoroba and Bougouni.

**Table 17: Technical solutions**

Section of the road	Option 2.0	Option 2.1	Option 2.2	Option 2.3	Option 2.4
Bamako-Senou	5 cm bituminous concrete	5 cm bituminous concrete	5 cm bituminous concrete	5 cm bituminous concrete	5 cm bituminous concrete
Senou-Sanankoroba	5 cm bituminous concrete	triple surface layer	5 cm bituminous concrete	4 cm bituminous concrete	5 cm bituminous concrete
Sanankoroba-Ouelessebougou	5 cm bituminous concrete	triple surface layer	15 cm laterite and triple surface layer	4 cm bituminous concrete	triple surface layer
Ouelessebougou-Bougouni	5 cm bituminous concrete	triple surface layer	15 cm laterite and triple surface layer	4 cm bituminous concrete	triple surface layer

67. *Sensitivity analysis/Switching values of critical items.* A sensitivity analysis was carried out to measure the impact of a reduction of benefits by 20 percent, an increase of investment costs by 20 percent and both reduction of benefits and increase of investment costs.

68. The results of the analysis are summarized in the following table.

**Table 18: Sensitivity analysis**

	Basic study	Benefits - 20%	Investment Costs + 20%	Benefits - 20 % Investment Costs + 20%
Option 2.0				
NPV	12,090	9,269	11,687	8,866
IRR	31.1	27.5	28.2	25.0
Option 2.1				
NPV	8,263	6,326	7,979	6,041
IRR	28.1	25.7	26.1	23.9
Option 2.2				
NPV	12,615	9,118	11,641	8,143
IRR	35.0	28.8	29.9	24.8
Option 2.3				
NPV	10,954	8,531	10,721	8,297
IRR	31.7	28.3	28.9	25.9
Option 2.4				
NPV	9,260	7,123	8,975	6,838
IRR	30.4	27.6	28.1	25.4

**Sikasso-Heremakono Summary of Benefits and Costs:**

69. **Methodology.** The economic analysis was conducted using the HDM-4 Model. The NPV of road rehabilitation derived is US\$29.64 million and would provide an EIRR of 28.9 percent.<sup>28</sup>

70. **Main Assumptions.** Rehabilitation costs were estimated to 215 Million FCFA per kilometer (approximately US\$500,000 per kilometer).

71. A traffic count was carried out in January 2005 to measure the current traffic. According to these estimates, 302 vehicles per day were counted (including 130 trucks). Taking into account Mali's growth population rate and expected GDP growth, the expected increased traffic rate was set to 5.2 percent per year<sup>29</sup>.

72. **Sensitivity analysis/Switching values of critical items.** A sensitivity analysis was carried out to measure the impact of a traffic reduction of 20 percent, an increase of investment costs by 20 percent. In both cases, road rehabilitation remains economically viable with an EIRR of respectively 16.8 percent and 16.7 percent.

<sup>28</sup> Without including the impact on intermediate means of transportation.

<sup>29</sup> The analysis does not take into account induced traffic growth although this was recorded for other road projects in Mali.

## Annex 10: Safeguard Policy Issues

### AFRICA: West Africa Transport and Transit Facilitation Project

#### (A) Social and Environmental Safeguards

1. Transit and transport facilitation, rather than road construction, is the primary focus of the proposed project. However, the trade facilitation and transport investments will include rehabilitation of existing roads, and construction of rest stops, which triggers the need for minor amounts of land acquisition. The project therefore triggers the Environmental Assessment (OP/BP 4.01) policy and has been assigned the **Environmental Screening Category “B”**. This rating is based on the type of road rehabilitation works funded under the project, which is expected to indicate limited adverse environmental and social impacts. No salient adverse environmental impacts are expected. However, it is expected that the civil works related to the rehabilitation of road sections, rest stops and customs posts, may induce some adverse environmental and social impacts during the construction phase. Potential negative impacts are summarized below and restricted in scope and severity:

- Dust and noise due to the road construction operations.
- The establishment of base camps and the opening or re-opening of borrow pits and quarries, which could result in soil erosion and pollution and aesthetically undesirable alteration of the landscape.
- Dumping of construction material and spillage of machine oil, lubricants, etc..
- Loss of properties (business buildings, private houses, fences, public amenities).
- Spread of HIV/AIDS.

2. To mitigate these anticipated negative impacts, safeguards instruments were prepared for each country and they were disclosed at in-country and at Info-Shop prior to appraisal.

- **Burkina-Faso (Ouagadougou – Sakoinsé)**. The EIA and an ARAP were prepared and disclosed both in country and the Info-shop in November and December 2007. The Resettlement RPF approved for the second Transport Sector Program in Burkina-Faso was re-disclosed, in November 2007. The Ouagadougou-Sakoinsé rehabilitation and rest stops construction road works in Burkina Faso, will affect 10 hectares of farmland, 40 trees, a vaccination park and a watering hole for cattle. About 23 households will be adversely affected by the proposed road works. However, none will lose permanent structures of business. The adverse impacts are limited to the acquisition of strips of land along the road and to the cutting of some trees. The cost of compensation to the Project Affected People (PAPs) is estimated at about 55 million FCFA.
- **Ghana (Kintampo – Tamale – Paga)**. ESMF and EIA were prepared and disclosed in country and at Infoshop before appraisal, which was in December 2007. The ESMF was prepared in conjunction with the preparation of the Ghana Urban Transport Project (GUTP). The policy covers all IDA funded transport projects in Ghana. Potential adverse environmental impacts were identified by the ESMF and mitigation measures proposed. The feasibility study of the proposed project included an ESIA for the whole of the

Kintampo – Tamale – Paga section of the road. Although the EIA and ESIA cover the Kintampo – Tamale Paga road (about 396 km), the proposed project will only fund the rehabilitation of the Buipe – Tamale road section (about 103 km).

- **Mali (Bamako – Bougouni and Sikasso - Heremakono).** The proposed project plans to fund part of the rehabilitation costs of the Bamako – Bougouni road (about 154 km) and all of the rehabilitation of the Sikasso – Heremakono road (about 45 km). In the case of the Bamako – Bougouni road, where the road construction works have been substantially completed, the ESIA was carried out in the context of the TCIP in 2003. In the case of the Sikasso – Heremakono road the RPF developed for the second Mali Transport Sector Project will apply to the rehabilitation works funded under the proposed project. Based on the ESIA no land acquisition will be required for the road rehabilitation works on Sikasso – Heremakono and the environmental impacts will be limited only to the construction phase of the works. Both documents (RPF and ESMF), which are applicable to all IDA funded transport projects in Mali, have been disclosed in country and at the Info-shop in November 2007.

3. **Safeguards policies.** The following two safeguards policies are triggered by this proposed project: (a) Environmental Assessment (OP/BP 4.01); and (b) Involuntary Resettlement (OP/BP 4.12).

4. **Safeguards related risks.** The potential adverse environmental and social impacts are mainly linked to the implementation of the road rehabilitation works, and include the following: (a) soil erosion; (b) loss of strips of residential plots along road alignments; and (c) loss of residential houses, businesses, temporary structures, noise and dust. Environmental protection clauses will be incorporated in the contract documents, as well as social clauses including HIV/AIDS prevention. Compliance in the implementation of the relevant social and environmental clauses will be monitored by the environmental units in the three countries involved.

5. **Alternatives considered to minimize adverse safeguard related impacts.** Drawing from the experience in implementing other transport sector IDA project in the region, the road design standards took into consideration existing road alignment with the aim to reduce adverse environmental and social impacts. In this case no-realignment is required due to the fact that the existing road alignments meet the necessary road safety standards. The safeguards instruments have been subject to consultations with key stakeholders, and have already been publicly disclosed. In addition, project stakeholders, local governments, local communities and PAPs, will be continuously consulted at various stages of the project cycle, from planning, design review and to implementation.

6. **Participation and consultations.** The expected social benefits of the proposed project include savings in travel time for users, reduced vehicle operating costs, reduced fares, as well as improvements in the safety and quality of transport services and an increase in governments' levy and tax revenue, due to enhanced enforcement of trade transit rules and regulations.

7. To strengthen participation and enhance inclusion, public consultations were carried out throughout the project preparation phase. The identification of project components including rest stops and HIV/AIDS prevention, were based on consultations with local communities,

national governments, key sector administrations such as police, customs and port authorities. Representatives of national governments and of regional organizations constitute the members of the project steering committee. Local populations traversed by the road corridor, will be provided income generating opportunities by giving them priority to various job positions in the road rehabilitation process. The preparation of the EIAs and the RAPs, included social assessment and various forms of participation, from individual consultations to focus group discussions. Consultations with various stakeholders in the transport sector: Ministry of Transports and public works and their agencies, police, customs, port authorities, were essential components in the preparation of the ESMF, RPF and the abbreviated RAP. The three documents were subject to public validation with key stakeholders prior to publication. The dates, places and people consulted are documented in the EIAs, in the ESMF, in the RPF and in the abbreviated RAP. Consultations with local communities will be continuously organized during project implementation at all stages of the civil works, to minimize conflicts, enhance cooperation, and improve social benefits and performance of the works contracts.

8. ***Long-term adverse safeguard impacts.*** The safeguards impacts identified are not expected to have any long term or cumulative effects. This is because the main focus of the civil works funded under the proposed project will be on the rehabilitation within the existing right of way of existing road transport infrastructure.

9. ***Social and environmental mitigation plans:*** Appropriate safeguards instruments have been prepared for each country covered under the proposed project. In Burkina Faso an EMP, EIA, RPF and abbreviated RAP were prepared and disclosed to cover the civil works funded under the proposed project. Furthermore, in Ghana an ESMF, RPF and EIA/EMP were prepared and disclosed. Finally, in Mali ESIA/EMP and a RPF were prepared and disclosed. RAP/ARAP for Mali and Burkina Faso were disclosed in-country and at Info-shop in November 2007.

10. ***Assessment of Capacity and Commitment of Client to Address Safeguard Issues.*** The three project countries have environmental management units/agencies at transport sector level. These agencies will ensure compliance, supervise the mitigation of the safeguards measures and conduct the internal monitoring of the implementation. The national environmental protection authority/agencies will ensure the external monitoring.

11. ***Estimated cost of implementing safeguard mitigation measures.*** Cost for social and environmental safeguard mitigation will be covered by the Governments of the three project countries. More specifically, the cost of implementing the social and environmental mitigation measures has been estimated at about US\$1 million broken down in the following manner: (a) Ghana – US\$600 thousand; (b) Mali – US\$200 thousand; and (c) Burkina Faso – US\$200 thousand.

12. ***References to mitigation plans in the project legal arrangements.*** The policy requirements of the safeguards instruments prepared (EIAs, ESMF, RPF and abbreviated RAP), will constitute part of the body of reference texts to the Credit agreements. Environmental and social clauses, including HIV/AIDS prevention, will also be incorporated into the works contract documents.

13. ***Mechanisms to monitor the implementation of agreed mitigation plans.*** The proposed project will support the three countries involved in the project, and their environmental agencies to monitor the implementation of the safeguards instruments prepared. The mandates of the environmental agencies are supported by national environmental laws. The project will also seek to strengthen the capacity of the environmental agencies through hands on training. The implementation of the EMPs and the RAPs will be launched prior to commencement of civil works. Project progress reports will include progress in mitigation of environmental and social safeguards measures. The plans will be implemented by the environmental agencies in collaboration with the contractors and supervision consultants. The civil works will not commence on the ground until and unless the payment of compensation has been finalized. The supervision engineers will issue handover certificates after completion of compensation.

14. ***Supervision arrangements including staffing and resources.*** Supervision and monitoring will be a continuous process. The day to day field supervision will be conducted by the Resident Engineers and documented in the monthly and quarterly progress reports, which will be subject to review by the environmental agencies. Periodic supervision will be conducted by the environmental agencies, which will also continuously take stock of all expropriation and compensation reports and discuss them on regular basis. The environmental agencies will produce quarterly progress reports on environmental and social performance. The reports will form part of the overall project monitoring system. Resources to carry out the work will be ensured by each project country. External monitoring will be assured by the national environmental protection agencies. Project progress reports regarding environmental and social mitigation measures will be submitted to the national environmental protection agencies. Details about the monitoring arrangements and mechanisms are provided in the ESMFs, in the EMPs and abbreviated RAP. Experience with prior and ongoing Bank projects in the sector, confirm that the countries have the capacity to staffing and resources. More specifically, in Ghana there are six staff members (four social development scientists and two environmentalists) in the transport sector environment agency. In Burkina Faso, there are four staff members and in Mali there are at least two.

#### **(B) Corridor HIV/AIDS Action Plan**

15. ***Background and context.*** A World bank study along the transport corridor shows that the importance of flows on the trunk roads facilitates contacts between various transport stakeholders and more specifically the vulnerable groups: drivers, road conveyors of goods, conveying craftsmen, travellers, sex workers, uniformed men, young people aged 13-35, tradesmen, etc. These are potential and even real vectors, with exposure to and opportunities for contamination with HIV/AIDS and STIs. The at-risk behaviours of HIV/AIDS/STIs infections are real on the main roads including between Tema-Ouagadougou-Bamako.

16. While HIV/AIDS issues are addressed at various levels in the three countries (Ghana, Burkina Faso, Mali) through their national Action programs or through ad-hoc activities, these activities are mostly of national scope and do not cover the specific aspect of transit traffic on regional corridors, especially at borders. This regional project Ghana/Burkina-Faso/Mali creates a forum to review and upgrade national plans as it is expected to have positive social effects on the HIV/AIDS vulnerable groups.

17. Within the framework of the Regional program of transports and Road Transit Facilitation in West Africa, the integration of an AIDS component has been planned. This component aims at improving access to HIV/AIDS prevention services, to treatment and at bringing support to the National program of Aids control, by paying particular attention to migrants, drivers, sex workers and residents of border areas along the Tema–Bamako transport corridor. Representatives of the three-country (Ghana/Burkina Faso/Mali) Corridor drafted a working document that will be used as a basis for discussion at the setting-up of the AIDS component of the corridor.

18. **Objective of the component:** The main objective of this component is two fold: a) improve HIV/AIDS knowledge and behavior to mobile population to protect themselves and their dependents from HIV/AIDS through IEC/BCC (Information Education and Communication and Behavioral Change Communication). This will entail, basic sensitization campaigns such as IEC training at the borders, scaling up of existing prevention activities which consist of activities on the construction sites as well as, condom promotion and distribution, support of IEC; and b) improve access to correct testing service facilities to the targeted populations.

#### 19. **Institutional and Implementation framework**

- The institutional organization must meet three concerns, namely:
  - a streamlined and practical structure which favors an efficient functioning;
  - an organizational structure that mirrors that of the project; and
  - an organizational structure managed by ministries in charge of transport and infrastructures.

20. The ongoing institutional setting-up plans the creation of a number of bodies, notably a coordinator and focal points.

21. Taking into account these concerns and the interstate nature of the project, the following proposals were selected: a framework for exchange; a sub-regional meeting to be organized every year. This meeting will gather all the representatives of national bodies in charge of AIDS control in the three countries, representatives of Ministries in charge of health, representatives of Ministries in charge of Infrastructures and/or Transports, and the technical and financial partners. These representatives will meet to review activities carried out during the year under the project in the area of AIDS control. WAEMU will preside over the meeting assisted by the coordinator and national representatives in charge of implementation (focal points). Considering the proactive participation of the Burkina team and its strategic position, it is likely to take the lead in the administrative and logistic meetings management.

22. **National implementing bodies:** In each country, the implementation of the project will be entrusted to a focal point who will work under the technical supervision of the Department in charge of transports and/or infrastructure or equipment. He/she must also report periodically to the national body of AIDS control of his/her country.

23. The focal point plays the role of national representative of the project and therefore takes part in all WAEMU periodical coordination meetings and annual meetings pertaining to the WATTFP.



24. The national representative of the project coordinates the activities of implementation and takes part in the activities of the central coordination body of the project. However, each focal point will see to the setting up of a consultation framework gathering the various partners intervening in the area of AIDS control or whose actions have some influence on the traffic in the portion of the corridor located on the national territory. In Burkina Faso for instance, the consultation framework could gather the S/P of the CNLS, the CMLS/MIT, the CMLS/SANTE, the CMLS/SECURITE, the Customs Administration, the CMLS/MASSNS, the URBLs, road haulers, sex professionals, associations and NGOs.

25. Each country will create its consultation framework according to its specific situation. The role of the consultation framework will be to review the status of implementation, the capitalization of achievements and the search for solutions to difficulties encountered in the implementation.

26. **Monitoring and Evaluation (M&E):** The baseline study at hand will help build a simple and clear M&E system with the following actions:

- Formulate outcome and goals
- Select outcome indicator to monitor
- Gather baseline information on the current condition
- Set specific targets to reach and dates for reaching them
- Regularly collect data to assess whether the targets are being met
- Analyze and report the results

27. **Partners in charge of activities:** The activities will be carried out by NGOs and Associations (Community Groups) regarding tasks related to prevention, screening and community management.

28. **Estimated Implementation Budget (in US\$)**

Country	Awareness and IEC	Promotion of VCT	Coordination, institution and Mgmt	Capacity building & training	Monitoring and Evaluation	Total
Ghana	250,000	100,000	100,000	30,000	20,000	500,000
Burkina	80,000	50,000	100,000	50,000	20,000	300,000
Mali	120,000	20,000	70,000	70,000	20,000	300,000
Total	450,000	170,000	270,000	150,000	60,000	1,100,000

**Annex 11: Project Preparation and Supervision**  
**AFRICA: West Africa Transport and Transit Facilitation Project**

	Planned	Actual
PCN review	January 2004	January 2004
Initial PID to PIC		
Initial ISDS to PIC		
Appraisal	December 2007	December 2007 and March 2008
Negotiations	February 2008	May 6-May 15, 2008
Board/RVP approval	June 19, 2008	June 19, 2008
Planned date of effectiveness	December 2008	
Planned date of mid-term review	June 2011	
Planned closing date	March 31, 2014	

Key institutions responsible for preparation of the project:

- *DGD* (Burkina Faso and Mali);
- *DGR* (Burkina Faso);
- *MID* (Burkina Faso);
- *DGTTM* (Burkina Faso);
- *DNTTMF* (Mali);
- *DNR* (Mali);
- MOT (Ghana);
- GHA (Ghana);
- GPHA (Ghana);and
- CEPS (Ghana).

Bank staff and consultants who worked on the project included:

Name	Title	Unit
Fabio Galli	TTL/Sr. Financial Analyst	AFTTR
Jean Noel Guillosoou	TTL/Sr. Transport Specialist	AFTTR
Deo Ndikumana	Senior Operations Officer	AFRCI
Antoine Lema	Environmental Consultant	AFTTR
Ibou Diouf	Sr. Transport Specialist	AFTTR
Haythem Mehouchi	Intern	AFTTR
Vincent Viguie	Intern	AFTTR
Sophie Bernard	Intern	AFTTR
Nadege L. Thadey	Language Program Assistant	AFTTR
Wycliffe Okoth	Program Assistant	AFTTR
Alain Labeau	Program Coordinator	AFTTR
Jocelyne Do Sacramento	Operations Analyst	AFTTR
Helene Bertaud	Sr. Counsel	LEGAF
Gael Raballand	Transport Economist	AFTTR
Aguiratou Savadogo Tinto	Operations Officer	AFTTR
Wolfgang Chadab	Sr. Disbursement Officer	LOAG2
Cheick Traore	Sr. Procurement Specialist	AFTPC

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William Dakpo	Procurement Specialist	AFTPC
Annthony Mensa Bonsu	Procurement Consultant	AFTPC
Mamadou Yaro	Sr. Financial Management Specialist	AFTFM
Maimouna Mbow Fam	Financial Management Specialist	AFTFM
Robert Wallace De Graft-Hanson	Financial Management Specialist	AFTFM
Luc Lapointe	Procurement Consultant	AFTPC
Africa Eshogba Olojoba	Senior Environmental Specialist	AFTEN
Yvette Laure Djachechi	Senior Social Development Specialist	AFTCS
Elisabeth Bambara	Program Assistant	AFMBF
Aoua Toure Sow	Program Assistant	AFMML
Charity Boafo Portuphy	Program Assistant	AFCW1
Michel Audige	Peer Reviewer	ECSSD
Mark Juhel	Peer Reviewer	ETWTR
Ronald Kopicki	Peer Reviewer	AFTFP
Jean Francois Marteau	Internal Peer Reviewer	AFTTR
Anca Dumitrescu	Internal Peer Reviewer	AFTTTR

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Bank funds expended to date on project preparation:

1. Bank resources: About US\$950 thousand
2. Trust funds: US\$0
3. Total: About US\$950 thousand

Estimated Approval and Supervision costs:

1. Remaining costs to approval: US\$30 thousand
2. Estimated annual supervision cost: US\$275 thousand

## **Annex 12: Documents in the Project File**

### **AFRICA: West Africa Transport and Transit Facilitation Project**

#### **IDA PROCESSING INTERNAL DOCUMENTS:**

- Project Concept Note
- Integrated Safeguards Data Sheet (concept stage)
- Integrated Safeguards Data Sheet (appraisal stage)
- Project Information Document – WATTFP - P079749 (concept stage)
- Project Information Document - WATTFP - P079736 (appraisal stage)
- Decision meeting minutes
- Results of the Quality Enhancement Review
- Appraisal Aide Memoire's and Management Letters for Ghana (December 2007), Burkina Faso (December 2007) and Mali (March 2008)

#### **CLIENT DOCUMENTS:**

##### *Safeguards*

- Environmental Impact Study for the Ouagadougou – Sakoïnse road
- Environmental and Social Assessment for Burkina Faso,
- Environmental Impact Study for Sakoïnse-Sabou road and rest stops in Sabou and Pa
- Environmental and Social Management Framework for Mali and Ghana
- Environmental Impact Assessment for Kintampo-Paga road
- Resettlement Policy Frameworks for Ghana, Burkina Faso and Mali
- Resettlement Action Plan for Ouagadougou-Sakoïnse road works

##### *Procurement*

- Ghana Procurement Plan
- Mali Procurement Plan
- Burkina Faso Procurement Plan

**Annex 13: Statement of Loans and Credits**  
**AFRICA: West Africa Transport and Transit Facilitation Project**

Project ID	FY	Purpose	Original Amount in US\$ Millions				Cancel.	Undisb.	Difference between expected and actual disbursements	
			IBRD	IDA	SF	GEF			Orig.	Frm. Rev'd
P084404	2008	3A- MZ-MW Transmission Interconnection	0.00	93.00	0.00	0.00	0.00	96.69	0.00	0.00
P105140	2008	3A-West Africa Biosafety	0.00	3.90	0.00	0.00	0.00	4.10	0.00	0.00
P093806	2008	3A-Niger Basin Water Resources	0.00	186.00	0.00	0.00	0.00	192.02	-1.92	0.00
P100785	2008	3A-APL2 West & Centr Air Transp	0.00	46.65	0.00	0.00	0.00	48.16	0.00	0.00
P079736	2007	3A-CEMAC Transp Transit Facil (FY07)	0.00	201.00	0.00	0.00	0.00	209.47	0.00	0.00
P094084	2007	3A-W.Af Agric Prod Prgm APL WAAPP (FY07)	0.00	45.00	0.00	0.00	0.00	47.21	-1.40	0.00
P094103	2007	3A-Telecommunications APL (FY07)	0.00	164.50	0.00	0.00	0.00	170.43	-3.77	0.00
P097201	2007	3A-Reg&Domestic Pwr Mkt Dev. (FY07)	0.00	296.70	0.00	0.00	0.00	311.90	1.67	0.00
P094916	2006	3A-WAPP APL 2 (OMVS Felou HEP)	0.00	75.00	0.00	0.00	0.00	80.64	23.02	0.00
P094917	2006	3A-WAPP APL 1 (CTB Phase 2) Project	0.00	60.00	0.00	0.00	0.00	64.65	26.32	0.00
P079734	2006	3A-E Afr Trade & Transp Facil (FY06)	0.00	199.02	0.00	0.00	0.00	157.79	27.90	0.00
P093826	2006	3A-SRB M. Water Res. Dvpt. APL (FY06)	0.00	110.00	0.00	0.00	0.00	103.85	13.84	0.00
P083751	2006	3A-West & Central Afr Air Tran TAL (FY06)	0.00	33.57	0.00	0.00	0.00	32.53	4.65	0.00
P092473	2005	3A-Afr Emergency Locust Prj (FY05)	0.00	59.50	0.00	0.00	0.00	31.60	21.29	3.20
P075994	2005	3A-WAPP Phase 1 APL 1 (FY05)	0.00	40.00	0.00	0.00	0.00	36.99	22.07	0.00
P080406	2005	3A-ARCAN SIL (FY05)	0.00	10.00	0.00	0.00	0.00	4.29	3.31	0.00
P080413	2005	3A-HIV/AIDs Great Lakes Init APL (FY05)	0.00	20.00	0.00	0.00	0.00	13.56	7.09	0.00
P074525	2004	3A-WAEMU Capital Markets Dev FIL (FY04)	0.00	96.39	0.00	0.00	0.00	107.84	92.51	75.97
P082613	2004	3A-Regional HIVAIDS Treatment Prj (FY04)	0.00	59.80	0.00	0.00	0.00	17.25	13.59	0.00
P069258	2004	3A-Southern Afr Power Mrkt APL 1 (FY04)	0.00	178.60	0.00	0.00	0.00	206.02	172.20	0.00
P072881	2003	3A-BEAC Reg Payment System (FY03)	0.00	14.50	0.00	0.00	0.00	5.04	1.59	1.01
P063683	2001	3A-Trade Facil SIL (FY01)	0.00	5.00	0.00	0.00	0.00	3.90	-1.69	0.24
<b>Total:</b>			<b>0.00</b>	<b>1,998.13</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,945.93</b>	<b>422.27</b>	<b>80.42</b>

**AFRICA**  
**STATEMENT OF IFC's**  
**Held and Disbursed Portfolio**  
**In Millions of US Dollars**

FY Approval	Company	Committed				Disbursed			
		IFC				IFC			
		Loan	Equity	Quasi	Partic.	Loan	Equity	Quasi	Partic.
1999	AIF	0.00	16.83	0.00	0.00	0.00	0.31	0.00	0.00
1999	AIF (Mgmt)	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00
2003	AIFH	0.00	18.25	0.00	0.00	0.00	0.03	0.00	0.00
2005	Afren	0.00	0.84	0.00	0.00	0.00	0.80	0.00	0.00
2005	Africa Re	0.00	0.00	10.40	0.00	0.00	0.00	10.40	0.00
2002	Africap	0.00	1.48	0.00	0.00	0.00	1.06	0.00	0.00
2006	Cape II	0.00	9.62	0.00	0.00	0.00	3.00	0.00	0.00
2005	Celtel	0.00	11.83	0.00	0.00	0.00	11.83	0.00	0.00
2005	LFI	0.00	2.02	0.00	0.00	0.00	0.27	0.00	0.00
2004	Olam	30.00	5.60	0.00	0.00	30.00	5.60	0.00	0.00
2002	Osprey	0.00	0.01	0.00	0.00	0.00	0.01	0.00	0.00
2001	PAIP	0.00	27.27	0.00	0.00	0.00	8.62	0.00	0.00
2002	SABCO	0.00	10.00	0.00	0.00	0.00	10.00	0.00	0.00
2006	SABCO	20.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2006	Standard Bank GR	0.00	0.00	75.00	0.00	0.00	0.00	0.00	0.00
2004	Tullov	0.00	14.40	0.00	0.00	0.00	14.40	0.00	0.00
2006	Veolia Water AMI	44.62	31.87	0.00	0.00	0.00	0.00	0.00	0.00
Total portfolio:		94.62	150.08	85.40	0.00	30.00	55.93	10.40	0.00

FY Approval	Company	Approvals Pending Commitment			
		Loan	Equity	Quasi	Partic.
2006	ARECO	0.00	0.02	0.00	0.00
2006	Brait IV	0.00	0.03	0.00	0.00
2004	BusPartners	0.00	0.00	0.00	0.00
2003	African Lakes	0.00	0.01	0.00	0.00
2006	CCS	0.02	0.00	0.00	0.00
Total pending commitment:		0.02	0.06	0.00	0.00

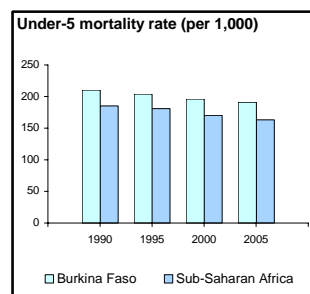
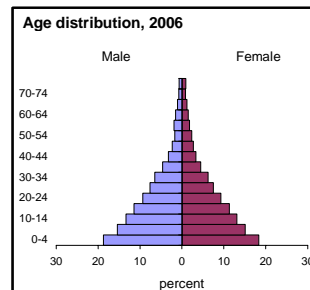
## Annex 14: Country at a Glance

### AFRICA: West Africa Transport and Transit Facilitation Project

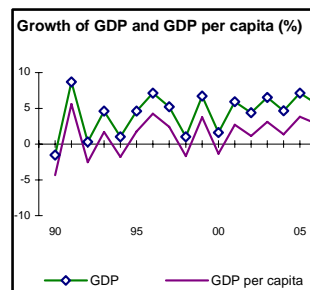
#### Burkina Faso at a glance

4/3/08

Key Development Indicators (2006)	Burkina Faso	Sub-Saharan Africa	Low income
Population, mid-year (millions)	13.6	770	2,403
Surface area (thousand sq. km)	274	24,265	29,215
Population growth (%)	2.7	2.3	1.8
Urban population (% of total population)	19	36	30
GNI (Atlas method, US\$ billions)	6.3	648	1,562
GNI per capita (Atlas method, US\$)	460	842	650
GNI per capita (PPP, international \$)	1,330	2,032	2,698
GDP growth (%)	4.2	5.6	8.0
GDP per capita growth (%)	4.0	3.2	6.1
<i>(most recent estimate, 2000–2006)</i>			
Poverty headcount ratio at \$1 a day (PPP, %)	27	41	..
Poverty headcount ratio at \$2 a day (PPP, %)	72	72	..
Life expectancy at birth (years)	48	47	59
Infant mortality (per 1,000 live births)	96	96	75
Child malnutrition (% of children under 5)	38	29	..
Adult literacy, male (% of ages 15 and older)	31	69	72
Adult literacy, female (% of ages 15 and older)	17	50	50
Gross primary enrollment, male (% of age group)	64	98	108
Gross primary enrollment, female (% of age group)	51	86	96
Access to an improved water source (% of population)	61	56	75
Access to improved sanitation facilities (% of population)	13	37	38



Net Aid Flows	1980	1990	2000	2006 <sup>a</sup>
<i>(US\$ millions)</i>				
Net ODA and official aid	210	327	335	660
<i>Top 3 donors (in 2005):</i>				
France	56	85	82	80
Netherlands	18	35	16	54
Denmark	3	10	24	49
Aid (% of GNI)	10.9	10.5	12.9	11.6
Aid per capita (US\$)	32	38	30	50



Long-Term Economic Trends	1980	1990	2000	2006 <sup>a</sup>
Consumer prices (annual % change)	3.9	1.6	4.7	2.4
GDP implicit deflator (annual % change)	8.7	1.4	5.3	2.5
Exchange rate (annual average, local per US\$)	211.3	272.3	712.0	522.4
Terms of trade index (2000 = 100)	..	123	100	104
Population, mid-year (millions)	6.6	8.5	11.3	13.6
GDP (US\$ millions)	1,929	3,120	2,601	6,023
<i>(% of GDP)</i>				
Agriculture	28.4	27.8	33.9	31.0
Industry	19.8	20.2	16.2	18.9
Manufacturing	14.7	14.7	10.8	12.9
Services	51.7	52.0	49.9	50.1
Household final consumption expenditure	98.0	81.6	80.9	83.4
General gov't final consumption expenditure	9.2	13.2	12.6	12.8
Gross capital formation	15.1	18.2	22.7	18.7
Exports of goods and services	9.0	11.3	9.1	11.7
Imports of goods and services	31.3	24.3	25.3	24.6
Gross savings	..	13.4	10.9	6.7

1980–90 1990–2000 2000–06  
(average annual growth %)

2.6	2.8	3.1
3.6	4.0	5.7
3.1	4.2	2.1
3.8	2.3	2.7
2.0	1.6	2.2
3.8	4.5	8.2
2.6	3.7	6.8
6.2	-0.5	2.6
8.6	7.0	7.6
-0.4	0.0	8.5
2.6	1.4	14.1

Note: Figures in italics are for years other than those specified. 2006 data are preliminary. .. indicates data are not available.

a. Aid data are for 2005.

Development Economics, Development Data Group (DECDG).

**Balance of Payments and Trade**

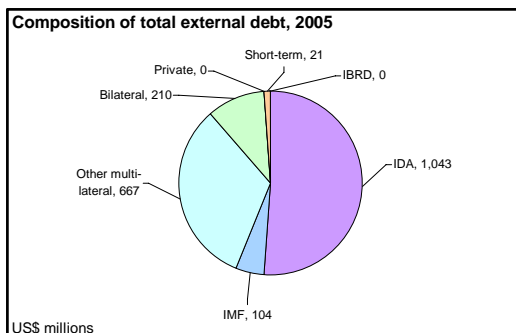
	2000	2006
<i>(US\$ millions)</i>		
Total merchandise exports (fob)	206	599
Total merchandise imports (cif)	413	1,142
Net trade in goods and services	-436	-839
Workers' remittances and compensation of employees (receipts)	67	50
Current account balance as a % of GDP	-320 -12.3	-638 -11.1
Reserves, including gold	244	431

**Central Government Finance**

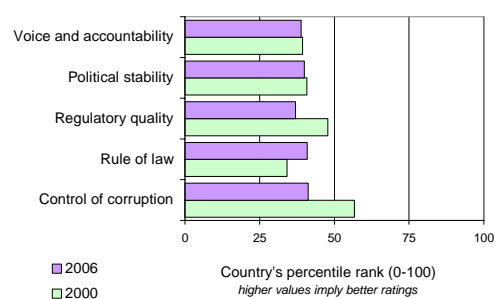
	2000	2006
<i>(% of GDP)</i>		
Current revenue (including grants)	13.1	17.8
Tax revenue	10.7	12.3
Current expenditure	10.5	12.1
Overall surplus/deficit	-9.9	-5.1
Highest marginal tax rate (%)		
Individual	..	..
Corporate	..	..

**External Debt and Resource Flows**

	2000	2006
<i>(US\$ millions)</i>		
Total debt outstanding and disbursed	1,424	2,045
Total debt service	47	46
Debt relief (HIPC, MDRI)	672	573
Total debt (% of GDP)	54.8	37.3
Total debt service (% of exports)	14.9	7.1
Foreign direct investment (net inflows)	23	19
Portfolio equity (net inflows)	-3	0

**Private Sector Development**

	2000	2006
Time required to start a business (days)	–	34
Cost to start a business (% of GNI per capita)	–	120.8
Time required to register property (days)	–	182
Ranked as a major constraint to business (% of managers surveyed who agreed)		
Access to/cost of financing	..	37.0
Electricity	..	19.6
Stock market capitalization (% of GDP)	..	..
Bank capital to asset ratio (%)	..	..

**Governance indicators, 2000 and 2006**

Source: Kaufmann-Kraay-Mastruzzi, World Bank

**Technology and Infrastructure**

	2000	2005
Paved roads (% of total)	16.0	31.2
Fixed line and mobile phone subscribers (per 1,000 people)	7	51
High technology exports (% of manufactured exports)	3.1	9.8

**Environment**

	2000	2006
Agricultural land (% of land area)	37	40
Forest area (% of land area)	25.3	24.8
Nationally protected areas (% of land area)	..	15.4
Freshwater resources per capita (cu. meters)	..	945
Freshwater withdrawal (% of internal resources)	6.4	..
CO2 emissions per capita (mt)	0.09	0.08
GDP per unit of energy use (2000 PPP \$ per kg of oil equivalent)	..	..
Energy use per capita (kg of oil equivalent)	..	..

**World Bank Group portfolio**

	2000	2006
<i>(US\$ millions)</i>		
<b>IBRD</b>		
Total debt outstanding and disbursed	0	0
Disbursements	0	0
Principal repayments	0	0
Interest payments	0	0
<b>IDA</b>		
Total debt outstanding and disbursed	593	361
Disbursements	38	127
Total debt service	5	13
<b>IFC (fiscal year)</b>		
Total disbursed and outstanding portfolio of which IFC own account	1	3
Disbursements for IFC own account	0	2
Portfolio sales, prepayments and repayments for IFC own account	0	0
<b>MIGA</b>		
Gross exposure	0	43
New guarantees	0	6

Note: Figures in italics are for years other than those specified. 2006 data are preliminary.  
 .. indicates data are not available. – indicates observation is not applicable.

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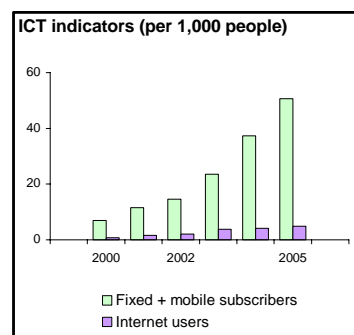
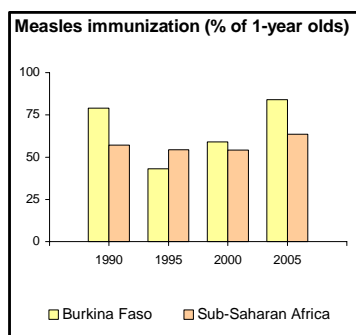
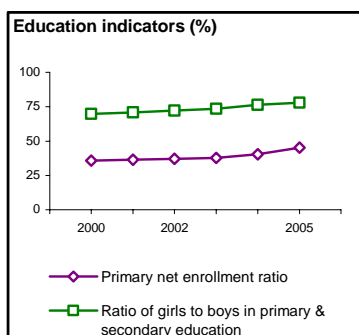


# Millennium Development Goals

Burkina Faso

With selected targets to achieve between 1990 and 2015  
(estimate closest to date shown, +/- 2 years)

	Burkina Faso			
	1990	1995	2000	2005
<b>Goal 1: halve the rates for \$1 a day poverty and malnutrition</b>				
Poverty headcount ratio at \$1 a day (PPP, % of population)	..	51.4	44.9	27.2
Poverty headcount ratio at national poverty line (% of population)	..	..	54.6	46.4
Share of income or consumption to the poorest quintile (%)	..	5.1	5.9	6.9
Prevalence of malnutrition (% of children under 5)	..	32.7	34.3	37.7
<b>Goal 2: ensure that children are able to complete primary schooling</b>				
Primary school enrollment (net, %)	29	..	36	45
Primary completion rate (% of relevant age group)	20	20	25	31
Secondary school enrollment (gross, %)	7	..	11	14
Youth literacy rate (% of people ages 15-24)	20	19	..	33
<b>Goal 3: eliminate gender disparity in education and empower women</b>				
Ratio of girls to boys in primary and secondary education (%)	62	..	70	78
Women employed in the nonagricultural sector (% of nonagricultural employment)	13	13	14	15
Proportion of seats held by women in national parliament (%)	..	4	8	12
<b>Goal 4: reduce under-5 mortality by two-thirds</b>				
Under-5 mortality rate (per 1,000)	210	204	196	191
Infant mortality rate (per 1,000 live births)	113	107	100	96
Measles immunization (proportion of one-year olds immunized, %)	79	43	59	84
<b>Goal 5: reduce maternal mortality by three-fourths</b>				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	1,000	..
Births attended by skilled health staff (% of total)	..	42	31	38
<b>Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases</b>				
Prevalence of HIV (% of population ages 15-49)	..	..	..	2.0
Contraceptive prevalence (% of women ages 15-49)	..	25	12	14
Incidence of tuberculosis (per 100,000 people)	158	155	182	223
Tuberculosis cases detected under DOTS (%)	..	11	17	18
<b>Goal 7: halve the proportion of people without sustainable access to basic needs</b>				
Access to an improved water source (% of population)	38	45	54	61
Access to improved sanitation facilities (% of population)	7	9	11	13
Forest area (% of total land area)	26.1	..	25.3	24.8
Nationally protected areas (% of total land area)	..	..	..	15.4
CO2 emissions (metric tons per capita)	0.1	0.1	0.1	0.1
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	..	..	..	..
<b>Goal 8: develop a global partnership for development</b>				
Fixed line and mobile phone subscribers (per 1,000 people)	2	3	7	51
Internet users (per 1,000 people)	0	0	1	5
Personal computers (per 1,000 people)	0	0	1	2
Youth unemployment (% of total labor force ages 15-24)	..	..	..	..



Note: Figures in italics are for years other than those specified. .. indicates data are not available.

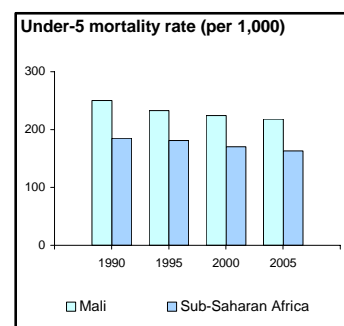
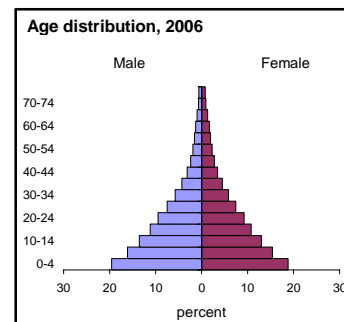
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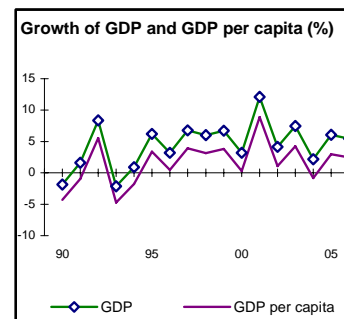
# Mali at a glance

9/28/07

Key Development Indicators (2006)	Mali	Sub-Saharan Africa	Low income
	Population, mid-year (millions)	13.9	770
Surface area (thousand sq. km)	1,240	24,265	29,215
Population growth (%)	2.9	2.3	1.8
Urban population (% of total population)	31	36	30
GNI (Atlas method, US\$ billions)	6.1	648	1,562
GNI per capita (Atlas method, US\$)	440	842	650
GNI per capita (PPP, international \$)	1,130	2,032	2,698
GDP growth (%)	5.4	5.6	8.0
GDP per capita growth (%)	2.5	3.2	6.1
<b>(most recent estimate, 2000–2006)</b>			
Poverty headcount ratio at \$1 a day (PPP, %)	36	41	..
Poverty headcount ratio at \$2 a day (PPP, %)	72	72	..
Life expectancy at birth (years)	49	47	59
Infant mortality (per 1,000 live births)	120	96	75
Child malnutrition (% of children under 5)	33	29	..
Adult literacy, male (% of ages 15 and older)	33	69	72
Adult literacy, female (% of ages 15 and older)	16	50	50
Gross primary enrollment, male (% of age group)	74	98	108
Gross primary enrollment, female (% of age group)	59	86	96
Access to an improved water source (% of population)	50	56	75
Access to improved sanitation facilities (% of population)	46	37	38



Net Aid Flows	1980	1990	2000	2006 <sup>a</sup>
<i>(US\$ millions)</i>				
Net ODA and official aid	262	479	359	691
<i>Top 3 donors (in 2005):</i>				
France	45	129	98	90
Netherlands	13	35	43	66
United States	23	30	56	58
Aid (% of GNI)	14.8	19.9	15.0	13.6
Aid per capita (US\$)	38	54	31	51



Long-Term Economic Trends	1980	1990	2000	2006 <sup>a</sup>
Consumer prices (annual % change)	..	0.6	-0.7	1.9
GDP implicit deflator (annual % change)	16.3	4.9	5.6	5.1
Exchange rate (annual average, local per US\$)	211.3	272.3	712.0	522.9
Terms of trade index (2000 = 100)	102	144	100	114
<i>(% of GDP)</i>				
Population, mid-year (millions)	7.0	8.9	11.6	13.9
GDP (US\$ millions)	1,787	2,421	2,422	5,929
Agriculture	48.3	45.5	41.6	36.8
Industry	13.2	15.9	20.6	24.1
Manufacturing	6.5	8.5	3.8	3.1
Services	38.5	38.6	37.9	39.1
Household final consumption expenditure	87.4	79.8	79.4	80.3
General gov't final consumption expenditure	11.6	13.8	8.6	9.9
Gross capital formation	15.5	23.0	24.6	24.1
Exports of goods and services	14.7	17.1	26.8	29.8
Imports of goods and services	29.1	33.7	39.4	32.4
Gross savings	1.9	15.1	16.0	28.2

1980–90 1990–2000 2000–06  
(average annual growth %)

Population, mid-year (millions)	2.4	2.7	3.0
GDP (US\$ millions)	0.8	4.1	5.7
Agriculture	3.3	2.6	4.9
Industry	4.3	6.4	4.8
Manufacturing	6.8	-1.4	5.3
Services	1.9	3.0	6.3
Household final consumption expenditure	0.6	3.2	2.1
General gov't final consumption expenditure	7.9	3.2	21.1
Gross capital formation	3.6	0.4	6.9
Exports of goods and services	4.8	9.9	6.6
Imports of goods and services	6.6	3.5	4.1

Note: Figures in italics are for years other than those specified. 2006 data are preliminary. .. indicates data are not available.  
a. Aid data are for 2005.

Development Economics, Development Data Group (DECDG).

**Balance of Payments and Trade**

(US\$ millions)

	2000	2006
Total merchandise exports (fob)	547	1,467
Total merchandise imports (cif)	595	438
Net trade in goods and services	-324	-367

Workers' remittances and compensation of employees (receipts)

73 155

Current account balance as a % of GDP

-227 -444  
-9.4 -7.5

Reserves, including gold

381 977

**Central Government Finance**

(% of GDP)

Current revenue (including grants)	15.7	17.1
Tax revenue	13.1	15.0
Current expenditure	11.6	13.2
Overall surplus/deficit	-6.6	-6.0

Highest marginal tax rate (%)

Individual	..	..
Corporate	..	..

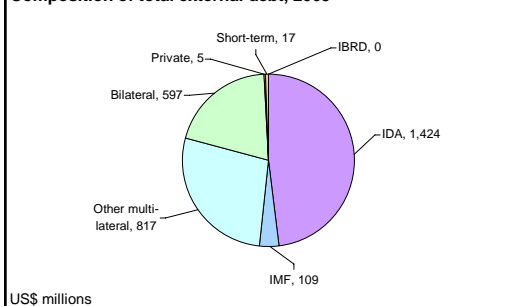
**External Debt and Resource Flows**

(US\$ millions)

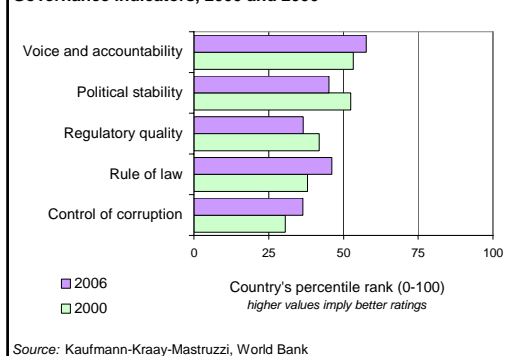
Total debt outstanding and disbursed	2,980	2,969
Total debt service	94	88
Debt relief (HIPC, MDRI)	667	985

Total debt (% of GDP)	123.0	56.0
Total debt service (% of exports)	13.0	6.6

Foreign direct investment (net inflows)	82	159
Portfolio equity (net inflows)	0	9

**Composition of total external debt, 2005****Private Sector Development**

Time required to start a business (days)	-	42
Cost to start a business (% of GNI per capita)	-	201.9
Time required to register property (days)	-	33
Ranked as a major constraint to business (% of managers surveyed who agreed)		
Access to/cost of financing	..	63.6
Corruption	..	48.7
Stock market capitalization (% of GDP)	..	..
Bank capital to asset ratio (%)	..	..

**Governance indicators, 2000 and 2006****Technology and Infrastructure**

	2000	2005
Paved roads (% of total)	12.1	18.0
Fixed line and mobile phone subscribers (per 1,000 people)	4	70
High technology exports (% of manufactured exports)	10.3	..

**Environment**

Agricultural land (% of land area)	32	32
Forest area (% of land area)	10.7	10.3
Nationally protected areas (% of land area)	..	3.8
Freshwater resources per capita (cu. meters)	..	4,438
Freshwater withdrawal (% of internal resources)	10.9	..
CO2 emissions per capita (mt)	0.05	0.04
GDP per unit of energy use (2000 PPP \$ per kg of oil equivalent)	..	..
Energy use per capita (kg of oil equivalent)	..	..

**World Bank Group portfolio**

	2000	2006
<i>(US\$ millions)</i>		
<b>IBRD</b>		
Total debt outstanding and disbursed	0	0
Disbursements	0	0
Principal repayments	0	0
Interest payments	0	0
<b>IDA</b>		
Total debt outstanding and disbursed	957	282
Disbursements	49	123
Total debt service	14	18
<b>IFC (fiscal year)</b>		
Total disbursed and outstanding portfolio of which IFC own account	78	7
Disbursements for IFC own account	57	7
Disbursements for IFC own account	0	0
Portfolio sales, prepayments and repayments for IFC own account	9	1
<b>MIGA</b>		
Gross exposure	0	16
New guarantees	0	0

Note: Figures in italics are for years other than those specified. 2006 data are preliminary.  
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Development Economics, Development Data Group (DECDG).

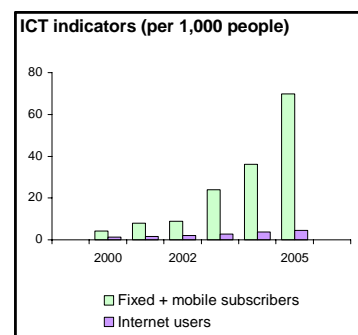
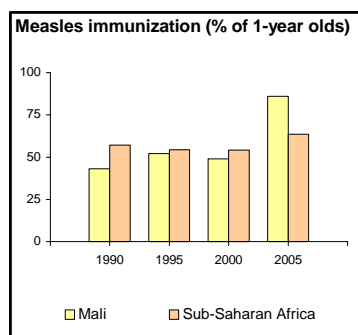
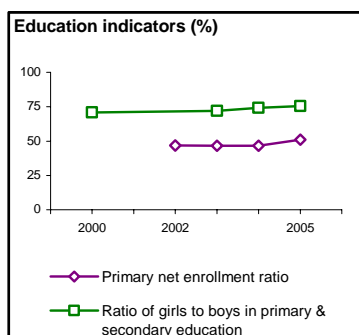
# Millennium Development Goals

Mali

With selected targets to achieve between 1990 and 2015

(estimate closest to date shown, +/- 2 years)

	Mali			
	1990	1995	2000	2005
<b>Goal 1: halve the rates for \$1 a day poverty and malnutrition</b>				
Poverty headcount ratio at \$1 a day (PPP, % of population)	..	72.3	36.1	..
Poverty headcount ratio at national poverty line (% of population)	..	..	63.8	..
Share of income or consumption to the poorest quintile (%)	..	4.6	6.1	..
Prevalence of malnutrition (% of children under 5)	..	26.9	33.2	..
<b>Goal 2: ensure that children are able to complete primary schooling</b>				
Primary school enrollment (net, %)	21	..	40	51
Primary completion rate (% of relevant age group)	10	13	28	38
Secondary school enrollment (gross, %)	7	..	16	24
Youth literacy rate (% of people ages 15-24)	..	..	24	..
<b>Goal 3: eliminate gender disparity in education and empower women</b>				
Ratio of girls to boys in primary and secondary education (%)	59	..	71	75
Women employed in the nonagricultural sector (% of nonagricultural employment)	..	33	..	..
Proportion of seats held by women in national parliament (%)	..	2	12	10
<b>Goal 4: reduce under-5 mortality by two-thirds</b>				
Under-5 mortality rate (per 1,000)	250	233	224	218
Infant mortality rate (per 1,000 live births)	140	131	124	120
Measles immunization (proportion of one-year olds immunized, %)	43	52	49	86
<b>Goal 5: reduce maternal mortality by three-fourths</b>				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	1,200	..
Births attended by skilled health staff (% of total)	..	24	41	..
<b>Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases</b>				
Prevalence of HIV (% of population ages 15-49)	..	..	1.8	1.7
Contraceptive prevalence (% of women ages 15-49)	..	7	8	..
Incidence of tuberculosis (per 100,000 people)	305	296	287	278
Tuberculosis cases detected under DOTS (%)	..	14	15	21
<b>Goal 7: halve the proportion of people without sustainable access to basic needs</b>				
Access to an improved water source (% of population)	34	39	45	50
Access to improved sanitation facilities (% of population)	36	39	43	46
Forest area (% of total land area)	11.5	..	10.7	10.3
Nationally protected areas (% of total land area)	..	..	..	3.8
CO2 emissions (metric tons per capita)	0.0	0.0	0.0	0.0
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	..	..	..	..
<b>Goal 8: develop a global partnership for development</b>				
Fixed line and mobile phone subscribers (per 1,000 people)	1	2	4	70
Internet users (per 1,000 people)	0	0	1	4
Personal computers (per 1,000 people)	..	0	1	3
Youth unemployment (% of total labor force ages 15-24)	..	..	..	..



Note: Figures in italics are for years other than those specified. .. indicates data are not available.

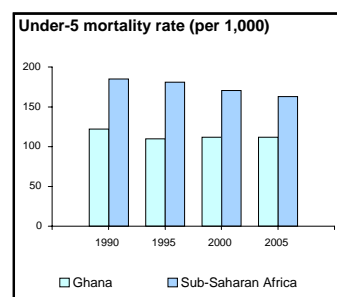
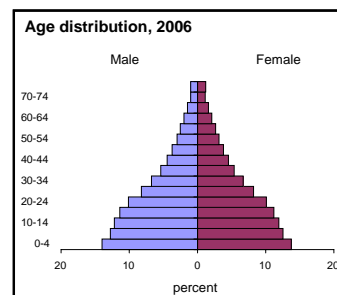
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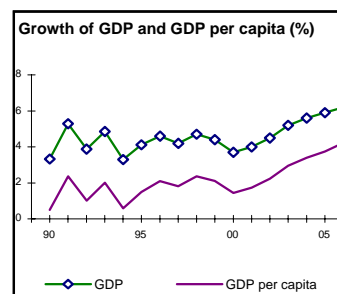
# Ghana at a glance

3/17/2008

Key Development Indicators	Ghana	Sub-Saharan Africa	Low income
<b>(2006)</b>			
Population, mid-year (millions)	22.5	770	2,403
Surface area (thousand sq. km)	239	24,265	29,215
Population growth (%)	1.9	2.3	1.8
Urban population (% of total population)	49	36	30
GNI (Atlas method, US\$ billions)	11.8	648	1,562
GNI per capita (Atlas method, US\$)	520	842	650
GNI per capita (PPP, international \$)	2,640	2,032	2,698
GDP growth (%)	6.2	5.6	8.0
GDP per capita growth (%)	4.2	3.2	6.1
<b>(most recent estimate, 2000–2006)</b>			
Poverty headcount ratio at \$1 a day (PPP, %)	45 <sup>a</sup>	41	..
Poverty headcount ratio at \$2 a day (PPP, %)	79 <sup>a</sup>	72	..
Life expectancy at birth (years)	57	47	59
Infant mortality (per 1,000 live births)	68	96	75
Child malnutrition (% of children under 5)	22	29	..
Adult literacy, male (% of ages 15 and older)	66	69	72
Adult literacy, female (% of ages 15 and older)	50	50	50
Gross primary enrollment, male (% of age group)	94	98	108
Gross primary enrollment, female (% of age group)	93	86	96
Access to an improved water source (% of population)	75	56	75
Access to improved sanitation facilities (% of population)	18	37	38



Net Aid Flows	1980	1990	2000	2006 <sup>b</sup>
<i>(US\$ millions)</i>				
Net ODA and official aid	191	560	600	1,120
<i>Top 3 donors (in 2005):</i>				
United Kingdom	35	22	80	120
Netherlands	5	25	28	70
United States	19	13	63	67
Aid (% of GNI)	4.3	9.7	12.4	10.6
Aid per capita (US\$)	17	36	30	51



Long-Term Economic Trends	1980	1990	2000	2006
Consumer prices (annual % change)	50.1	37.3	25.2	10.9
GDP implicit deflator (annual % change)	51.1	31.2	27.2	14.6
Exchange rate (annual average, local per US\$)	9.6	326.3	5,455.1	9,174.4
Terms of trade index (2000 = 100)	..	83	100	84
Population, mid-year (millions)	11.3	15.5	19.9	22.5
GDP (US\$ millions)	4,445	5,886	4,977	12,906
<i>(% of GDP)</i>				
Agriculture	57.9	44.8	35.3	37.2
Industry	11.9	16.8	25.4	25.4
Manufacturing	7.8	9.8	5.7	1.3
Services	30.2	38.4	39.3	37.3
Household final consumption expenditure	83.9	85.2	86.7	79.0
General gov't final consumption expenditure	11.2	9.3	7.8	13.2
Gross capital formation	5.6	14.4	24.0	32.4
Exports of goods and services	8.5	16.9	49.0	39.2
Imports of goods and services	9.2	25.9	67.5	63.8
Gross savings	4.5	7.0	15.5	27.2

**1980–90 1990–2000 2000–06**  
*(average annual growth %)*

3.1	2.5	2.1
3.0	4.3	5.3
1.0	3.4	3.5
3.3	2.7	7.9
3.9	-3.2	1.4
5.7	5.6	6.0
2.8	4.4	8.4
2.4	4.8	-7.0
3.3	1.3	10.7
2.5	10.1	3.3
0.6	10.4	6.9

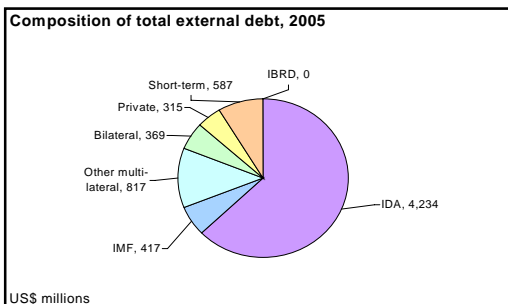
Note: Figures in italics are for years other than those specified. 2006 data are preliminary. .. indicates data are not available.  
a. Country poverty estimate is for 1998. b. Aid data are for 2005.

Development Economics, Development Data Group (DECDG).

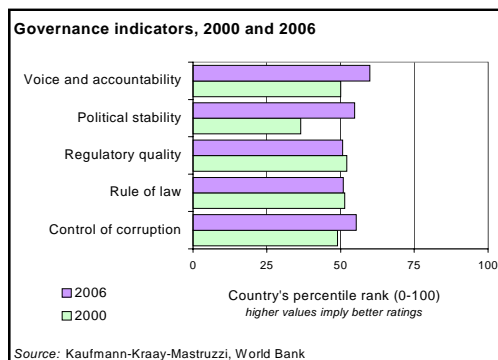
Balance of Payments and Trade	2000	2006
<i>(US\$ millions)</i>		
Total merchandise exports (fob)	1,936	3,685
Total merchandise imports (cif)	3,031	7,264
Net trade in goods and services	-922	-3,164
Workers' remittances and compensation of employees (receipts)	32	99
Current account balance as a % of GDP	-4.19	-6.57
	-8.4	-5.1
Reserves, including gold	264	2,084

Central Government Finance	2000	2006
<i>(% of GDP)</i>		
Current revenue (including grants)	19.8	25.3
Tax revenue	16.3	18.0
Current expenditure	18.5	21.8
Overall surplus/deficit	-6.7	-7.6
Highest marginal tax rate (%)		
Individual	30	25
Corporate	33	25

External Debt and Resource Flows	2000	2006
<i>(US\$ millions)</i>		
Total debt outstanding and disbursed	6,116	6,739
Total debt service	388	285
Debt relief (HIPC, MDR)	2,595	1,963
Total debt (% of GDP)	122.9	62.9
Total debt service (% of exports)	15.7	8.0
Foreign direct investment (net inflows)	166	107
Portfolio equity (net inflows)	0	0



Private Sector Development	2000	2006
Time required to start a business (days)	-	81
Cost to start a business (% of GNI per capita)	-	49.6
Time required to register property (days)	-	169
Ranked as a major constraint to business (% of managers surveyed who agreed)		
n.a.	..	..
n.a.	..	..
Stock market capitalization (% of GDP)	10.1	13.4
Bank capital to asset ratio (%)	11.8	12.0



Technology and Infrastructure	2000	2005
Paved roads (% of total)	18.4	17.9
Fixed line and mobile phone subscribers (per 1,000 people)	17	143
High technology exports (% of manufactured exports)	1.9	9.3

Environment	2000	2005
Agricultural land (% of land area)	64	65
Forest area (% of land area)	26.8	24.2
Nationally protected areas (% of land area)	..	16.2
Freshwater resources per capita (cu. meters)	..	1,370
Freshwater withdrawal (% of internal resources)	3.2	..
CO2 emissions per capita (mt)	0.31	0.36
GDP per unit of energy use (2000 PPP \$ per kg of oil equivalent)	4.8	5.5
Energy use per capita (kg of oil equivalent)	397	386

World Bank Group portfolio	2000	2006
<i>(US\$ millions)</i>		
<b>IBRD</b>		
Total debt outstanding and disbursed	9	0
Disbursements	0	0
Principal repayments	8	0
Interest payments	1	0
<b>IDA</b>		
Total debt outstanding and disbursed	3,130	810
Disbursements	204	223
Total debt service	47	54
<b>IFC (fiscal year)</b>		
Total disbursed and outstanding portfolio	24	29
of which IFC own account	24	29
Disbursements for IFC own account	0	20
Portfolio sales, prepayments and repayments for IFC own account	7	4
<b>MIGA</b>		
Gross exposure	15	185
New guarantees	0	11

Note: Figures in italics are for years other than those specified. 2006 data are preliminary.  
.. indicates data are not available. - indicates observation is not applicable.

10/2/07

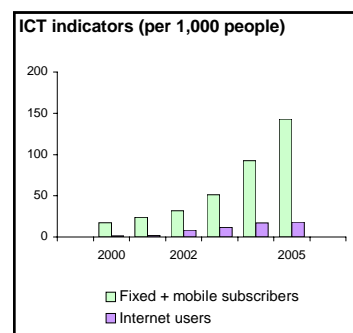
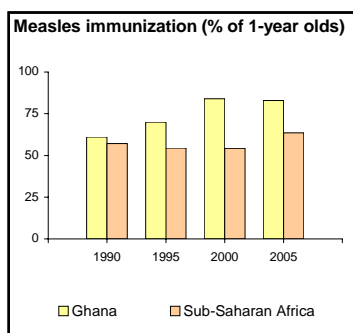
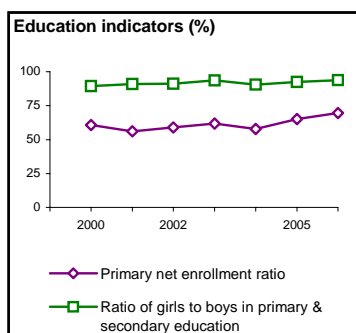
Development Economics, Development Data Group (DECDG).

# Millennium Development Goals

Ghana

With selected targets to achieve between 1990 and 2015  
(estimate closest to date shown, +/- 2 years)

	Ghana			
	1990	1995	2000	2005
<b>Goal 1: halve the rates for \$1 a day poverty and malnutrition</b>				
Poverty headcount ratio at \$1 a day (PPP, % of population)	45.5	..	44.8	..
Poverty headcount ratio at national poverty line (% of population)	50.0	..	39.5	..
Share of income or consumption to the poorest quintile (%)	7.0	..	5.6	..
Prevalence of malnutrition (% of children under 5)	30.3	27.3	24.9	22.1
<b>Goal 2: ensure that children are able to complete primary schooling</b>				
Primary school enrollment (net, %)	54	..	61	69
Primary completion rate (% of relevant age group)	63	..	63	72
Secondary school enrollment (gross, %)	35	..	37	46
Youth literacy rate (% of people ages 15-24)	..	..	71	..
<b>Goal 3: eliminate gender disparity in education and empower women</b>				
Ratio of girls to boys in primary and secondary education (%)	79	..	89	94
Women employed in the nonagricultural sector (% of nonagricultural employment)	57	..	..	..
Proportion of seats held by women in national parliament (%)	..	..	9	11
<b>Goal 4: reduce under-5 mortality by two-thirds</b>				
Under-5 mortality rate (per 1,000)	122	110	112	112
Infant mortality rate (per 1,000 live births)	75	67	68	68
Measles immunization (proportion of one-year olds immunized, %)	61	70	84	83
<b>Goal 5: reduce maternal mortality by three-fourths</b>				
Maternal mortality ratio (modeled estimate, per 100,000 live births)	..	..	540	..
Births attended by skilled health staff (% of total)	40	44	44	47
<b>Goal 6: halt and begin to reverse the spread of HIV/AIDS and other major diseases</b>				
Prevalence of HIV (% of population ages 15-49)	..	..	..	2.3
Contraceptive prevalence (% of women ages 15-49)	13	20	22	25
Incidence of tuberculosis (per 100,000 people)	223	217	211	205
Tuberculosis cases detected under DOTS (%)	..	15	38	37
<b>Goal 7: halve the proportion of people without sustainable access to basic needs</b>				
Access to an improved water source (% of population)	55	63	70	75
Access to improved sanitation facilities (% of population)	15	16	18	18
Forest area (% of total land area)	32.7	..	26.8	24.2
Nationally protected areas (% of total land area)	..	..	..	16.2
CO2 emissions (metric tons per capita)	0.2	0.3	0.3	0.4
GDP per unit of energy use (constant 2000 PPP \$ per kg of oil equivalent)	4.7	4.7	4.8	5.5
<b>Goal 8: develop a global partnership for development</b>				
Fixed line and mobile phone subscribers (per 1,000 people)	3	4	17	143
Internet users (per 1,000 people)	0	0	2	18
Personal computers (per 1,000 people)	0	1	3	5
Youth unemployment (% of total labor force ages 15-24)	..	17.1	15.9	..



Note: Figures in italics are for years other than those specified. .. indicates data are not available.

10/2/07

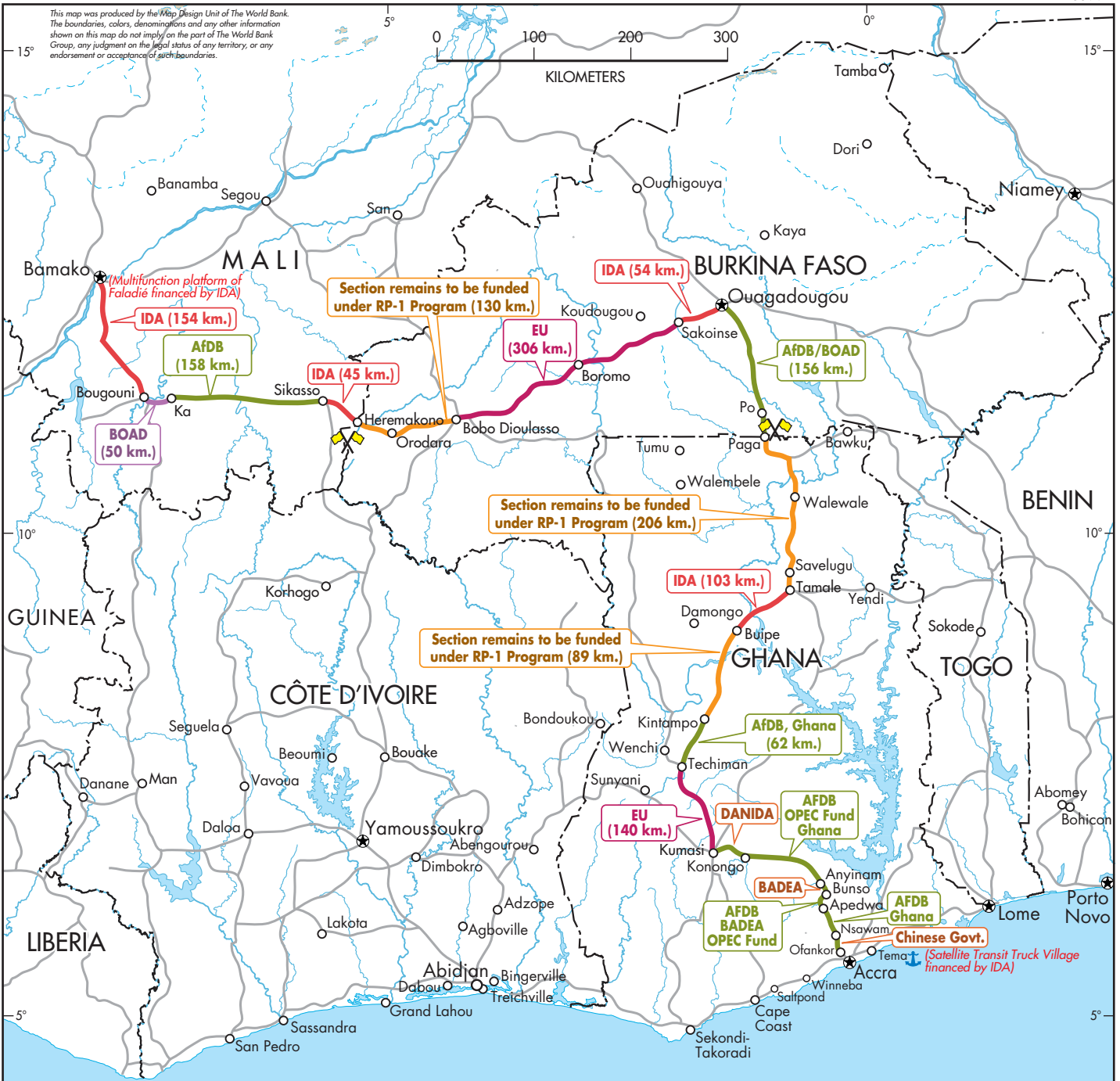
Development Economics, Development Data Group (DECDG).

**Annex 15: Maps**

**AFRICA: West Africa Transport and Transit Facilitation Project**



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# WEST AFRICA REGIONAL TRANSPORT AND TRANSIT FACILITATION PROJECT

COLORED ROAD SECTIONS INDICATE PROJECT COMPONENTS, PARTNERS, AND LENGTH  
(DASHED SECTIONS INDICATE FINANCING ALTERNATIVES)

- |   |                    |   |                           |
|---|--------------------|---|---------------------------|
|  | JOINT BORDER POSTS |  | RIVERS                    |
|  | PORT               |  | SELECTED CITIES AND TOWNS |
|  | MAIN ROADS         |  | NATIONAL CAPITALS         |
|   |                    |  | INTERNATIONAL BOUNDARIES  |