PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

Report No.: AB6275
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Project Name	Burundi Road Sector Development Additional Financing - SIM
Region	AFRICA
Country	BURUNDI
Sector	TRANSPORT
Lending Instrument	SIM
Project ID	P123119
Parent Project ID	P064876
Borrower(s)	GOVERNMENT OF BURUNDI
Implementing Agency	NATIONAL ROADS AGENCY, OFFICE des ROUTES, BUJUMBURA, BURUNDI TEL: (257) 2 20 959
Environmental Screening Category	{ }A { X }B { }C { }FI
Date PID Prepared	February 14, 2011
Estimated Date of Appraisal Completion	JANUARY 28, 2011
Estimated Date of Board Approval	April 5, 2011
Decision	Project authorized to proceed to negotiations upon approval and disclosure of Environmental and Social Impact Assessments (ESIAs)

I. Country Context

A land-locked country with limited alternatives and costly transport: Burundi is a small land-locked country, some 2,000 km from the Indian Ocean, whose internal and international trade depends essentially on road transport and on transport systems in its neighbor countries. Traffic on Lake Tanganyika is unreliable Domestic transport is totally dependent upon the road network and the country's small size limits domestic air transport The high cost of infrastructure development, coupled with equally high transport costs, are major inhibiting factors on the country's predominantly agricultural economy. The poor state of the road network is due to (i) prolonged lack of maintenance and (ii) fast deterioration from age (most roads were constructed or last rehabilitated over 25 years ago) and heavy rain fall on a predominantly hilly topography

Transport Issues and challenges: Burundi needs a regional approach to its transport solutions because of its high dependence on neighboring transport systems; however, Burundi has been left out of current and envisaged IDA-backed regional projects since joining the East African Community (EAC) in 2008. Only 49% of Burundi's paved road network of 1,100 km is in good to fair condition, whereas the government has raised national funding to road maintenance by increasing fuel levy from 2 to 8 cents per liter since 2005. Road user charges alone cannot meet the full cost of maintenance because of the thinness of the economy and the poor state of the road network.

A key challenge is how to reduce transport costs and restore Burundi's classified road network to a maintainable status. Also, Burundi's dependence on road transport needs to be reduced in future through improved lake transport and road links to the Tanzanian railways system from the border port of Kigoma.

Burundi lacks a comprehensive transport sector strategy but has been implementing a Bank-supported road strategy. In 2004, as peace returned to the country after more than a decade of armed conflict, the government adopted a road strategy as part of its dialogue with the Bank. The road strategy places high priority on repositioning the network in a maintainable status and improving international road links.

The road strategy also aims to (i) privatize the execution of road works (ii) increase internal funding of road maintenance, and (iii) improve sector capacity in planning as a way to eliminate dispersion and enhance efficiency. The government's priority is to salvage its decaying road network, through maintenance and targeted rehabilitation of key trunks, with specific attention to the improvement of Burundi's section of the Central Corridor from the borders with Rwanda (for the Northern corridor from Mombasa) and Tanzania (for the Central corridor from Dar Es Salaam). In December 2008 the government organized a donor Consultative Group (CG) meeting to raise funding in support of its road infrastructure. Since the CG meeting, IDA has been joined in the sector by the AfDB and the EU, but their current and planned lending commitments to the restoration of the existing trunk network are limited

In the face of growing corruption, the President of Burundi has emphasized zero-tolerance to corruption since his inauguration speech following his re-election. This call has been echoed by other ministers during various meetings with the Bank, and recently during the visit of the Regional Vice President to the country last October. The Bank is currently discussing a draft governance strategy with the government as well as its implementation plan and approach, in collaboration with other donors. Sector aspects of the strategy will be monitored on an ongoing basis by supervision missions of the Bank. In addition separate an assessment of road sector governance will be undertaken from which concrete actions will be derived to improve value for money and social accountability in the sector.

Specific measures will be taken from the onset of the project to tighten controls on project and contract execution. In this regard, the oversight function of the ODR will be reinforced with an independent technical auditor and a resident consultant, both of whom are experienced highway engineers of international caliber. The consultants will work closely with a supervision engineering firm which shall be recruited in due course before the procurement of each civil works contract for the Project, on the basis of terms of reference, experience and qualifications satisfactory to the Association. In addition to its classical role of onsite supervision of works, the firm would be required to help update bills of quantities and technical design and support the ODR with bid evaluations. Bill of quantities for works contracts of a duration of twelve (12) or more months shall be reviewed jointly by the supervision engineer firms and the civil work contractors every six months or following any other frequency as needed.

The separation of roles in a reformed road sector environment has improved accountability. This achievement will be consolidated under the AF through the implementation of performance agreements which are intended to promote accountability and results delivery by OdR and the NRF. Also, appropriate use of the accounting system to be established within ODR is expected to improve the quality of independent audits.

II. Sectoral and Institutional Context

Since the Consultative Group (CG) meeting, IDA has been joined in the sector by the AfDB and the EU, but their current and planned lending commitments to the restoration of the existing trunk network are limited, and the government is relying largely on IDA and its national road fund resources to pursue the rehabilitation and maintenance of the existing paved and earth road networks. The Bank's contribution to the sector is therefore of the last resort. Because of its high dependence on neighboring transport systems, Burundi's transport solutions need a regional approach; however, since joining the East African Community (EAC), Burundi has been left out of current and envisaged IDA-backed regional projects. The sector minister has expressed fears that even additional financing to the ongoing project would still remain limited in scope and would fall short of expectations for a holistic solution that takes into account both the domestic and regional dimension of the country's acute transport problems. The government's wish is to concentrate the Bank's support on salvaging its decaying road network, through maintenance and targeted rehabilitation of key trunk roads, with specific attention to the improvement of Burundi's section of the Central Corridor.

III. Project Development Objectives

The Development Objective (DO) of the Road Sector Development Project (RSDP) is to contribute to Burundi's post-conflict revival by restoring part of the priority road network, generating employment for the rural poor and improving institutional capacity in the road sector. The achievement of the Project Development Objective (PDO) is supported by the following major project components: (i) rehabilitation of paved classified roads; (ii) rehabilitation of unpaved unclassified roads; (iii) road maintenance and management; (iv) sector management and institutional strengthening; and (v) project preparation and implementation support.

IV. Project Description

The proposed Additional Financing (AF) would help complete the physical outputs of the RSDP that could not be achieved due to an unanticipated cost overrun of US$7.3 million and a financing gap of US$11.7 million. Project components under the AF would be as follows:

Component 1: Rehabilitation of Paved Classified Roads - US$ 10.4 million (IDA). This component will provide financial and technical support for rehabilitation of part of paved primary roads, comprising National Roads 1, 3 7 and 10, through drainage improvement and spot rehabilitation.

Component 2: Rehabilitation of Unpaved Classified Roads -US$ 3.7 million (IDA). The AF will provide financial and technical support for rehabilitation of approximately 100 km of unpaved classified roads including Provincial Roads (RP) 101, 109, 120 and 124.

Component 3[1]: Road Maintenance and Management: This component will be financed entirely by a Government parallel contribution of US$ 3 million. It will provide financial and technical assistance to pursue routine maintenance on the entire paved road network of some 1,100 km, and on 250 km of unpaved roads rehabilitated under the current project. The maintenance program will help pursue and strengthen the new labor-intensive and output-based contracting approaches initiated under the current project.

Component 4: Sector Management and Institutional Strengthening - US$ 2.1 million (IDA). Provision of financial and technical support to the Recipient's government and agencies involved in the road sector, to: (a) consolidate the functionality of data management and planning systems in road agencies and the Ministry of Public Works and Equipment (MTPE); and (b) implement the Road Sector Policy Action Plan (RSPAP).

Component 5: Project Preparation and Implementation Support - US$ 2.8 million (IDA). Provision of financial and technical support for the management of the Project, including fiduciary management, monitoring and evaluation, reporting, auditing, as well as preparing follow-on activities.

V. Financing

Source:		($m.)
Borrower/Recipient		3
IBRD		
IDA		19
Others (specify)		
	Total	22

VI. Implementation

The institutional and implementation arrangements for project coordination and oversight including financial management, disbursement arrangements and procurement used under the current project (ref. Project Appraisal Document No. 27594-BU) were found appropriate and will be continued under the AF. However to ensure good governance in the road sector, the Road Sector Policy Action Plan (RSPAP) developed and agreed with at the negotiations of the current project will continue to apply. Its implementation and monitoring will remain a priority under the AF and will be included as a dated covenant in the financing agreement of the AF.

[1] This component is not included in the Financing Agreement since it is not financed by IDA

VII. Safeguard Policies (including public consultation)

Road rehabilitation has a positive overall impact, particularly on the social and economical environments. The potential environmental and social impacts of the sub-projects in the proposed Additional Financing are the same scope of identified impacts in the parent project and would trigger the Bank's OP 4.01. They may include: soil erosion, noise and dust presumed to induce adverse physical environmental impacts during road construction works, possible destruction of vegetation (grass, trees); soil destruction (loss of arable lands, erosion, pollution by hydrocarbons, lubricants, organic wastes and other cut wastes); on water (increase in water sediments; pollution with the cleaning of machineries in water points and erosion of wastes at cut areas); construction milieu (sound, dust, perturbation of traffic, uncontrolled wasting); health (risks for accidents, cloud of dust).

Activities proposed for the AF are very similar to those already completed under the parent project: They include rehabilitation and maintenance of sections of the paved and earth road networks. Therefore the safeguards Category B, partial assessment, remains unchanged. As in the original project, these works focus mainly on the existing road alignments, with no realignment or incursions into the wider right of way. They will not require alterations to the road geometry, or any economic displacement of persons or property like in the current project.

No negative impacts have been noted on any abutting users or land holders. No new environmental risks are expected to arise under the AF, whose activities will not trigger any new safeguard policies. The original project has not required any land acquisition and it is not foreseen in the works to be financed by the Additional Financing. For these reasons, neither the original project nor the Additional Financing triggers OP 4.12 (Involuntary Resettlement). As has been done in the parent project, if implementation of original designs was to result in potential land acquisition and displacement of persons, the road width will be limited at such sites. This condition will be included in the bidding documents and is feasible, given the low volume of traffic in the next several years.

ESIAs were carried out following a participatory approach which was based on (i) field visits and (ii) discussions in organized meetings with road side populations, local administrative and traditional leaders, including village and opinion leaders. During each meeting the scope of the project was discussed, in terms of its economic, social, cultural and environmental impacts. Measures to mitigate its impact and increase its wellbeing were presented to the audiences.

During implementation of the original project, these partners and stakeholders have further been consulted. Under the AF, a first workshop will be organized in consultation with the Ministry of Environment with a view to seeking further remarks from participants as part of a first beneficiary assessment. The workshop will include the media, technical and non technical partners, members of the civil society as well as NGOs, Community Development Associations (ADCs) and other associations involved in social and environmental protection. A second workshop will be organized prior to the mid-term review involving the same stakeholders so that its lessons can be mainstreamed into project implementation.

The ESIAs were made available to the public by the Ministry of Public Works and Equipment and disclosed at the Bank's InfoShop.

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

VIII. Contact point at World Bank and Borrower

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

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