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Report No: PAD3983

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

FOR

PROPOSED CREDITS

IN THE AMOUNT OF EURO 106.7 MILLION (US\$130.0 MILLION EQUIVALENT)  
TO BURKINA FASO

IN THE AMOUNT OF EURO 37.0 MILLION (US\$45.0 MILLION EQUIVALENT)  
TO THE REPUBLIC OF NIGER

IN THE AMOUNT OF EURO 49.3 MILLION (US\$60.0 MILLION EQUIVALENT)  
TO THE REPUBLIC OF TOGO

AND

PROPOSED GRANTS

IN THE AMOUNT OF SDR 90.0 MILLION (US\$130.0 MILLION EQUIVALENT)  
TO BURKINA FASO

IN THE AMOUNT OF SDR 31.2 MILLION (US\$45.0 MILLION EQUIVALENT)  
TO THE REPUBLIC OF NIGER

IN THE AMOUNT OF SDR 41.6 MILLION (US\$60.0 MILLION EQUIVALENT)  
TO THE REPUBLIC OF TOGO

FOR A

LOME-OUAGADOUGOU-NIAMEY ECONOMIC CORRIDOR PROJECT

JUNE 21, 2021

Transport Global Practice  
Western and Central Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective May 31, 2021)

Currency Unit = CFA Franc (CFAF)

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CFAF 538 = US\$1

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US\$1= EUR 0.8203109

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US\$1= SDR 0.6921996

### FISCAL YEAR

January 1 - December 31

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## ABBREVIATIONS AND ACRONYMS

AADT	Average Annual Daily Traffic
ACLED	Armed Conflict Location and Event Data
AEO	Authorized Economic Operator
AFD	<i>Agence Francaise de Développement</i> (French Development Agency)
AfDB	African Development Bank
ARST	<i>Autorité de Régulation du Secteur des Transport</i> (Transport Sector Regulatory Authority – Niger)
AWPB	Annual Work Plan and Budget
CERC	Contingent Emergency Response Component
CO <sub>2</sub>	Carbon Dioxide
CoC	Code of Conduct
COVID-19	Coronavirus Disease 2019
CPF	Country Partnership Framework
DA	Designated Account
DFIL	Disbursement and Financial Information Letter
DPO	Development Policy Operation
DSSI	Debt Service Suspension Initiative
ECF	Extended Credit Facility
ECOWAS	Economic Community of West African States
EIRR	Economic Internal Rate of Return
ESIA	Environmental and Social Impact Assessment
ESHS	Environmental, Social, Health and Safety
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
EU	European Union
FCV	Fragility, Conflict and Violence
FM	Financial Management
FY	Fiscal Year
GAC	Governance and Anti-Corruption
GBD	Global Burden of Disease
GBV	Gender-based Violence
GDP	Gross Domestic Product
GEMS	Geo-Enabling initiative for Monitoring and Supervision
GHG	Greenhouse Gas
GII	Gender Inequality Index
GRID	Green, Resilient and Inclusive Development
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
HCI	Human Capital Index
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IDA	International Development Association
IDP	Internally Displaced Person
IED	Improvised Explosive Device

IFC	International Finance Corporation
IFR	Interim Financial Report
IPF	Investment Project Financing
IRI	International Roughness Index
IRU	International Road Transport Union
ITIS	Integrated Transport Information System
JBP	Joint Border Post
JICA	Japan International Cooperation Agency
LMIC	Low-to-middle-income Country
LON	Lomé-Ouagadougou-Niamey
LPI	Logistics Performance Index
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NDC	Nationally Determined Contribution
NGO	Non-governmental Organization
NPV	Net Present Value
OHS	Occupational Health and Safety
OSBP	One Stop Border Post
PAMOSSET -FC	<i>Projet d'Appui a la Modernisation du Secteur des Transports et la Facilitation du Commerce</i> (Transport Sector Modernization and Corridor Trade Facilitation Project)
PAP	Project-affected Person
PCU	Project Coordination Unit
PDO	Project Development Objective
PIM	Project Implementation Manual
PLR	Performance and Learning Review
PPA	Project Preparation Advance
PPSD	Project Procurement Strategies for Development
PRA	Prevention and Risk Allocation
PSI	Project Safety Index
RAP	Resettlement Action Plan
REC	Regional Economic Community
RED	Road Economic Decision
RPF	Resettlement Policy Framework
RRA	Risk and Resilience Assessment
RSSAT	Road Safety Screening and Appraisal Tool
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEGUCE	Single Window for Foreign Trade
SEP	Stakeholder Engagement Plan
SG	Secretary General
SIA	Specialized Implementing Agency
SIGMAT	Computerized System for the Management of Goods in Transit
SMP	Security Management Plan
SOE	Statement of Expenditure
SPD	Standard Procurement Document
SRA	Security Risk Assessment

SSA	Sub Saharan Africa
SSESMP	Site-specific Environmental and Social Management Plan
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
TFWA	Trade Facilitation West Africa
ToR	Terms of Reference
TPM	Third Party Monitoring
UN	United Nations
UNDP	United Nations Development Programme
US\$	United States Dollar
WAEMU	West African Economic and Monetary Union
WBG	World Bank Group
WHO	World Health Organization



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DATASHEET

**BASIC INFORMATION**

Country(ies) Burkina Faso, Niger, Togo	Project Name Lome-Ouagadougou-Niamey Economic Corridor	
Project ID P168386	Financing Instrument Investment Project Financing	Environmental Assessment Category B-Partial Assessment

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input checked="" type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Enhanced Implementation Support (HEIS)

Expected Approval Date 16-Jul-2021	Expected Closing Date 30-Sep-2027
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Bank/IFC Collaboration

No

**Proposed Development Objective(s)**

The proposed PDO is to improve regional connectivity and socio-economic community infrastructure along the corridor between the capital cities of Togo, Burkina Faso, and Niger.





**Components**

Component Name	Cost (US\$, millions)
Improvement of infrastructure and introduction of intelligent transportation systems on the Lomé-Ouagadougou-Niamey corridor	126.00
Improvement of quality of transport and transit services along the corridor	63.00
Improvement of community infrastructure and access road to support local economic development and resilience of populations around the corridor	265.00
Project implementation support at the regional and national level	16.00
Contingent emergency response component	0.00

**Organizations**

Borrower:	Togo Niger Burkina Faso
Implementing Agency:	Ministry of Transport, Niger Ministry of Road, Air and Rail Transport, Togo Ministry of Transport Road Safety and Urban Mobility, Burkina Faso

**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	470.00
<b>Total Financing</b>	470.00
<b>of which IBRD/IDA</b>	470.00
<b>Financing Gap</b>	0.00

**DETAILS**

**World Bank Group Financing**

International Development Association (IDA)	470.00
IDA Credit	235.00
IDA Grant	235.00



**IDA Resources (in US\$, Millions)**

	<b>Credit Amount</b>	<b>Grant Amount</b>	<b>Guarantee Amount</b>	<b>Total Amount</b>
<b>Burkina Faso</b>	130.00	130.00	0.00	260.00
National PBA	43.50	43.50	0.00	87.00
Regional	86.50	86.50	0.00	173.00
<b>Niger</b>	45.00	45.00	0.00	90.00
National PBA	15.00	15.00	0.00	30.00
Regional	30.00	30.00	0.00	60.00
<b>Togo</b>	60.00	60.00	0.00	120.00
National PBA	20.00	20.00	0.00	40.00
Regional	40.00	40.00	0.00	80.00
<b>Total</b>	<b>235.00</b>	<b>235.00</b>	<b>0.00</b>	<b>470.00</b>

**Expected Disbursements (in US\$, Millions)**

<b>WB Fiscal Year</b>	2022	2023	2024	2025	2026	2027	2028
<b>Annual</b>	30.00	50.00	60.00	100.00	110.00	120.00	0.00
<b>Cumulative</b>	30.00	80.00	140.00	240.00	350.00	470.00	470.00

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Transport

**Contributing Practice Areas**

Finance, Competitiveness and Innovation, Macroeconomics, Trade and Investment

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks



**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Substantial
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Moderate
6. Fiduciary	● Moderate
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	● Substantial
10. Overall	● Substantial

**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any waivers of Bank policies?

Yes  No

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	✓	
Performance Standards for Private Sector Activities OP/BP 4.03		✓
Natural Habitats OP/BP 4.04		✓
Forests OP/BP 4.36		✓
Pest Management OP 4.09		✓



Physical Cultural Resources OP/BP 4.11	✓
Indigenous Peoples OP/BP 4.10	✓
Involuntary Resettlement OP/BP 4.12	✓
Safety of Dams OP/BP 4.37	✓
Projects on International Waterways OP/BP 7.50	✓
Projects in Disputed Areas OP/BP 7.60	✓

**Legal Covenants**

Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I.A.4: The Recipient shall not later than one (1) month after the Effective Date, expand the scope of the mandate of the Project Coordination Unit to cover this Project and thereafter maintain, at all times during the implementation of the Project, the Project Coordination Unit, with a composition, functions, terms of reference and staff satisfactory to the Association, and comprising, inter alia, a Project coordinator, procurement specialist, financial management officer, environmental management specialist, social safeguards specialist and gender based violence specialist to be responsible for day-to-day coordination, fiduciary management, and monitoring and evaluation of Project activities, as set forth in the Project Implementation Manual.

Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I.A.5.a: The Project Coordination Unit shall not later than one (1) month after the Effective Date, nominate a security specialist under terms of reference, and with qualifications and experience satisfactory to the Association.

Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I.A.5.b: The Project Coordination Unit shall not later than three (3) months after the Effective Date, configure the existing accounting software to take into consideration specificities of the Project.

Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I.A.5.c: The Project Coordination Unit shall not later than six (6) months after the Effective Date, recruit an external auditor, under terms of reference and with qualifications and experience satisfactory to the Association.

Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I.B.1: The Recipient shall, not later than three (3) months after the Effective Date, update the existing Project Implementation Manual (including the Administrative, Accounting and Financial Procedures Manuals), in form and substance satisfactory to the Association and shall carry out the Project, in accordance with said Project Implementation Manual.



Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I.C.2: The Recipient shall not later than 30 November of each year, prepare and furnish the draft annual work plan and budget for the following year to the Association for its review, except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished not later than one (1) month after the Effective Date, and promptly thereafter finalize the draft annual work plan and budget, taking into account the Association's comments thereon.

Sections and Description

Niger Financing Agreement, Schedule 2, Section I.A.5.a: The Project Coordination Unit shall not later than three (3) months after the Effective Date, procure, install, configure and thereafter maintain an adequate accounting system for the Project Coordination Unit and train its staff on the use of said system.

Sections and Description

Togo Financing Agreement, Schedule 2, Section I.A.5.a: The Project Coordination Unit shall not later than three (3) months after the Effective Date, procure, install, configure and thereafter maintain an adequate accounting system for the Project Coordination Unit and train its staff on the use of said system.

Sections and Description

Niger Financing Agreement, Schedule 2, Section I.A.5.b: The Project Coordination Unit shall not later than three (3) months after the Effective Date, recruit an internal auditor and an accountant, both under terms of reference, and with qualifications and experience satisfactory to the Association.

Sections and Description

Niger Financing Agreement, Schedule 2, Section I.A.5.c: The Project Coordination Unit shall not later than six (6) months after the Effective Date, recruit an external auditor, under terms of reference, and with qualifications and experience satisfactory to the Association.

Sections and Description

Niger Financing Agreement, Schedule 2, Section I.C.2: The Recipient shall not later than 30 November of each year, prepare and furnish the draft annual work plan and budget for the following year to the Association for its review, except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished not later than one (1) month after the Effective Date, and promptly thereafter finalize the draft annual work plan and budget, taking into account the Association's comments thereon.

Sections and Description

Togo Financing Agreement, Schedule 2, Section I.A.5.b: The Project Coordination Unit shall not later than three (3) months after the Effective Date, recruit an internal auditor and an accountant, both under terms of reference, and with qualifications and experience satisfactory to the Association.

Sections and Description

Togo Financing Agreement, Schedule 2, Section I.A.5.c: The Project Coordination Unit shall not later than three (3) months after the Effective Date, reinforce the capacity of the Recipient's procurement commission for the Ministry of Road, Air and Rail Transport.



Sections and Description

Niger Financing Agreement, Schedule 2, Section I.E.9: The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanisms, to receive and facilitate resolution of concerns and grievances of persons, including Affected Persons under the Project, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

Sections and Description

Togo Financing Agreement, Schedule 2, Section I.A.5.d: The Project Coordination Unit shall not later than six (6) months after the Effective Date, recruit an external auditor, under terms of reference, and with qualifications and experience satisfactory to the Association.

Sections and Description

Togo Financing Agreement, Schedule 2, Section I.C.2: The Recipient shall not later than 30 November of each year, prepare and furnish the draft annual work plan and budget for the following year to the Association for its review, except for the annual work plan and budget for the Project for the first year of Project implementation, which shall be furnished not later than one (1) month after the Effective Date, and promptly thereafter finalize the draft annual work plan and budget, taking into account the Association's comments thereon.

Sections and Description

Togo Financing Agreement, Schedule 2, Section I.E.9: The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanisms, to receive and facilitate resolution of concerns and grievances of persons, including Affected Persons under the Project, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I.E.9: The Recipient shall establish, publicize, maintain and operate an accessible grievance mechanisms, to receive and facilitate resolution of concerns and grievances of persons, including Affected Persons under the Project, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Association.

Sections and Description

Burkina Faso Financing Agreement, Schedule 2, Section I, E, 5: The Recipient shall ensure that the Project is carried out in accordance with the SEA/SH Prevention and Response Action Plan, satisfactory to the Association, which shall be prepared, adopted and disclosed no later than three (3) months after the effective date.

Sections and Description

Niger Financing Agreement, Schedule 2, Section I, E, 5: The Recipient shall ensure that the Project is carried out in accordance with the SEA/SH Prevention and Response Action Plan, satisfactory to the Association, which shall be prepared, adopted and disclosed no later than three (3) months after the effective date.

Sections and Description

Togo Financing Agreement, Schedule 2, Section I, E, 5: The Recipient shall ensure that the Project is carried out in



accordance with the SEA/SH Prevention and Response Action Plan, satisfactory to the Association, which shall be prepared, adopted and disclosed no later than three (3) months after the effective date.

**Conditions**

Type	Financing source	Description
Effectiveness	IBRD/IDA	Burkina Faso Financing Agreement, Article IV: The Recipient has recruited a deputy Project coordinator, procurement specialist, a financial management officer, an environmental management specialist, a social safeguards specialist and a gender-based violence specialist, all under terms of reference and with qualifications and experience satisfactory to the Association.
Disbursement	IBRD/IDA	Burkina Faso Financing Agreement, Schedule 2, Section III.B.1.b: No withdrawal shall be made under Category 2, until and unless the Recipient has (a) prepared and adopted a Fleet Renewal Manual for Trucking Operators, in form and substance satisfactory to the Association; and (b) the Recipient has entered into at least one (1) PFI Subsidiary Financing Agreement with an eligible PFI, in form and substance satisfactory to the Association
Effectiveness	IBRD/IDA	Niger Financing Agreement, Article IV: A Project Coordination Unit with a composition, functions, terms of reference and staff satisfactory to the Association has been established, including recruiting a Project coordinator, procurement specialist, financial management officer, environmental management specialist, social safeguards specialist, and a gender based violence specialist, all under terms of reference and with qualifications and experience satisfactory to the Association.
Effectiveness	IBRD/IDA	Niger Financing Agreement, Article IV: A National Inter-Ministerial Steering Committee with a composition, functions, terms of reference and staff satisfactory to the Association has been established.
Effectiveness	IBRD/IDA	Niger Financing Agreement, Article IV: A Project Implementation Manual, including a financial management manual has been adopted in form and substance satisfactory to the Association.



Type Disbursement	Financing source IBRD/IDA	Description Niger Financing Agreement, Schedule 2, Section III.B.1.b: No withdrawal shall be made under Category 2, until and unless the Recipient has (a) prepared and adopted a Fleet Renewal Manual for Trucking Operators, in form and substance satisfactory to the Association; and (b) the Recipient has entered into at least one (1) PFI Subsidiary Financing Agreement with an eligible PFI, in form and substance satisfactory to the Association.
Type Effectiveness	Financing source IBRD/IDA	Description Togo Financing Agreement, Article IV: A Project Coordination Unit with a composition, functions, terms of reference and staff satisfactory to the Association has been established, including recruiting a Project coordinator, procurement specialist, financial management officer, environmental management specialist, social safeguards specialist, and a gender based violence specialist, all under terms of reference and with qualifications and experience satisfactory to the Association.
Type Effectiveness	Financing source IBRD/IDA	Description Togo Financing Agreement, Article IV: A National Inter-Ministerial Steering Committee with a composition, functions, terms of reference and staff satisfactory to the Association has been established.
Type Effectiveness	Financing source IBRD/IDA	Description Togo Financing Agreement, Article IV: A Project Implementation Manual, including a financial management manual has been adopted in form and substance satisfactory to the Association.
Type Disbursement	Financing source IBRD/IDA	Description Togo Financing Agreement, Schedule 2, Section III.B.1.b: No withdrawal shall be made under Category 2, until and unless the Recipient has (a) prepared and adopted a Fleet Renewal Manual for Trucking Operators, in form and substance satisfactory to the Association; and (b) the Recipient has entered into at least one (1) PFI Subsidiary Financing Agreement with an eligible PFI, in form and substance satisfactory to the Association.
Type Disbursement	Financing source IBRD/IDA	Description Burkina Faso Financing Agreement Schedule 2, Section III.B.2: 2: The Recipient undertakes that no Financing proceeds or resources may be used for law-enforcement, security, military, or paramilitary





		purposes or for any payments made to any law-enforcement, security, military, or paramilitary forces without the Association’s express approval.
Type Disbursement	Financing source IBRD/IDA	Description Togo Financing Agreement Schedule 2, Section III.B.2: 2: The Recipient undertakes that no Financing proceeds or resources may be used for law-enforcement, security, military, or paramilitary purposes or for any payments made to any law-enforcement, security, military, or paramilitary forces without the Association’s express approval.
Type Disbursement	Financing source IBRD/IDA	Description Niger Financing Agreement Schedule 2, Section III.B.2: 2: The Recipient undertakes that no Financing proceeds or resources may be used for law-enforcement, security, military, or paramilitary purposes or for any payments made to any law-enforcement, security, military, or paramilitary forces without the Association’s express approval.



## I. STRATEGIC CONTEXT

### A. Regional and Country Context

#### Regional

- 1. The Economic Community of West African States (ECOWAS) is a regional political and economic union of 15 countries<sup>1</sup> located in West Africa.** Several of the ECOWAS member states are low income and/or afflicted by conflict. The three project countries - Togo, Burkina Faso and Niger - are among the nine member states that are considered low-income per the World Bank's 2019 classification of economies by income. In Article 3 of the Revised Treaty, ECOWAS's mandate includes the promotion of cooperation, integration, and economic union. However, political instability and the threat of civil conflict continue to be impediments to stronger regional economic growth, good governance, and improved living standards. The World Bank currently classifies seven ECOWAS countries (including Burkina Faso and Niger) as fragile or conflict affected. Lack of sufficient transport connectivity is taking a toll on the growth prospects of ECOWAS member states. Intraregional trade represents less than 15 percent of total trade in ECOWAS, compared with 59 percent in Asia and 69 percent in Europe. These constraints particularly impact ECOWAS's three landlocked countries - Burkina Faso, Mali, and Niger - which trade on average 30 percent less than their coastal counterparts.
- 2. Togo, Burkina Faso and Niger are also members of the West African Economic and Monetary Union (WAEMU).** The Lomé-Ouagadougou-Niamey (LON) corridor connecting the three capital cities comprises of (i) Lomé-Ouagadougou that is one of the priority international transit corridors of ECOWAS and WAEMU; and (ii) Ouagadougou-Niamey that forms part of the trans-Saharan road corridor (Dakar to Niamey) aiming at reinforcing connectivity and boosting intra-regional trade among West Africa's landlocked countries. ECOWAS member states signaled their commitment to create joint border posts (JBP) through signature of the Supplementary Protocol A/SA.1/07/13<sup>2</sup>. The commitment further entailed the need to reduce the number of check points along their corridor routes. The first ECOWAS One Stop Border Post (OSBP)<sup>3</sup> was created at Cinkanse (Togo/Burkina Faso border), under the ECOWAS and WAEMU JBP Program.
- 3. The region crossed by LON corridor is characterized by persistent and widespread fragility and insecurity.** Approximately 19 percent of Burkina Faso's population (4 million people) and 1 percent of Niger's population (280,000 people) reside in high-intensity conflict zones<sup>4</sup>. Among other factors, exclusion – or the perception of economic, social and political exclusion – rooted in unequal access to opportunities and discrimination is providing armed groups with a breeding ground for disseminating ideologies of liberation through violence; these concerns

<sup>1</sup> Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Sierra Leone, Senegal, and Togo.

<sup>2</sup> <https://wacomp.projects.ecowas.int/wp-content/uploads/2020/03/ECOWAS-INVESTMENT-POLICY-ENGLISH.pdf>

<sup>3</sup> OSBP implies that goods and passenger vehicles stop only once at the border and exit one country and enter another at the same time. This results in a reduction in the time spent at, and costs involved in, border crossings (United Nations Economic Commission for Africa (UNECA), "Background report for the Africa regional review meeting on the implementation of the Vienna Programme of Action for the Landlocked Developing Countries for the Decade 2014-2024", 2019.

<sup>4</sup> Another 24 percent of people in Burkina Faso, and 16 percent in Niger, live in areas of medium-intensity conflict. Meanwhile, about 45 percent of the population in both countries live in zones defined as at-risk of conflict ("prevention" zones).



are particularly palpable in the education, health, and justice sectors.<sup>5</sup> In the last decade, numerous incidents of violence against civilians have been recorded in the tristate region of Burkina Faso, Mali, and Niger; the concentration of such events along the LON corridor has been particularly high in the Eastern region of Burkina Faso and the region of Tillabery of Niger. In fact, the intensity of violence in the direct corridor vicinity has increased in recent years: over a third of the total attacks registered occurred between 2019 and March 2021.<sup>6</sup> The western region of Tillaberi which includes the Niger section of the Corridor has recorded a surge in violent activities including a major massacre in 2021.

- 4. LON is a strategic, important corridor for the three countries.** In the case of Burkina Faso's imports, the corridor serves as the artery for about 40 percent of all cargo entering the country. In Niger, it plays a significant role in the country's external trade, carrying 15-20 percent of Niger's import transit through the port of Lomé (Togo) and offering an alternative to the Cotonou (Benin) – Niamey (Niger) trade corridor, which has historically been the most used. As a small transit country, Togo's ambition in its Vision 2030 strategy is to become a leader in services and industry by improving the quality and reducing the cost of services and infrastructure in transport and other growth-driving sectors that will help make the country more competitive in the region and globally. The LON 20-km buffer (radius) area is a significant generator of economic activity for the three countries and represents an important share of the populations of Burkina Faso and Togo. It concentrates as much as 28 percent of Niger's gross domestic product (GDP) and 7 percent of its population. For Burkina Faso, the respective figures are 40 percent and 21 percent, while for Togo they are even higher at 72 percent and 65 percent.<sup>7</sup>
- 5. In the three LON countries, women are more likely to be living in poverty than men.** Cultural and legal obstacles hamper access to opportunities for women and girls, particularly with regard to attending secondary school, earning incomes equal to those of men in the labor market, accessing inputs when working as small entrepreneurs, and enjoying secure land tenure in rural areas. Stakeholder consultations undertaken for the countries' Country Partnership Frameworks (CPFs) highlighted additional obstacles for women and girls, including a high rate of illiteracy, a higher dropout rate for girls in secondary school, and the lack of services to promote women's economic participation (such as formal affordable childcare services, transport and energy services, and more flexible training and employment offerings for mothers). Cultural biases (such as on land and property rights; access to financing and banking activities) discourage women to participate in more productive enterprises.
- 6. Climate change presents risks to the transport sector across the LON countries.** Mean annual temperatures are projected to increase, with a substantial increase in the frequency of hot days and nights, thus raising the risk of water scarcity and drought, as well as damage to road assets. Climate projections also show an increase in the frequency and intensity of heavy precipitation events which may increase damage from flooding. Dust storms, dune movement and sand encroachment can create traffic disruptions and pose problems in Niger and Northern Burkina Faso. The exposure and potential impacts of climate change are considered high; therefore, resilient design and measures to mitigate these impacts such as enhancement of the resilience of roads need to be integrated in projects. Climate change and natural disasters are to be taken into account in the selection of construction materials and in adjustments of design standards, as well as through the deployment of dune fixation efforts and the establishment of road hedges in vulnerable areas.

<sup>5</sup> World Bank. (2019). *Evaluation des Risques et de la Résilience dans la région du Sahel*. Draft. October.

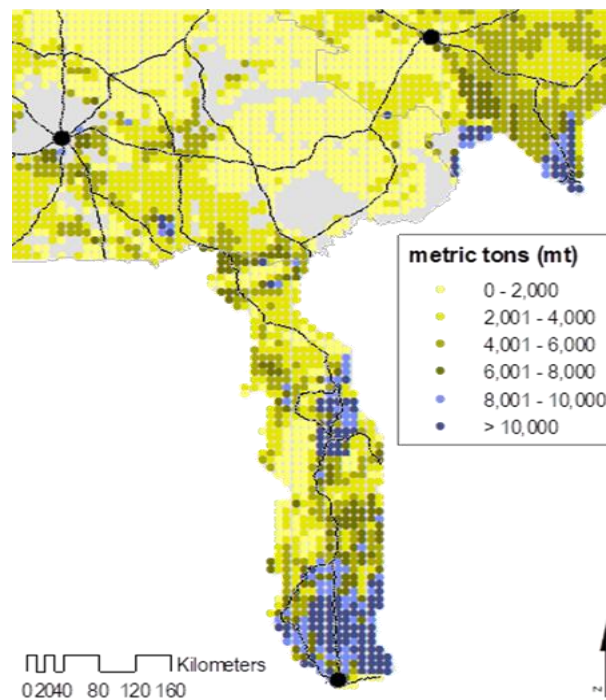
<sup>6</sup> Data provided by the Armed Conflict Location and Event Data (ACLED) Project.

<sup>7</sup> World Bank. (2019). *Enhancing Burkina Faso Regional Connectivity – An Economic Corridor Approach*. October.



7. The recent *Enhancing Burkina Faso Regional Connectivity – An Economic Corridor Approach (P167957)* report highlights the significant agricultural, manufacturing, and agglomeration potential of the sub-national regions surrounding the LON corridor. Among the regions crossed by the corridor, in Burkina Faso, agricultural production and assessed potential production is highest in the Center-East where currently about 560,000 mt of agricultural crops worth US\$157 million are produced annually, with the potential to reach 940,000 mt (US\$237 million).<sup>8</sup> At present, the total production of key staple crops – sorghum, millet, rice, and maize – is most intensive in the Niamey region in Niger with over 42 mt/km<sup>2</sup>, but it is also high in the Savanes, Plateaux and Maritime regions of Togo, which are all crossed by the LON corridor. Staple crop production potential relative to current production is estimated to be the among highest in Burkina Faso’s East region, where the potential is more than double the actual production. In the case of cash crops, by far the largest untapped cash crop production potential in the tristate area is in the Central region of Togo, where a 114-percent larger volume of cash crops per land area could be produced than is currently the case (see Annex 5).

Figure 1: Total agricultural production volume in the project area of influence (metric tons)



Source: World Bank, based on data from International Food Policy Research Institute

### Country-specific

#### Togo

8. Togo, a fragile, low-income country, has a population of about 8.3 million and a per capita income of US\$888 (2020). The share of the population living below the national poverty line is of 45.5 percent (2018-19). Togo’s economy is open to international trade, and the country has a comparative advantage to serve as a transport and

<sup>8</sup> World Bank. (2019). *Enhancing Burkina Faso Regional Connectivity – An Economic Corridor Approach*. P167957.



logistics hub due to the Port of Lomé – the deepest port along the West African coast with a natural depth of 16.6 meters – and good access to regional and international markets.

9. **Extreme poverty is projected to increase by one percent (an additional 80,000 people), compared to a pre-COVID-19 estimate that predicted a decline in the poverty rate from 45.5 to 46.3 percent in 2020.** This stems from declines in income and consumption by the most vulnerable, especially those working in sectors adversely impacted by the crisis (e.g., tourism, transport and agriculture). It also reflects an increase in the price of staple foods and imported goods. The projected economic downturn is expected to have adverse social effects and worsen human capital outcomes, which were already deficient with a low Human Capital Index (HCI) score of just 0.43. Since the first case of COVID was confirmed in Togo on March 6, 2020, the Government has launched a comprehensive COVID-19 response plan that aims to protect lives, livelihoods and future growth prospects. The country's COVID-19 response plan has three pillars: (i) limiting the contagion of COVID-19 across the country and caring for the sick; (ii) preventing an increase in poverty, including through the introduction of Novissi, an innovative urban cash transfer program; and (iii) preparing for recovery with measures to support the private sector, protect jobs and stimulate agricultural production.
10. **Togo is exposed to climate change impacts with an expected rise in the frequency of intense rainfall events and longer periods of drought.** The climate of Togo is mostly tropical, save the northern-most portion which gives way to a semi-arid savanna. The country already experiences high risks of river flooding, water scarcity and extreme heat.<sup>9</sup> Climate projections indicate an increase in mean annual temperatures and in the frequency of days and nights that are considered hot in the current climate. Precipitation projections are less certain with both increases and decreases showing in different models.<sup>10</sup>

### **Burkina Faso**

11. **Burkina Faso, a landlocked, fragile, low-income country, has a population of 20.9 million and a per capita income of US\$765 (2020).** Despite significant progress in poverty reduction since 2003 from about 53 percent to about 37<sup>11</sup> percent in 2020, almost 80 percent of the population lives on less than US\$3 per day. Poverty remains high in certain regions, exceeding 55 percent in the north-west and averaging around 45-55 percent in most central areas, compared to less than 10 percent in Ouagadougou.
12. **Burkina Faso, similar to its landlocked neighbor Niger, continues to rely on exports of a limited scope, primarily unprocessed commodities and minerals.** It runs a significant trade imbalance with not only the rest of the world, but also its neighbors. The trade imbalance vis-à-vis regional and global trading partners has direct implications for the landlocked country's international transport and trade costs, given the need for transport prices on northbound (full) cargo flows to also compensate for the southbound (mostly empty) flows.
13. **The COVID 19 pandemic has significantly impacted the country economic stance already exposed to unprecedented security challenges.** In 2020, the pandemic and associated containment and mitigation measures plunged the country into an economic crisis and increased budgetary pressures. As a result of both the global

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<sup>9</sup> ThinkHazard Webpage, consulted in February 2021. URL: <https://thinkhazard.org/en/report/243-togo>

<sup>10</sup> WBG Climate Knowledge Portal, consulted in January 2021. URL:

<https://climateknowledgeportal.worldbank.org/country/niger/climate-data-historical>

<sup>11</sup> COVID-19 crisis increased the extreme poverty rate in 2020, reversing two years of poverty reduction (World Bank, 2021)



slowdown and the domestic COVID-19 outbreak, the economy is estimated to have contracted by 2 percent (compared to growth of 6 percent projected in the CPF) and associated with a contraction of 5 percent in per capita terms. Public debt increased to 42.7 percent of GDP in 2019 and is estimated to have climbed over 47 percent of GDP in 2020.

14. **Burkina Faso is prone to chronic drought, flash floods, wind dust storms, and disease outbreaks.** The country has three climatic zones that split the country from north to south, each experiencing pronounced wet and dry seasons. Temperatures are projected to increase at a higher rate in the north of the country. Annual precipitation and annual maximum 5-day rainfall (25yr RL) are also projected to rise (RCP8.5, Ensemble).<sup>12</sup>
15. **Burkina Faso has been prone to security risks, particularly in the northern, central, and eastern part of the country.** Burkina Faso is classified as a Fragility, Conflict & Violence (FCV) country with high security risk prevalent in the project areas, including the border crossing between Burkina Faso and Niger that will benefit from project interventions. There is a risk of roads being heavily targeted with Improvised Explosive Devices (IED) and other devices by Daesh/ISIS. There also is an increased risk of terrorism as security forces struggle to prevent the spread of jihadist insurgencies across the country, with military bases highly vulnerable to attack. Kidnapping and attack risks are particularly high in northern, central, and eastern Burkina Faso.

### Niger

16. **Niger, a large landlocked country has an estimated population of over 22 million, a GDP per capita of US\$414 (2018), and an economy that is predominantly rural and informal.** Over three-quarters of the population resides in rural areas, and 80 percent of the jobs are in the informal sector. The country's economy is based primarily on the production of raw materials (uranium, rice, palm oil), and its exports are largely dependent on the efficiency of the transport system in neighboring countries with access to the sea.
17. **Niger is a fragile country experiencing a three-fold crisis: security, humanitarian, and an economic slowdown due to the COVID-19 pandemic measures and travel restrictions.** About 309 security incidents were reported between January and October 2020, resulting in 968 fatalities according to the Armed Conflict Location and Event Data (ACLED) dashboard. Violence and insecurity primarily in Diffa and Tillaberi have resulted in 265,000 Internally Displaced Persons (IDPs), half of whom have been displaced since November 2019. Since the start of 2021, there have been more than 300 people killed in three attacks in the western part of the country, which includes the border crossing from Burkina Faso to Niger, where the project will finance various upgrades and infrastructure investments.
18. **The COVID-19 pandemic is having a significant economic and social impact on Niger and has reversed some recent achievements in poverty reduction**<sup>13</sup>. Since its onset in Niger in March 2020, the pandemic has claimed the lives of 162 Nigeriens and infected 4,548 people as of February 2, 2021<sup>14</sup>. The economic slowdown and lower government revenues to finance social programs for vulnerable citizens have adversely affected many Nigeriens.

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<sup>12</sup> WBG Climate Knowledge Portal, consulted in January 2021. URL:

<https://climateknowledgeportal.worldbank.org/country/niger/climate-data-historical>

<sup>13</sup> Results from World Bank macro-micro simulations suggest that the poverty rate in Niger would increase by about 1.6 percentage point in 2020.

<sup>14</sup> Niger Ministry of Health, <https://www.sante.gouvne.org/coronna-covid-19/>





Extreme poverty has increased by 1.3 percentage points in 2020, equivalent to an additional 690,000 newly poor Nigeriens. The effects of the pandemic-driven global economic downturn and its impact on Niger's economy has already been felt particularly in services and other tertiary sectors. Health care-related spending could rise by as much as 2 percent of the gross domestic product (GDP) and measures will be needed to cushion the pandemic's social and economic fallout. A comprehensive response plan is in place<sup>15</sup> to mitigate the health, economic and social impacts: (i) health measures (mainly prevention and containment); (ii) social protection (food and cash distributions and subsidies utilities for critical services); and (iii) support to hard hit private enterprises (predominantly temporary tax relief).

- 19. Climate change also presents significant challenges in Niger which has experienced an increase in the frequency and severity of extreme rainfall events and flooding, as well as a dryer and warmer weather.** Niger has a hot climate characterized by high temperatures year-round, with a long intense dry season from October to May and a brief, irregular rainy season linked to the West African monsoon. While temperatures have been increasing and are projected to continue rising, rainfall events are expected to become less frequent with shorter durations and greater intensity<sup>16</sup>.

## B. Sectoral and Institutional Context

### Regional

- 20. Transport cost and time along the LON corridor remain among the highest in Sub Saharan Africa (SSA) hampering regional economic and social integration.** The investment focus so far has been on main road network infrastructure including regional corridors. As a result, most of the Lomé-Ouagadougou and Lomé-Niamey corridors are in good and fair condition. However, that has proved insufficient: while some progress has recently been observed as a result of both the road improvement works and trade facilitation activities financed by IDA and other development partners on key intra/inter regional corridors, more efforts are needed to substantially reduce transport costs and eventually prices. Unlike most of the other transit corridors in West Africa, where the domestic freight market in the coastal country is sizeable and international routes are mostly seen as marginal activity, the three countries of the LON corridor have all very limited domestic markets. Therefore, international routes are critical for the survival of their transport and logistics operators. The sector involves complex coordination among numerous institutions and stakeholders in the three countries with uneven capacities and commitments. The logistics chain efficiency is negatively affected by operational, institutional and governance aspects. The main bottlenecks identified call for the need to (i) simplify and improve customs processes and procedures; (ii) professionalize transport actors; and (iii) improve transport data management system and road safety. Recent conflicts and fragility in the region add to the complexity of international transit and trade.
- 21. Transit and clearance processes along the entire LON corridor pose many challenges; the undesirable behaviors and attitudes of the various actors (border agencies, trade and transport services providers, etc.) considerably increase costs, delays and insecurity.** Many efforts have been made to support the three countries with the computerization, simplification and harmonization of processes and procedures; however, expected results in the actual operational improvement have not been achieved. The simplification of the region's transit and land border

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<sup>15</sup> Niger : plan de préparation et de réponse du Niger au nouveau Coronavirus (COVID-19), 2020, <https://www.afro.who.int/node/13091>

<sup>16</sup> Ibid.



crossing procedures – largely expected through the implementation of OSBP and customs interconnectivity – has not yet materialized. At present, none of the OSBPs established in the region – including the Togo-Burkina Faso crossing (Cinkanse/Cinkasse) on the LON corridor – operate in a way that facilitates transport and trade, nor in the interest of member states that seek to preserve and increase budget revenues through customs duties, for reasons developed in the section on lessons learnt from past operations (paragraph 75). An effective reform of border posts and the OSBP of Cinkansé, to be pursued during the project life based on the results of an ongoing border re-engineering study, acceptable to stakeholders, is essential to improving the economic and development performance of the corridor. Furthermore, proposed customs enhancements would have a direct impact on port efficiency by reducing clearance time.

- 22. The trucking sector is divided into two contrasting types of operators:** (i) those which are owned by industries or large traders that have invested into their own fleets to satisfy their transport needs; and (ii) those which operate on pure commercial terms, mostly small and informal operators that are not professionally trained and have outdated trucks, limited if no assets, and no sustained source of activity. The commercial truckers opportunistically move in and out of domestic and international activities, with few formal entry barriers. Research has found that inferior technology, for example old truck fleets that are fuel inefficient, may severely increase the cost of intranational trade in some countries.<sup>17</sup> Moreover, political economy factors could play a role in preventing progress. The trucking sector tends to be politicized, especially in countries that heavily rely on it for food security and trade.<sup>18</sup> The sector is highly unionized and characterized by a strong influence of informal intermediaries and trade unions, as well as a myriad of formal and informal rules that increase transport costs and reduce incentives to modernize fleets. Overall, the truck fleet is oversized and reforms that would ensure a healthy trucking industry will require retiring trucks from the market and their associated jobs. Several reforms including fleet renewal and professionalization of the trucking sector have not been implemented due to the social impact, and the resulting lack of political will to take on strong vested interests in the sector.
- 23. The three countries are at different levels in their transport sector professionalization programs.** The professionalization of the trucking industry entails setting minimum standards for the operators, developing capacity building programs (training programs and certification schemes), as well as supporting mechanisms (access to finance for fleet renewal, grouping of operators to reach a critical and viable size). However, if the conditions under which these operators can access freight are not fixed, those that can barely survive under no standards are even more unlikely to survive under higher standards. Therefore, a professionalization program also needs to address the commercial relationship between trucking operators and shippers in view of privileging long-term arrangements that give predictability to the activities of trucking operators. It is important to (i) harmonize the legal texts regulating access to the profession, the conditions for its exercise, and the training curricula required to operate a professional transport corridor; and (ii) ensure that all three countries reach the same level of professionalization by prolonging, as needed, the existing and ongoing programs for reforming the transport sector services.
- 24. Across the region, road traffic crashes are a leading cause of death, especially among men in the economically productive age.** According to the Global Burden of Disease (GBD), the traffic fatality rate in Burkina Faso in 2019

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<sup>17</sup> Atkin and Donaldson, 2015.

<sup>18</sup> SSATP WP108 Trucking competitiveness in West and Central Africa.





was 25.1 per 100,000 population,<sup>19</sup> which the World Health Organization (WHO) estimated to cost the economy approximately 10 percent of GDP. Over half of the fatalities were among 4-wheeler drivers and passengers, a comparatively higher share than in other low-to-middle-income countries (LMICs) where the average is 45 percent. The fatality rate in Togo was slightly lower than in Burkina Faso – 19.9 per 100,000 population– altogether costing the economy about 10 percent of GDP. The share of 4-wheelers in all fatalities approached 50 percent. In Niger, the road fatality rate was 13.9 deaths per 100,000 population, with an overall cost to the economy of about 9 percent of GDP. The share of 4-wheelers in total fatalities was approximately 55 percent.

- 25. The three LON corridor countries recognize the importance of regional collaboration and the need for a common or harmonized approach in addressing the above challenges.** As proof of their genuine commitment to address collectively the issues faced by the LON corridor to facilitate transport and improve the movement and security of people and goods, on October 26, 2020, the three countries signed a regional Memorandum of Understanding (MOU) articulating the scope of their collaboration and defining a mechanism for the regional implementation of the MOU objectives. The MOU has also enabled the formulation of collaboration and coordination arrangements during project implementation. These arrangements are also to be enacted nationally.

### Country-specific

#### Togo

- 26. Most of the Lomé-Ouagadougou road corridor spanning approximately 1,000 km is in good or fair condition, with the exception of the Aouda-Kara section (110 km) in Togo which is in a very poor state and therefore a priority for improving the overall condition of the corridor.** At the same time, Togo has significantly improved its logistics performance in recent years : the concession to modernize and expand the Autonomous Port of Lomé came into effect in 2014; during the same year, the Togolese Revenue Office became operational to improve the functioning of customs. These initiatives boosted the logistics performance of Togo: in 2016, Togo’s ranking in the Logistics Performance Index (LPI) was 92 among the 160 countries studied, up from 139 in 2014 (while in 2018 it ranked 118<sup>th</sup>). Benefiting from the Trade Facilitation West Africa Program (TFWA)<sup>20</sup> managed by the World Bank, which identified Lomé-Ouagadougou as one of its priority corridors, Togo has made progress in the trade and transport facilitation sector with the ongoing development of an Authorized Economic Operator (AEO) regime strengthening the provisions and facilities granted to trade actors by the Privileged Partnership Framework; the establishment of a Single Window for Foreign Trade (SEGUCE); and the implementation of Computerized System for the Management of Goods in Transit (SIGMAT) for a single transit declaration.
- 27. However, Togo recognizes that important gaps remain to improve further the country logistic performance and leverage the country’s potential as a trade and transit hub, including improvements in the efficiency of customs and border clearance and the need to develop dedicated logistics zones.** Given the importance of streamlined, efficient, and transparent customs and other border agency procedures in the overall competitiveness of trade logistics services, further efforts are warranted when it comes to improving customs

<sup>19</sup>In comparison, the better performing countries in West Africa were estimated to have road traffic fatality rates per 100,000 population of 9.2 (Nigeria) and 11.3 (Liberia).

<sup>20</sup> The TFWA Program comprises three components: (i) P168111 to support implementation of regional customs and trade facilitation instruments by the RECs and the countries; (ii) P168112 for activities aiming at increasing the efficiency of selected corridors, including the Lomé Ouagadougou corridor, and in-country activities in Niger; and (iii) P168113 to support small scale trade with a gender focus.



clearance procedures. The country's customs performance continues to be hampered by poor quality and costly information and communication technology (ICT) services. Togo has prioritized two logistics zones projects: (i) one close to the Port of Lomé, to be developed in the near term and aimed at improving the access conditions to the Port, and (ii) the other to serve as a dry port located in the North of the country near the border crossing with Burkina Faso. Continuous improvement in Togo's logistics efficiency will be important to retain its competitive advantage as a transport hub for the region, particularly given the increased competition from neighboring ports of Cotonou and Tema.

### **Burkina Faso**

**28. The state of transport infrastructure in Burkina Faso is weak, and the provision of transport services remains inefficient or altogether absent in rural areas.** Only 20 percent of the classified road network of about 15,300 km is paved, and about half of the non-classified road network of about 46,000 km (mostly rural roads) is impassable during the rainy season. Overall, the poor state of the road network leads to low rural and urban mobility that prevents the country from opening its agricultural production zones, improving access to markets, and spurring economic development. Rural inhabitants – about 80 percent of the country's population – face severe accessibility constraints due to the low coverage of good-quality roads. The Rural Access Index, or the share of the country's rural population that lives within 2 km of an all-season road,<sup>21</sup> is less than 24 percent for Burkina Faso and less than 15 percent in several peripheral provinces.

**29. Burkina Faso is characterized by significant gaps in accessibility to basic social services such as markets, schools, and health clinics.** For the consumers and producers residing in the country's East region, which is crossed by the LON corridor, accessibility to any local markets of considerable size is limited, with motorized travel times typically exceeding several hours.<sup>22</sup> Across the country, there are significant spatial connectivity gaps in terms of access to key social services such as schools and healthcare facilities. For example, in the Centre-Est region bordering Togo, in individual provinces only about half of the population are able to reach a basic healthcare facility within an hour of travel. Moreover, across Burkina Faso, many of the existing primary schools and health centers are only connected by roads in poor condition; less than one-third of the health facilities providing primary care services and just over a quarter of public primary schools are connected to an all-season road, illustrating the need for a closer spatial coordination between, on the one hand, investments in the rural road network and, on the other hand, investments in health and education facilities and services.<sup>23</sup> The same World Bank study also highlights the importance of safe access to schools and health facilities, with 29 percent of the households surveyed in rural regions reporting road safety as among the top challenges for sending their children to school and about 9 percent considering this as a key challenge for accessing healthcare services as often as they would like to.

### **Niger**

**30. Niger's ranking in the LPI dropped from 100 to 157th out of 160 countries between 2016-2018.** Transport costs are amongst the highest in SSA because roads are not maintained, roadblocks are common, and competition in

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<sup>21</sup> Estimated based on road condition data from November 2019. Roads more minor than tertiary (such as tracks or cycleways) are not considered to be all-season since they are mostly unpaved, nor are main roads known to be in a "poor" condition.

<sup>22</sup> World Bank. (2019). *Enhancing Burkina Faso Regional Connectivity – An Economic Corridor Approach*.

<sup>23</sup> World Bank. (2021). *Roads to Schools and Healthcare Facilities*.



the trucking sector is limited. Cross-border trade is expensive and inefficient due to the difficulty of obtaining import and export licenses. Meanwhile, high import tariffs and levels of taxation drive many toward informal trade.

- 31. Road transport is by far the dominant transport mode in Niger.** The country has a total road network of 21,373 km (2020), of which only 4,655 km are paved roads. The funding level for road maintenance is still not adequate despite successfully implemented reforms that ensure the commercialized management of road assets. A recently established Second Generation Road Maintenance Fund<sup>24</sup> collects about US\$17 million annually through a fuel levy, tolling fees, and fines for overloaded trucks to finance periodic and routine maintenance and emergency works for the total network. These funds barely cover the routine maintenance needs of the network and fall short of covering the periodic maintenance needed to extend the life of key infrastructure. Establishing systems by which rural communities can contribute to the routine maintenance of their roads can help prolonging the life of the rural network and accessibility of populations, while providing seasonal and temporary jobs.
- 32. Niger has benefited from the support of the European Union (EU) to update the legal and regulatory framework for the professionalization and formalization of the transport sector, but further reforms are needed.** Two important regulations have been adopted: (i) Law 2019-16 of May 24, 2019 on the creation, organization and functioning of the Transport Sector Regulatory Authority (*Autorité de Régulation du Secteur des Transport*, ARST); and (ii) Decree 2019-270/PRN/MT of May 24, 2019 laying down the conditions of access to road transport professions and activities and the conditions of their exercise. However, in order to be effective, professionalization requires, among other things (i) the establishment of qualifying training for operators; (ii) the establishment of mechanisms to guarantee the quality of goods transport vehicles (fleet entry, periodic inspections, end-of-life management); (iii) direct assistance to transport operators to enable them to adapt to more demanding standards; and (iv) the establishment of tools to monitor the road freight transport market.
- 33. There is a need for improving Niger's border crossing and clearance processes.** Currently, the exit procedures from Burkina Faso are conducted in Kantchari, with a holding area at Makalondi (Niger) close to the border. Meanwhile, the entry procedures in Niger are conducted a little further at Torodi. WAEMU is planning to develop an OSBP at the Niger-Burkina Faso border at Torodi; however, if the necessary reforms are not implemented in coordination with the ECOWAS/WAEMU and the two countries, there is a significant risk that it will have similar negative results as the OSBPs developed at Cinkanse and at Malanville (Benin-Niger corridor border): adding a layer of formalities without replacing the facilities of the existing Customs and border agencies in each country. In addition to the complex procedures, the situation is worsened by security issues that require Niger's Republican Guards to permanently remain on the site of the Torodi border office. The Kantchari border is also closed from dusk to dawn for security reasons.

### C. Relevance to Higher Level Objectives

- 34. The proposed project is well aligned with the World Bank Group (WBG)'s strategy for Western and Central Africa, and is consistent with the CPFs of the three countries:**

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<sup>24</sup> The Fund has been designed to (i) better secure road maintenance resources; and (ii) introduce more accountability to road users, through mandatory financial and technical audits, private sector participation in its supervisory board and performance contract for the managing director.



- **Togo CPF FY2017–FY2020<sup>25</sup>**'s first pillar, “Sustainable, Inclusive Growth and Job Creation,” includes a focus on strengthening the performance of infrastructure services sectors critical to competitiveness and growth. The outcome sought is “improved transport, trade logistics services, and maintenance of road infrastructure.” The Performance and Learning Review of the CPF FY2017–20 published in January 2020 highlights the increasing external security threats on Togo’s northern border with Burkina Faso, and extends the CPF period by two years until FY22, thus synchronizing CPF implementation with that of the Togo Presidential Road Map 2020–2025.
- **Burkina Faso’s CPF for FY2018–2023<sup>26</sup>** recognizes the lack of connective infrastructure and lack of human capital enhancing opportunities as among the key constraints to growth and poverty alleviation.
- **Niger’s CPF for FY2018–2022<sup>27</sup>** overarching goal is “to help safeguard and accelerate Niger’s economic and social development by tackling growth constraints, unsustainable population growth and other fundamental (and emerging) drivers of fragility.” The proposed project supports the CPF’s objective to “improve availability of productive infrastructure for trade in rural areas” and supports its overarching goal of empowering women to enable development policies to succeed.

**35. The proposed project is aligned with the conflict mitigation strategy and action plan prepared by Burkina Faso and Niger for IDA-19 Prevention and Risk Allocation (PRA) Eligibility<sup>28</sup>.** The eligibility of Burkina Faso was confirmed on December 15, 2020 with the PRA providing up to US\$727 million in addition to the country’s performance-based allocation. The eligibility of Niger was confirmed on March 2, 2021 and the PRA provides up to US\$700 million in addition to the country’s performance-based allocation. The proposed project supports the second objective of Burkina Faso’s conflict mitigation strategy – “Building resilience in unstable areas, areas under pressure, and prevention areas” – as well as the first objective of Niger’s conflict mitigation strategy that aims to “improve the integration of women and youth into the country’s economic and social dynamics.” The project was designed to be conflict - sensitive given that the LON corridor traverses the Southern part of the tri-border regions of Burkina Faso, Niger and Mali, which is the most impacted by the conflict in the Sahel. The proposed project will finance community infrastructures along the corridor in the tri-border regions. Lack of community infrastructures such as roads, schools and health centers are part of the root causes of conflict in these regions. It will hence complement operations aimed at supporting the governments of Burkina Faso and Niger to better address the underlying drivers of conflicts in the Sahel region. The major ongoing operations are the Burkina Faso Emergency Local Development and Resilience Project (P175382) - improving inclusive access of communities (including IDPs) to critical infrastructures and essential services; the regional Community-based Recovery and Stabilization Project for the Sahel (P173830) - contributing to the recovery and resilience of communities in target areas of Burkina Faso, Niger and Mali through supporting (i) integrated socio-economic services and infrastructures; (ii) livelihoods and territorial development; and (iii) regional data and coordination; and the Regional Sahel Pastoralism Support

<sup>25</sup> *Togo - CPF for the period FY17-FY20 (English)*. Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/953481513100047718/Togo-Country-partnership-framework-for-the-period-FY17-FY20>

<sup>26</sup> *Burkina Faso - CPF for the period FY18-FY23 (English)*. Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/989871531020679064/Burkina-Faso-Country-partnership-framework-for-the-period-FY18-FY23>.

<sup>27</sup> *Niger - CPF for the period of FY18-FY22 (English)*. Washington, D.C.: World Bank Group.

<http://documents.worldbank.org/curated/en/466811523970978067/Niger-Country-partnership-framework-for-the-period-of-FY18-FY22>

<sup>28</sup> To confirm eligibility, an eligibility note is submitted to the Board with a government strategy that describes the concrete steps that the country will take to reduce the risks of conflict or violence. Countries that are eligible for the PRA recalibrate their full IDA country program to focus on de-escalating conflict and violence through development interventions aiming at addressing conflict and violence risks and the underlying drivers of conflict.



Phase 2 Project (P173195) - improving the resilience of pastoralists and agro-pastoralists in selected areas in the Sahel.

- 36. The project is also closely aligned with the WBG’s twin goals**, by aiming to reduce the cost of transport and trade and improving security and resilience, which in turn boost the competitiveness of firms and contribute to reducing the cost and increasing the accessibility of basic commodities for populations (disproportionately poor) in rural areas.
- 37. The project also fully supports the first priority of the World Bank’s Regional Integration and Cooperation Strategy Update<sup>29</sup> 2021-2023 for Africa: “Connectivity – improve functioning of regional corridors and enhance regional transport service markets.”** This priority focuses on selected transnational economic corridors where integration could be realized, and where financing for regional physical infrastructure connectivity would be complemented by policy reforms to address barriers to value addition and facilitate greater trade. Such an approach would include creating an enabling environment for the private sector to invest along these corridors, thus responding to the regional integration priorities of countries and the expectations of the private sector in terms of connecting and growing markets.
- 38. The project is aligned with the World Bank’s Next Generation Africa Climate Business Plan, 2020-2026,<sup>30</sup>** which highlights the importance and urgency of countries to pursue development that addresses climate impacts and manages climate risks. The countries’ national adaptation plans and their Nationally Determined Contributions (NDCs) highlight the importance of enhancing the resilience of infrastructure, including roads, bridges and features to access water resources. Accordingly, the project aims to enhance the climate resilience of the transport sector by rehabilitating a strategic corridor and feeder road systems to meet climate resilience standards. In addition, the project aims to enhance the climate resilience of communities by improving connectivity and access to markets, health centers and waterholes; strategic infrastructure and services for communities facing higher risks of droughts, water scarcity and flooding.
- 39. Ensuring safe, sustainable and resilient transport, safeguarding food and goods supply, and creating jobs are part of Pillar III of the WBG COVID-19 response and the Post-COVID Green, Resilient and Inclusive Development (GRID) recovery.** The GRID approach pursues the twin goals with a long-term sustainability lens. It requires urgent investments at scale in all forms of capital (human, physical, natural and social) to address structural weaknesses and promote growth. Transformational actions are needed in several “keystone” sectors — including transport systems. In line with the World Bank Group Regional Integration Program adjustments made in response to COVID-19 (Annex 2), The project will contribute to building back better a resilient transport system, while also mitigating COVID-19 impacts by creating short- and longer-term employment opportunities, including infrastructure construction work, which is labor-intensive. The project will also reinforce the security of food and goods supply chains at the regional level by strengthening Burkina Faso’s and Niger’s connectivity.
- 40. The project is aligned with the national strategies of the three countries, including:**
- **Togo's Government Roadmap (2020-2025) which aims in Pillar V of its Axis n°2 to assert the country's place as a logistics and services hub.**
  - **Burkina Faso's National Economic and Social Development Plan (2016-2020),** which aims at supporting

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<sup>29</sup> Report No 154458.

<sup>30</sup> World Bank’s Next Generation Africa Climate Business Plan, 2020-2026. (URL: [Reports \(worldbank.org\)](https://www.worldbank.org/reports))



the sectors that will boost the economy and employment, and the Emergency Program for the Sahel, which contributes to improving the security of people and goods and supports economic and social development in the Sahel region.

- **Niger's National Economic and Social Development Plan (2017-2021) as well as the National Strategy of Transport of Niger (2016-2025)** which, among others, aim to optimize the development and management of transport infrastructure to support the country's socio-economic development and facilitate transport and transit through major corridors.

**41. In addition, the project is consistent with the regional integration objectives pursued by the regional economic communities (REC), WAEMU and ECOWAS.** ECOWAS' "Vision 2020" calls for the implementation of an appropriate regional environment in which all citizens of West Africa can circulate freely and easily to take care of their activities and business. Vision 2020 aims to create a competitive, viable and secure regional economic union (with national economies integrated at the regional level) that can integrate into the global economy. The Ouagadougou-Niamey section of the LON corridor forms part of an important ECOWAS intra-regional corridor, namely the trans-Saharan route that connects Dakar and Niamey.

**42. The World Bank is financing ongoing operations along the corridor, through the Transport Sector Modernization and Corridor Trade Facilitation Project (*Projet d'Appui à la Modernisation du Secteur des Transports et la Facilitation du Commerce, PAMOSET - P156892*) in Burkina Faso and the Togo Trade and Logistics Services Competitiveness Project (P158982).** The TFWA Program, a trust fund executed by the World Bank supports implementation of regional customs and trade facilitation instruments by RECs and the countries and activities aiming at increasing the efficiency of selected corridors, including LON. The EU also supports the modernization of the legal and regulatory framework in Niger, but not the additional steps that cover the actual capacity building for operators and addressing the conditions to access freight. The project will hence complement those interventions by financing activities aimed at implementing the reforms designed in those technical assistance (TA).

## II. PROJECT DESCRIPTION

### A. Project Development Objective (PDO)

#### PDO Statement

**43.** The proposed PDO is to improve regional connectivity and socio-economic community infrastructure along the corridor between the capital cities of Togo, Burkina Faso, and Niger.

#### PDO Level Indicators

a) **Improved regional connectivity:**

(i) Travel time for containerized freight on the corridor from ship arrival at the Port of Lome to final clearance in Niamey (days);

(i.i) Border crossing time by truck at Kantchari-Torodi border (Burkina Faso - Niger) (hours)

(i.ii) Border crossing time by truck at the Cinkanse border (Togo - Burkina Faso) (hours)





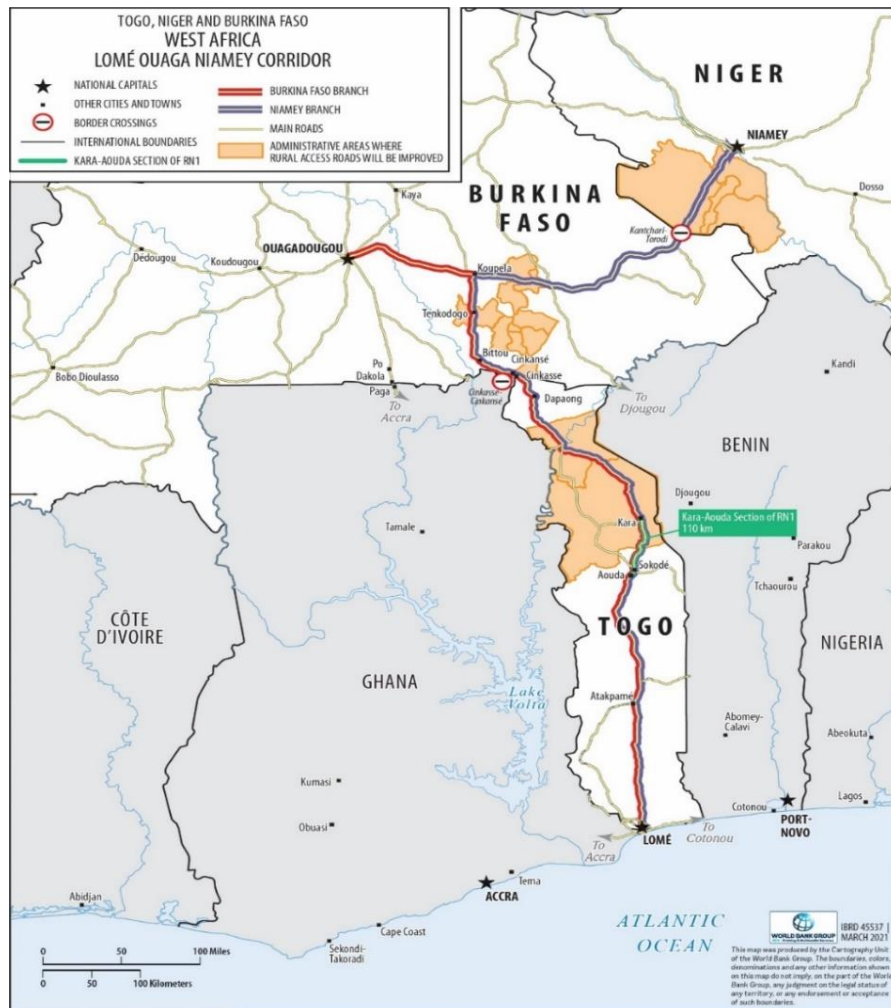
- (ii) Travel time for containerized freight on the corridor from ship arrival at the Port of Lome to final clearance in Ouagadougou (days);
- (iii) Reliability of travel time for containerized freight on the corridor from ship arrival at the Port of Lome to final clearance in Niamey (days);
- (iv) Reliability of travel time for containerized freight on the corridor from ship arrival at the Port of Lome to final clearance in Ouagadougou (days).

b) **Improved socio-economic community infrastructure:**

- (i) Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (aggregated by participating country) (percent).

**B. Project Components**

Figure 2: Project scope



Source: World Bank Cartography Unit, Map number 45537



**Component 1: Improvement of infrastructure and introduction of intelligent transportation systems on the LON corridor (Total Cost: US\$126 million equivalent, of which US\$92 million in Togo, US\$23 million in Burkina Faso and US\$11 million in Niger)**

44. This component will finance associated works, services, and goods for the following sub-components:
45. 1(a): Corridor infrastructure rehabilitation and upgrades. This sub-component is specific to Togo and will finance the rehabilitation of the Aouda-Kara section (110 km), which is part of the RN 1 regional corridor, with climate resilient standards; and related consultants services for technical design, supervision of the rehabilitation works, and implementation of safeguards instruments including resettlement and the relevant COVID-19 health protocols.
46. 1(b): Pilot “smart corridor” through the deployment of Integrated Transport Information System (ITIS) along the LON corridor. It will finance implementation of ITIS systems aimed at facilitating trade between the three participating countries on the corridor through simplification of transport administrative processes and provision of real-time information to monitor cargo clearance and movement, and safety enhancement measures. The system will be managed by the Directorates of land transport and will include (i) electronic cargo tracking systems for transit which will enable to monitor, in real time, cargo and vehicle movements; (ii) X-ray cargo-scanners remote image; (iii) traffic safety status and alert report, including during climate-related emergencies; (iv) electronic payments; and (v) interconnection of all the weighing stations along the corridor to ensure a real-time statistical data on compliance to WAEMU Regulation 14 on truck load standards.

**Component 2: Improvement of quality of transport and transit services along the corridor (Total Cost: US\$63 million equivalent, of which US\$14 million in Togo, US\$22 million in Burkina Faso and US\$27 million in Niger)**

47. This component will finance works, goods, and services and for the following sub-components:
48. 2(a): Harmonization of professionalization frameworks in the trucking sector, to be implemented through a comprehensive TA program in each country, compliant with International Road Transport Union (IRU) standards. In *Togo*<sup>31</sup>, it will include: (i) training for operators, including on eco-driving and regular maintenance practices to improve vehicle fuel efficiency and vehicle operation, and provision of equipment for the training center; and (ii) a truck renewal program that will include: scrapping premiums payed directly to participating financial institutions to the mechanism as defined in the fleet renewal manual (to be developed and validated before any scrapping premiums are paid) to serve as down-payment for the leasing credits provided by these institutions to qualified transport operators as per the eligibility criteria and conditions defined in the manual to purchase new trucks. The truck scrapping system will be established targeting vehicles that are in operation but that are near or past their useful lifetime and that are not fuel efficient. The truck fleet renewal program and truck scrapping scheme will be designed taking fuel efficiency in consideration. In *Burkina Faso*<sup>32</sup>, the project will complement the ongoing transport and logistics sector modernization and professionalization efforts through (i) completing the legal and regulatory framework for transport and logistics, including intermediaries; (ii) provision of training to transport and logistics operators, including on eco-driving and regular maintenance practices to improve vehicle fuel

<sup>31</sup> The project will finance activities aimed at implementing the reforms started under the ongoing Togo Trade and Logistics Services Competitiveness Project (P158982).

<sup>32</sup> The project will complement the activities of the ongoing BF- Transport Sector Modernization and Trade Facilitation (P156892).





efficiency and vehicle operation; and (iii) establishment of mechanisms to guarantee the quality of freight vehicles (i.e. criteria for vehicle fleet entry that include fuel efficiency considerations, periodic inspections, end-of-life management, overall vehicle safety); (iv) capacity building for the Ministry of Transport, Urban Mobility and Road Safety of Burkina Faso regulate the trucking and logistics industry and market; (v) financing accompanying measures for transport and logistics operators to ensure compliance to the new professionalization reform such as regrouping small inefficient transport operators into mid-size transport companies, training operators for the preparation of business plans, contractual relations with shippers; (vi) financing scrapping premiums paid directly to participating financial institutions (including potentially those already participating in the BF-Transport Sector Modernization and Trade Facilitation Project – P156892) to incentivize transport operators to renew their old non-fuel efficient fleets using the existing first loss guarantee; and (vii) financing technical, environmental and social studies, acquisition of equipment, advisory services as well as civil works if necessary to facilitate the recruitment of an operator in charge of scrapping old trucks. In *Niger*, it will include: (i) provision of training to the community of transport and logistics chain, including on eco driving; (ii) establishment of mechanisms to guarantee the quality of freight vehicles (i.e. vehicle criteria for fleet entry that include fuel efficiency considerations and greenhouse gases (GHG) analysis, periodic inspections, end-of-life management); (iii) capacity building for Ministry of Transport and its agencies to regulate the trucking industry and market; and (iv) scrapping premiums payed directly to participating financial institutions to the mechanism as defined in the fleet renewal manual (to be developed and validated before any scrapping premiums are paid) to serve as down-payment for the leasing credits provided by these institutions to qualified transport operators as per the eligibility criteria and conditions defined in the manual to purchase new trucks. The truck scrapping system will be established targeting vehicles that are in operation but that are near or past their useful lifetime and that are not fuel efficient. The truck fleet renewal program and truck scrappage scheme will be designed taking fuel efficiency in consideration. In *all countries*, it will finance coordinating activities among stakeholders to ensure the harmonization of standards and practices for the trucking and logistics industry operators and regulatory agencies.

49. 2(b): Improvement of border crossing facilities, processes, and transit procedures through integration of vehicle and cargo tracking and tracing systems among the three countries. At the *Togo-Burkina Faso Cinkanse border*, it will finance TA on transit re-engineering and optimization of processes and procedures, including at the existing OSBP. At the *Burkina Faso (Kantchari) - Niger (Makalondi and Torodi) border*, it will finance infrastructure improvements of cross-border facilities, and TA on transit re-engineering and optimization of border processes and procedures. Any border equipment will primarily serve at facilitating transit and reducing border crossing time.

**Component 3: Improvement of community infrastructure and access roads to support local economic development and resilience of populations around the corridor (Total Cost: US\$265 million equivalent, of which US\$9 million in Togo, US\$209 million in Burkina Faso and US\$47 million in Niger)**

50. This component will finance works, services, goods and implementation of safeguards instruments including resettlement for the following sub-components:
51. 3(a): Improvement of feeder roads around the corridor: (i) in *Togo*, rehabilitation of about 120 km of rural roads, to be identified during project implementation linking agro-poles (areas of high agricultural production) in the regions of Kara and Oti, as well as tourist areas, to the RN1/corridor; (ii) in *Burkina Faso*, the asphaltting of roads RN17 (110 km), RR32, RR06 (96 km) within high potential agriculture and export production zones in the region



of Centre-Est, and about 25 km of roads to be identified during implementation within high-potential agriculture and export production zones; and (iii) in *Niger*, the rehabilitation of about 150 km of rural roads around the corridor in the region of Tillabéry. In all three countries, feeder road improvements will ensure compliance with climate resilient standards.

52. 3(b): Construction of community infrastructure facilities. It will finance the improvement of facilities that benefit the local populations: selected health centers; selected school facilities such as fences and toilets; grain and animal feed banks and information centers for women; as well as installation of solar panels; and construction of water wells in drought prone areas to enhance the resilience of communities to the impacts of climate change, selected in consultation with local communities. The selection of health centers and schools to be improved in the vicinity of the feeder roads benefiting from improvements will be guided by the recently completed World Bank study in Burkina Faso,<sup>33</sup> which identifies spatial gaps in accessibility to schools and healthcare facilities, and a study completed in mid-2020 by the Burkina Faso Ministry of Health<sup>34</sup> that provides more detailed insights on the health facility improvement needs. A similar approach to the selection of facilities to be improved will also be applied in Niger. To ensure safe access to schools and health facilities for pedestrians, the project will also finance the implementation of road safety measures – such as pedestrian crossings – on the adjacent feeder roads to selected health centers, schools and information centers for women covered under this project. Since a part of the corridor passes through the fragile and security risk areas of the Eastern region of Burkina Faso and Tillabéry in Niger, these activities are aimed at improving the living conditions of the local community beneficiaries, increasing their resilience to security shocks, and renewing the social contract between them and the central government. Building on the Sahel Regional Risk and Resilience Assessment (RRA) led by the World Bank in 2018-2019, a study on the vulnerability of the areas crossed by the corridor is ongoing with a focus on assessing gender gaps; this will help further defining the activities to be financed.

**Component 4: Project implementation support at the regional and national levels (Total Cost: US\$16 million equivalent, of which US\$5 million in Togo, US\$6 million in Burkina Faso and US\$5 million in Niger)**

53. This component will finance associated works, services, and goods for the following sub-components:
54. 4(a): Project management. It will finance costs associated with Project Coordination Unit (PCU) staff, office equipment and ITC; and consulting services for project fiduciary support and environmental and social monitoring, including financing of resettlement compensation, implementation of gender-based violence (GBV) plans and grievance redress mechanisms (GRM). It will also include the preparation of security management plans (SMPs) and their implementation for Niger and Burkina Faso.
55. 4(b): Monitoring and evaluation (M&E). It will finance costs associated with consulting services for data collection, monitoring and reporting of project performance indicators at the national and regional levels, and regional steering committee meetings and technical meetings. It will also include an impact evaluation to assess household-level welfare impacts.

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<sup>33</sup> World Bank. (2021). *Roads to Schools and Healthcare Facilities*. P171763.

<sup>34</sup> Ministère de la Santé. (2020). *Cartographie de la disponibilité des ressources en santé dans le contexte de crise humanitaire au Burkina Faso : Rapport Final*. Prepared with the support of HeRAMS and WHO.



### Component 5: Contingent emergency response component (CERC) (US\$0 million equivalent)

56. Following an eligible crisis or emergency, the Borrowers may request the World Bank to re-allocate project funds to support emergency response and reconstruction. This component would draw from the uncommitted resources under the project from other project components to cover emergency response. A CERC Project Implementation Manual (PIM), acceptable to the World Bank, for the implementation of the Contingency Emergency Response Plan, will be prepared and constitutes a disbursement condition for this component.

### C. Project Cost and Financing

57. The total project cost is US\$470 million, with financing from US\$60 million from IDA credit and US\$60 million from IDA grant to Togo (US\$80 million Regional IDA and US\$40 million National IDA PBA), US\$130 million from IDA credit and US\$130 million from IDA grant to Burkina Faso (US\$173 million Regional IDA and US\$87 million National IDA) and US\$45 million from IDA credit and US\$45 million from IDA grant to Niger (US\$60 million Regional IDA and US\$30 million National IDA). The resettlement costs estimated in the Resettlement Policy Frameworks (RPFs) and Resettlement Action Plans (RAPs) are about US\$4 million equivalent in Togo, US\$3 million equivalent in Burkina Faso and US\$1 million equivalent in Niger. The Governments of Niger and Burkina Faso requested that IDA allows credits to be used to finance the implementation of the RAPs, including resettlement compensation in cash and assistance for both physical and economic displacement that is expected as a result of the execution of the civil works under Component 3. The World Bank regional management has approved these requests on June 9, 2021. The resettlement costs in Togo will be fully funded by the Government of Togo. The project costs are summarized in Table 1.

### D. Project Beneficiaries

58. **The project's primary beneficiaries will be the local consumers and producers of tradable goods in the three countries; the road transport sector services community that will benefit from improved transport and trade efficiency; and local populations, especially women, who will benefit from improved community infrastructure and facilities.** The main expected benefits of the project include: (i) reductions in transport time and variability of time along the corridor; (ii) increase in cross-border trade between the three countries; and (iii) the opening of economic growth poles. In the long term, the populations of the landlocked Niger and Burkina Faso will benefit from reduced economic isolation as a result of the LON corridor's improved competitiveness, the expansion of regional markets, and better access to global markets. Improved connectivity will also benefit firms and smaller producers in the region who will gain better access to production inputs (thus becoming more productive and competitive), as well as regional and global markets for selling their goods. In addition, the population of the tristate region – in particular transport sector operators – will benefit from improved road safety and security on the corridor, better technical services for vehicle maintenance, and the enhanced quality of professional standards.



Table 1: Indicative Costs and Financing (US\$, millions)

Project components <sup>35</sup>	Indicative costs	Financing		
		IDA credit to Togo	IDA credit to Burkina Faso	IDA credit to Niger
<b>1: Improvement of infrastructure and introduction of intelligent transportation systems on LON Corridor</b>	<b>126.0</b>	<b>92.0</b>	<b>23.0</b>	<b>11.0</b>
1(a): Rehabilitation of Aouda-Kara section		79.0	0	0
1(b): Smart corridor pilot - ITIS equipment		4.0	5.0	4.0
1(c): Logistics and road safety improvement				
<i>Logistics infrastructure incl. truck parking</i>		5.0	14.0	5.0
<i>Road safety treatment</i>		5.0	4.0	2.0
Provision for implementation of safeguards instruments incl. payment of resettlement compensations				
<b>2: Improvement of quality of transport and transit services along the corridor</b>	<b>63.0</b>	<b>14.0</b>	<b>22.0</b>	<b>27.0</b>
2(a): Harmonization of professionalization frameworks in the trucking sector				
<i>Regulatory and capacity building</i>			2.0	3.0
<i>Training programs and centers</i>		1.0	7.0	3.0
<i>Vehicle inspection program</i>			1.0	1.0
<i>Fleet renewal mechanism</i>		10.0	5.0	12.0
<i>(of which scrapping premiums)</i>		(6.0)	(2.0)	(5.0)
2(b): Improvement of border crossing facilities, processes and transit procedures				
<i>Togo/Burkina Faso (Cinkanse)</i>		3.0	3.0	
<i>Burkina Faso (Kantchari)/Niger (Makalondi, Torodi)</i>			4.0	3.0
<i>Customs modernization (IT equipment, change management)</i>				5.0
<b>3: Improvement of community infrastructure and access roads to support local economic development and resilience of populations around the corridor</b>	<b>265.0</b>	<b>9.0</b>	<b>209.0</b>	<b>47.0</b>
3(a): Feeder roads around the corridor		8.0	20.0	11.0
<i>RN17</i>			78.0	
<i>RR32 and RR6</i>			78.0	
3(b): Community infrastructure facilities		1.0	30.0	35.0
Provision for resettlement compensations			3.0	1.0
<b>4: Project implementation support at the regional and national levels</b>	<b>16.0</b>	<b>5.0</b>	<b>6.0</b>	<b>5.0</b>
4(a): Project mgt incl. GBV		3.5	4.5	3.5
4(b): M&E		1.5	1.5	1.5
<b>5: CERC</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>470.0</b>	<b>120.0</b>	<b>260.0</b>	<b>90.0</b>

<sup>35</sup> Contingencies are included in the activities cost.



### **Box 1: Gender Gaps in the LON countries**

Disparities between women and men in the three countries along the LON road corridor are high in terms of access to education, employment and decision-making bodies. Burkina Faso, Togo and Niger ranked 182, 167, and 189 respectively out of 189 countries on the gender inequality index (GII) which measures three important aspects of human development – reproductive health, empowerment and economic status between sexes<sup>36</sup>. Women along the corridor work primarily in the agricultural sector and face similar challenges, particularly in areas of literacy, mortality, morbidity, access to assets, physical and sexual violence and early marriage<sup>37</sup>. Women, especially in rural areas, face higher unemployment levels and carry a heavy burden of work such as collecting water and firewood, agricultural work, preparing meals or child rearing. Despite some improvements in the legislation to promote women, gender equality and equity in succession as well as access to land resources at the community level remains low, with women having little to no access to land despite being the most represented in the agricultural sector, and limited access to resources and financial services.

In Togo, women’s economic activities are mostly restricted to food crops and constitute the majority of small food crop producers with an average area of less than 0.5 ha<sup>38</sup>. Women are more affected by a high incidence of poverty and find themselves in a situation of chronic food insecurity due to their inability to cover their needs by their own production. The vulnerability of these small producers is aggravated by the fact that they do not have any insurance in case of negative impacts or total destruction of their crops and that their livelihoods depend primarily on agricultural income.

In Burkina Faso, over 90 percent of women are involved in primary agriculture as well as in the storage and processing of food and are responsible for 40 percent of the marketing of agricultural products, alongside their daily tasks of cooking, cleaning, childcare<sup>39</sup>. The crisis in the north of the country has had a direct impact on gender relations. In particular, men have seen their mobility severely restricted and can no longer go to work in the fields, being the main targets of terrorist attacks. Women and girls, for their part, have observed an increase in the burden of housework, already weighing heavily on them before the start of the crisis. The security crisis in the north of the country also contributes to risks of GBV<sup>40</sup>.

In Niger, women, especially in rural areas, face higher unemployment levels and carry a heavier burden of household work. To face this challenge, a ‘National Policy on Gender’ was adopted in 2007 and updated in 2017. It aims to create a favorable environment and ensure systematic mainstreaming of gender at all levels. As many rural communities continue not to have water wells, housewives and girls walk long distances, wait in queues to access clean water (pumping water wells), have less access to job and economic opportunities, and as a result also spend more time than men in agricultural activities such as processing millet<sup>41</sup>.

The COVID-19 pandemic has increased the challenges faced by women with the saturation of public services, particularly in the health and education sectors, depriving women and girls of access to essential public services and the opportunity to protect themselves. Experiences from countries who have been hit by the COVID-19 pandemic surfaced that specific forms of GBV are likely to increase in the context of the isolation and quarantine which often accompany COVID-19 responses.

<sup>36</sup> <http://hdr.undp.org/en/content/gender-inequality-index-gii>

<sup>37</sup> In Burkina Faso, 33.9 percent of women nationwide have experienced physical violence at some point in their lives (US State Department 2016). Burkina Faso has the fifth highest rate of child marriage in the world with 52 percent of girls married before 18 and 10 percent before the age of 15 (UNICEF 2018). 76 percent of women and girls aged 15 to 49 have undergone female circumcision, higher than regional average of 45.8 percent (DHS 2018). Wife beating is justified by 42.5 percent of women (DHS 2010). In Niger, 43 percent of women nationwide have experienced physical violence at some point in their lives, while 28 percent have experienced sexual violence (UNHCR 2010). Niger has the highest prevalence of child marriage in the world, with 77 percent of girls married before the age of 18 (DHS 2012) and 28 percent before the age of 15. Wife beating is seen as justified by 59.6 percent of women (DHS 2012), against a regional average of 45.7 percent. In Togo, 29 percent of women have experienced physical violence at some point in their lives; 32.2 percent of girls are married before the age of 18 and 4.7 percent have undergone female circumcision. Proxy indicators in Togo for social norms appear to legitimize and condone GBV, with wife beating justified by 28.7 percent of women (DHS 2014).

<sup>38</sup> Ministère de l’Environnement. (2019, septembre). Orientations pour la prise en compte du genre dans le processus de Plan National d’Adaptation du Togo. Ministère de l’Environnement de la République du Togo et Réseau mondial de PNA/Institut international du développement durable (IISD).

<sup>39</sup> Pep. Partnership for Economic Policy. 2019. Subvention du capital agricole des femmes et inégalités de genre au Burkina Faso. Patrice Rélouendé Zidouemba Romuald Somlanare Kinda Pouirkèta Rita Nikiema Diane Ruth Hien.

<sup>40</sup> Médecins du Monde. 2020. Analyse Rapide de Genre. Burkina Faso, Centre Nord.

<sup>41</sup> *Analyse de la situation des enfants et des femmes du Niger selon une approche basée sur l’équité et les droits humains.* Ministère du Plan, de l’Aménagement du Territoire et du Développement Communautaire. UNICEF. 2013. <http://www.statniger.org/statistique/file/DSEDS/Rapport-analyse-situation-enfants-femmes-selon-equite-Niger.pdf>



- 59. Residents of the local communities in the influence area of the LON corridor will be the main beneficiaries of the community infrastructure investments.** As a result of the rural access road improvements, the share of the population in the beneficiary communities that is able to reach a local market within 30 minutes by motorized transport is estimated to increase by 15 percent in Burkina Faso, 23 percent in Niger, and 29 percent in Togo (see Annex 3). Because the road improvements will be implemented in areas with high poverty incidence – exceeding 60 percent in Kara and Oti (Togo), 53 percent in Centre-Est (Burkina Faso), and 40 percent in Tillabéry (Niger)<sup>42</sup> – the market accessibility improvements and the overall community infrastructure investments will benefit many of the region’s poor households. It is expected that over the medium-to-long term, rural communities in the project’s area of influence will benefit from reduced economic and social isolation in addition to being less vulnerable to security-related shocks and better able to withstand economic shocks. Because of their improved access to markets and other opportunities, real income of these project beneficiaries are expected to rise. Local women will particularly benefit from the planned construction of dedicated information centers and new boreholes (given the disproportionately large burden of fetching water faced by women in most rural areas), as well as the improvement of facilities for small-scale trade on the border with Niger.
- 60. The project will seek to reduce some of the gender gaps identified.** The project will finance activities specifically designed to benefit women and that will be confirmed during consultations held at project preparation stage:
- Under Component 2, specific activities to be financed to address gender gaps will be designed following an assessment of gender disparities related to the transport and transit services along the corridor, particularly to assess if there are women traders who face particular constraints when it comes to customs and border management. Low levels of literacy and lack of information and knowledge about cross border trade regulations and procedures tend to be more prevalent among female than male traders. There are also likely more informal female traders. Specific activities to be financed will be selected in close consultation with women to address any gender specific constraints linked to trade border crossing/ transit procedures and transport infrastructure.
  - Under Component 3, the project will finance small community facilities requested specifically by women during consultations held at project preparation stage. The proposed facilities, located along the project roads, will be designed to contribute to reducing gender disparities between men and women in accessing resources and economic opportunities and to maximize the impact of the project on farming communities. Anticipated small infrastructure to be financed include wells, storage or agricultural extension facilities. The location of the community facilities to benefit women will be confirmed through participatory processes with women.
- 61. The project will also promote economic empowerment of women through training and creation of job opportunities in the transport sector.** Lower female-to-male labor participation rate is common to the three countries along the LON road corridor and women are particularly underrepresented in non-agricultural and formal sectors<sup>43</sup>. Few to no women work in the transportation sector<sup>44</sup>. The project aims to create new economic opportunities for women by reducing gender disparity and tackle gender imbalance in the transport sector. In particular, the project will provide training opportunities for women to engage in commercial trucking activities

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<sup>42</sup> Burkina Faso EHCVM 2018/19; République Togolaise, QUIBB 2011 (Togo SCD, World Bank, 2016); Niger LSMS-ISA 2014.

<sup>43</sup>Closing the gender gap in African labor markets is good economics. Foresight Africa: Top priorities for the continent 2020-2030. Brookings Institution. 2020.

<sup>44</sup>Mbaye A.M. and F.Gueye (2018), Labor Markets and Jobs in West Africa, Working Paper Series N° 297, African Development Bank, Abidjan, Côte d’Ivoire.





and the logistics sector and promote gender relevant dimensions in the training curricula required to be certified and operate professionally along the transport corridor. Two indicators are included in the results framework to measure the impact of the specific training interventions that will particularly benefit women. It is anticipated that at least 15 percent of the certified professionals in commercial trucking activities and the logistics industry will be women. In addition, the project aims to achieve a target of 15 percent of the professionals employed because of certification that will be women. It is anticipated that the certification process will double the employment of women in the transport and logistics' sector, increasing from 7 to 15 percent in the three countries.

- 62. The project contributes to climate mitigation and enhances the climate resilience of the transport network and communities by investing in rehabilitation of roads to meet climate resilience standards and designing and establishing programs for truck fleet renewal and truck scrapping that take into consideration fuel efficiency, among other measures.** In accordance with climate resilience standards, the project will rehabilitate sections of the strategic road corridor that crosses the three countries and the feeder roads connecting local communities with economic opportunities. Supplementary infrastructure will be deployed to enhance resilience to flooding, such as bridges and drainage systems observing climate resiliency standards. Fences and other stabilization techniques will be deployed to reduce dune encroachment on road infrastructure (Components 1 and 3). The project will (i) support the establishment of information systems that provide alerts on climate and natural hazard emergency events and response measures, to ensure the fluidity of transit and address disruptions that may occur due to dune encroachment, dust storms, and other eventualities in a timely manner (Component 1); (ii) enhance the resilience of local communities through improvements in community infrastructure facilities, such as water wells with solar panels for pumping water in drought prone areas, and climate resilient information centers for women and health centers (Component 3); and (iii) build capacity through the harmonization of professionalization frameworks in the trucking sector, including in emergency planning and response, and the improvement of truck operators' driving skills (eco-driving), thus reducing fuel consumption and GHG emissions. In Niger, the average age of trucks is 25 years, constituting the oldest fleet in West Africa. Through the design and establishment of a fleet renewal incentive program and truck scrapping scheme, the project will promote the removal of less fuel efficient and more polluting vehicles from operation and promote the introduction of more fuel efficient and cleaner vehicles in fleets through the adoption of standards for imported vehicles that include fuel efficiency considerations (Component 2).
- 63. The project addresses the GRID approach responding to the twin crises of the COVID-19 pandemic and climate change in the context of ongoing challenges of poverty and inequality.** The project contributes to the recovery path of the three countries maintaining a line of sight to long-term development goals, recognizing the interconnections between people, the planet, and the economy, and tackling risks in an integrated way. Aligned with the GRID approach, it promotes growth through creation of green technologies and investments in a balanced approach focusing on development and sustainability, tailored to the three countries' recovery needs.

## E. Results Chain

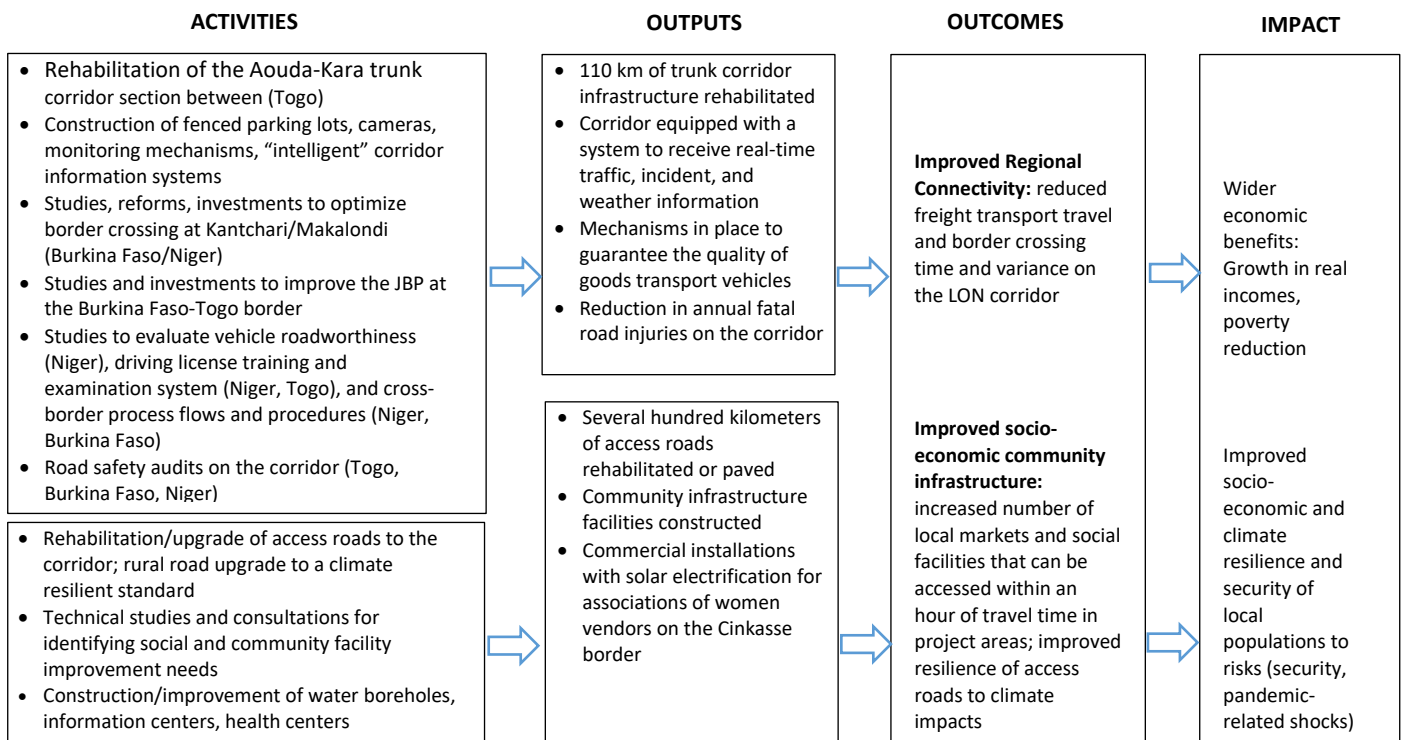
- 64. The project's theory of change is underpinned by the assumptions that:** (i) the improvement of transport connectivity – via enhanced corridor infrastructure and transport services coupled with investments in community infrastructure – will help stimulate the local economy and improve the local population's resilience to security and climate risks; (ii) the strong commitment expressed by the three member countries towards collaboration and regional integration will lead to harmonization of transit and transport policies and procedures, and improved



flow of goods and people along the corridor; and (iii) the security situation will not escalate (Figure 2). For the landlocked Burkina Faso and Niger, regional integration and international connectivity via economic and logistics corridors play an essential role in reducing isolation from the rest of the world. Connectivity is not only key for alleviating poverty and ensuring welfare in more economically lagging regions, but also for unlocking the economic potential of agricultural areas and urban centers. Through activities aimed at establishing economic development infrastructure; improving resilience to the security threats along the corridor between Lomé, Ouagadougou and Niamey; and raising the quality of transport and transit services along the corridor, the project will help reduce transport delays for goods imported by Togo, Burkina Faso, and Niger through the port of Lomé as well as for goods exported by the three countries to each other and global markets.

65. The project has a strong focus on reducing fragility and improving resilience of populations in the Sahel, enhancing regional safety, and alleviating some of the security concerns on the LON corridor, particularly in Burkina Faso and Niger. Strengthening security on the corridor is also important for the road transport services and logistics improvements to have a tangible impact. The local populations’ socio-economic vulnerability will be reduced through investments in community infrastructure and access roads that connect to markets, health facilities, and other social services. Based on the RRA findings, a conflict and vulnerability assessment of the corridor – including a social assessment – has been conducted as part of project preparation to gain a good understanding of the existing issues and needs, and is reflected in the project design and components. Among other initiatives, improving community infrastructure facilities in the corridor zone of influence will contribute to reducing vulnerability; rebuilding the social contract between the Government and the local population; and reinforcing the legitimacy of governments in the Sahel.

Figure 3: Theory of change







## F. Rationale for World Bank Involvement and Role of Partners

### 66. The World Bank involvement in the proposed project is fully justified based on the following:

- The World Bank has been involved in transport and international transit reforms in the region.
- The complexity of economic corridors requires a substantial amount of coordination among various stakeholders, and the World Bank plays a catalyst role.
- The financial needs along the LON corridor are such that several development partners are needed, and the World Bank is well placed to provide a convening and coordination role.
- The World Bank has a longstanding track record in supporting regional transport corridor projects throughout the world and in West Africa, with successful results.

### 67. The project is informed by the Sahel RRA, whose preparation was led by the World Bank in 2018-2019 under the aegis of the Sahel Alliance, with contributions from the French Development Agency, Germany, the United Nations Development Program (UNDP), the United Kingdom Department for International Development, the G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania and Niger), and Sahelian researchers in every country.

The RRA helped deepen the knowledge of G5 Sahel states and the wider donor community on how development assistance can address the challenge of stabilization and prevent further deterioration in areas at risk of conflict or violence in the Sahel. It sheds light on existing tensions and potential risks of violent conflicts in the Sahel; strengthens the understanding of socio-political dynamics at play (especially at the cross-border and local levels); and, identifies developmental responses to conflict risks.

### 68. The project will finance activities that are complementary to those of several development partners. While waiting for Burkina Faso and Niger to agree on the final choice/site for establishing an OSBP, WAEMU has carried out the construction, on an interim basis, of two checkpoints: one in Kantchari and the other in Makalondi, on Burkina Faso and Niger sides of the border, respectively. With the assistance of the TFWA, the interconnection of customs through the SIGMAT has recently been implemented. In Burkina Faso, the rehabilitation of the LON corridor's section between Gounghin-Fada N'Gourma-Niger Border (218 km) for about US\$180 million is financed by EU, AfDB, Japan International Cooperation Agency (JICA), WAEMU and Burkina Faso. The project includes civil works on the corridor and on urban and rural roads near it, trade facilitation activities, and activities to support young people's and women's empowerment along the corridor.

## G. Lessons Learned and Reflected in the Project Design

### 69. Economic corridor vs. transport corridor: In line with the Africa Transport Strategy (2019) and the World Bank's Regional Integration and Cooperation Strategy update (2021-2023), the project's design is based on a holistic approach to corridors or "second generation" regional corridor operations. The project aims at unleashing the economic potential along transport and trade corridors, combining support for infrastructure as a network (including community and social infrastructure) with institutional reforms and support to logistics services; and makes better use of related analytical work.

### 70. Transport and logistics services: Based on lessons learned from the implementation of regional corridor projects in the sub-region and the challenges of improving the quality of transport and transit services, the project will be anchored with the ministries in charge of transport in each of the three countries; this will allow for adequately monitoring the implementation of transport services and transit reforms, and ensure ownership and commitment



towards these reforms.

- 71. High-level regional platforms for commitment and decision making:** Having proved instrumental and useful in past regional operations (e.g. Abidjan-Lagos Trade and Transport Facilitation Project-P117752; Trade and Transport Facilitation in Southeast Europe Project- P070089 - P073626 – P074090), the MOU signed by the ministers of transport of the three countries during project preparation (October 26, 2020) provides a high-level commitment to regional collaboration, a platform for dialogue, and an institutional framework for decision-making.
- 72. The implementation of the Togo Trade and Logistics Services Competitiveness Project (P158982) has highlighted the need for additional activities to achieve intended outcomes,** in particular: (i) a more complete geographical coverage of the territory for technical inspection centers for vehicles; (ii) the establishment of a scrap yard for reformed vehicles; and (iii) the establishment of a risk-sharing mechanism for fleet renewals in partnership with commercial banks.
- 73. The implementation of the Burkina Faso PAMOSSET Project (P156892) has shed light on the following lessons:** (i) fleet renewal programs are meant to target medium size transport operators that have the potential to grow instead of small operators that do not have the financial means to be admitted to the program or large size transport operators that do not need the program to get a loan at the bank; and (ii) accompanying measures to support small operators that cannot comply with the new professionalization rules are critical to avoid push back from small operators that represent the biggest proportion of transport operators.
- 74. The OSBP between Togo and Burkina Faso built 10 years ago under the WAEMU’s OSBP program does not meet expectations pertaining to the reduction of border crossing time and costs.** OSBPs were intended to serve as a single stop for trucks to jointly carry out each states’ border crossing formalities, thus reducing the time and costs of border crossing. To further reduce the burden of procedures at the border, ECOWAS and WAEMU promoted customs interconnectivity for transit operations on their corridors, and a single guarantee fund covering goods in transit. In practice, instead of replacing the multiple customs offices present at the border, it added an additional layer of controls and procedures, rendering the procedures even more complex and inefficient. The OSBP therefore did not achieve the reduction or elimination of other fixed and/or mobile checkpoints that contribute to an increase in hassle and illicit collections, reduce the fluidity of traffic, and raise the cost of transport on the corridor. Specifically, in the area of influence of the Cinkansé OSBP, an informal sector has developed in the form of brokering and various other formal and informal income-generating activities on which local populations now depend. Should the harmonization, simplification of processes and procedures, and elimination of redundant actors at border crossings be successful, there will be a need to implement social protection measures (such as compensation, job creation) in support of the changes.
- 75. Trade facilitation and customs reforms cannot be tackled in a single operation and take time and concerted efforts.** While Investment Project Financing (IPF) operations have been successful in providing the needed infrastructure, equipment, training, and policy dialogue platforms, they are not ideal instruments for implementing reforms. Experience has shown that concerted efforts supported over medium and long time through a combination of instruments (e.g. Development Project Financing operations such as the already completed First Regional Trade Facilitation and Competitiveness Development Policy between Cote d’Ivoire and Burkina Faso – P129282 and by various global practices within the World Bank (e.g. Trade and Regional Integration



along with Transport) can bring good, sustainable results.

- 76. The project has adopted a flexible, integrated multi-sectoral approach similar to Burkina Faso Emergency Local Development and Resilience Project (P175382) in designing Component 3 in order to address the underlying drivers of conflicts and fragility identified in the selected communes along the corridor.** This approach enables the project to address, in a participatory and inclusive manner, many issues ranging from access to drinking water, road connectivity, social and economic infrastructures at once, and support the transition from conflict response to recovery and consolidation. Finally, this approach will help build resilience in conflict areas and invest in prevention in vulnerable areas along the corridor.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

- 77. At the regional level, the coordination between the LON countries will be based on arrangements established in the MOU signed by the three countries on October 26, 2020.** It will consist of ad-hoc structures including: (i) a high-level regional steering committee co-chaired by the ministers in charge of land transport of the three countries to address strategic decisions that will hold annual sessions and (ii) a regional technical committee co-chaired by the Secretary General (SG) of the countries' ministries of land transport, constituted by the national technical committees. Given the regional context and multi-sectoral operation, coordination is key to a successful implementation.
- 78. At the national level, the ministry of transport of each country will be the line ministry of the regional project and will have overall responsibility for all project related activities.** The overall institutional structure of the project at the country level will be composed of: (i) a National Inter-ministerial Steering Committee or equivalent structure that ensures the coherence of activities with the sectoral strategy and intersectoral coordination for sub-components under the responsibility of other ministerial departments and local authorities; and (ii) PCU within the ministries of transport to ensure the coordination of project implementation. Such arrangements will enable a relatively light institutional structure of the project while mindful of the need for bi-/tri-national coordination at the agency level in the three countries, given the regional nature of the operation and the need for coordination, harmonization and joint decisions.
- 79. The National Inter-ministerial Steering Committee in Burkina Faso is in place<sup>45</sup>, and will be created by order of the Minister in charge of Road, Air and Rail Transport Ministry in Togo and by order of the Prime Minister in Niger.** Given the transport focus of the project, those committees will be chaired by the minister of transport or his/her representative, and will include the following ministers or their representatives: the minister in charge of economy and finance; the minister in charge of equipment and road maintenance; the minister in charge of trade; the minister in charge of planning etc. The National Inter-ministerial Steering Committees will provide overall supervision of the project, ensure coherence of activities with the sector strategy, convene inter-sectoral coordination, and validate the annual work plans and budgets (AWPBs).

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<sup>45</sup> "Comité de revue" created by Order No. 2018-051 of the Minister of Transport, Urban Mobility and Road Safety, dated November 11, 2018.



- 80. The PCUs will be responsible for fiduciary management and M&E of national activities.** Capacity building has already started for the institutions involved in the project preparation, in particular management and technical staff. PCUs will be strengthened in terms of the fiduciary skills (financial management (FM) and procurement) and the technical skills needed to manage the project, including the ability to monitor the implementation of environmental and social safeguards, GBV, and the project performance through the results framework.
- 81. In Togo and Niger, new PCUs will be established while in Burkina Faso, Hydromet-PCU's existing team will be complemented** with full time-dedicated specialists including a deputy coordinator whose role and responsibilities in relation with the coordinator will be clarified in the PIM. For all countries, the PCUs will be composed of the following specialists: a project coordinator, an FM and administration specialist, an internal auditor, a procurement specialist, an M&E specialist, an environmental specialist, a social safeguards specialist, a GBV specialist, a security specialist, a communication specialist and an accountant, as well as the necessary technical specialists and support staff. The low capacity of the ministries will be mitigated through competitive recruitment of personnel familiar with World Bank financed projects, and training (see action plan in Annex 1).
- 82. Specialized Implementing Agencies (SIAs) in each country will implement the various project activities which fall within their respective institutional mandate.** The general directorate in charge of land transport will oversee Subcomponents 1(b), 1(c) and 2(a). The directorates in charge of rural roads in each country will oversee road works of Sub-components 1(a) and 3(a). The general directorate of customs in each country will oversee the improvement of border crossing facilities, processes, and transit procedures Sub-component 2 (b). The national directorate or road safety agency in each country will oversee road safety improvement measures included in Sub-components 1 and 3(a). Thus, while the PCUs will retain overall fiduciary responsibility for the project, technical management of the activities will be delegated to the relevant identified SIAs (see Annex 1 for details).

## B. Results Monitoring and Evaluation Arrangements

- 83. Responsibility for M&E activities.** The monitoring of outcomes and results will be based on the agreed results framework and the monitoring arrangements that are described in Section IV. The PCU in each country will be responsible for regularly monitoring project performance. It will produce semiannual and annual progress reports. These reports will assess progress based on the regional and local level indicators of the results framework. In addition to monitoring the results framework, periodic beneficiary surveys, community monitoring and an impact evaluation at mid-term will be conducted to ensure the project is on track to meet its PDO. The LON member countries have agreed to hire a consulting firm specialized in M&E, to be in charge of collecting, reporting and disseminating the regional indicators – in collaboration with the national PCUs M&E staff – based on an agreed methodology for data collection, and annual reporting and official restitution to the regional technical committee/high level committee.
- 84. An impact evaluation will be conducted to assess the household-level welfare impacts of Component 3 investments.** The World Bank will support the development of the design of the Impact Evaluation, while PCUs will be responsible for the data collection. The impact evaluation will take advantage of the phased implementation of access road and community infrastructure facility improvements and will aim to better understand the differential impacts on household behaviors and welfare that derive from spatially coordinated investments in access road improvement and school and health facility improvement.



### C. Sustainability

**85. The proposed project has embedded in its design factors which are critical to the sustainability of its development objectives.** The World Bank team and the LON countries agreed on the need to ensure the sustainability of the assets financed by the project:

- **The longevity of the entire LON corridor road must be ensured through good asset management and maintenance:** All three countries have functional road maintenance mechanism with road funds and annual programming and maintenance activities. The LON corridor is part of the core network of the three countries and is expected to be maintained and be kept in good or fair condition.
- **Rural roads and community infrastructure:** While the rural roads are not part of the core network, the road funds include dedicated shares allocated to their maintenance, which can ensure the long-term sustainability. Furthermore, since the road funds cannot provide sufficient and adequate maintenance of the rural roads, the project will ensure that local communities are involved in the routine maintenance of their roads; to that end, local committees will oversee provision of adequate equipment and training for such maintenance. The approach used for rural roads will be also applied to community infrastructure and equipment.
- **ITIS and other equipment:** ITIS will be operated by the directorate of land transport in each country which will be managing the system and will share data with the other stakeholders such as the police, fire department, customs and logistics operators. This approach will ensure that the smart corridor is a decision-making tool of the ministries related to the performance of the corridor. Maintenance of the smart corridor features and improvements will be ensured by ministries of transport through their annual budget.
- **Climate resilient construction and decarbonization of transport:** the assessment identified extreme temperatures and floods as the main risks that could damage project assets, hence the infrastructure design has considered these parameters to improve climate resilience. Furthermore, climate mitigation measures are embedded in the project activities:
  - Sub-component 1(a): Climate vulnerability assessment against floods will be conducted as part of the engineering studies<sup>46</sup> of Aouda-Kara sections. Appropriate flood control measures will be used for high-risk segments. These measures include but are not limited to raising the grade of the road profile to avoid flooding, additional drainage structures along the road section, replacing existing drainage structures with bigger hydraulic opening structures and roadside ditches.
  - Sub-component 1(b): The ITIS deployed along the LON corridor has integrated specific measures to ensure traffic management in times of climate-related emergencies.
  - Sub-component 1(c): Road safety improvements along the LON Corridor will include energy efficient lighting and platforms/rest stops for trucks.
  - Sub-component 2(a): The harmonization of professionalization frameworks for the trucking sector will include building the capacity to respond to climate related emergencies. Furthermore, the training and licensing of truck operators would improve their capacity and skills to drive more efficiently and safely, reducing fuel consumption and emissions. The fleet renewal program, which includes a partnership with commercial banks to finance leasing credits to qualified operators, and the establishment of a truck

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<sup>46</sup> More information including incremental cost of climate resilient standards will be provided once the studies are available.



scrapping scheme, would promote the removal of older, less fuel efficient and more polluting vehicles from operation. The establishment of mechanisms for managing freight vehicle fleets such as operators training, vehicle entry, periodic inspections, end-of-life vehicle management, and the establishment of monitoring tools aim to ensure improved management of vehicle fleets leading to improved fuel efficiency and greenhouse gas emissions reduction. The project also supports the setting of standards for imported vehicles resulting in imports of more fuel-efficient vehicles and lower GHG emissions from vehicle fleets.

- Sub-component 3(a): The project will also adopt engineering measures to improve the climate resilience of the feeder roads selected for rehabilitation in the three countries.
- Sub-component 3(b): The project will support the construction of community infrastructure facilities according to climate resilient standards to enhance the resilience of local communities to the impacts of climate change. These facilities include the installation of solar panels and water wells in drought prone areas, and the construction of health centers and information centers for women.

## IV. PROJECT APPRAISAL SUMMARY

### A. Technical, Economic and Financial Analysis

#### Technical analysis:

#### **86. The project corridor will be improved through targeted upgrades on the Kara-Aouda section (110 km) in Togo.**

This section is a paved two-lane road located in flat terrain, currently in very poor condition; therefore, its rehabilitation is a priority for enhancing the overall performance of the corridor. There is no need for infrastructure improvement on the Burkina Faso section of the corridor since the degraded part is under construction and other parts are in good/moderate condition. In Niger, the section of the road corridor is in good or fair condition.

- #### **87. The RSSAT will be applied to assess the road safety conditions of the whole corridor.**
- Given the lack of relevant detailed data, efforts will focus on collecting, verifying, processing and coding data from various possible sources and based on good practices (e.g. using the result of the ongoing road safety inspection of the corridor, the most up-to-date road traffic injuries, WHO estimates (2018) and available traffic data). The corridor will be divided into homogeneous segments, and the estimated PSI score for these segments will be calculated. Road safety improvement design features will be developed for riskier segments on the corridor where the PSI score is more than 1. Road safety design features in populated areas to ensure safe speed for vulnerable road users will involve installing of traffic calming devices, protected pedestrian crossings and adequate warning signs with fluorescent yellow sheeting in all populated locations. The RSSAT analysis specifically for the Aouda-Kara section of the LON corridor was conducted during project preparation as part of the overall cost-benefit analysis. The corridor section was divided into two homogeneous segments: a 22-km segment traversing rural areas and an 88-km inter-urban segment. With the expected increase in speeds as a result of the improvement of the corridor section, and considering the road safety measures that are planned to be implemented (e.g., changes to intersection design and implementation of numerous pedestrian crossings), the PSI for the rural segment for year 2024 is estimated at 0.97, while for the inter-urban segment it is estimated at 0.96. In the case of both segments, the PSI would decline the most for pedestrians, with estimated PSI scores of 0.291 and 0.312 for the rural and the inter-urban segment, respectively.





- 88. Upgrading rural road connectivity.** About 470 km of priority feeder roads in the LON corridor vicinity will be improved as part of the project. This will include the rehabilitation of 150 km of existing roads in Niger; the improvement of 120 km of access roads from the corridor to the Kara and Oti agro-poles in Togo; and the paving of 200 km of secondary roads in Burkina Faso. The rehabilitations and upgrades will improve road resilience to heavy rainfall and floods thus ensuring all-season accessibility.
- 89. Supporting COVID-19 relief and recovery.** The project will contribute to creating jobs involving infrastructure construction work, which is labor-intensive. The project will also reinforce the security of food and goods supply chains at the regional level by reinforcing Burkina Faso and Niger's connectivity. Ensuring safe transport, safeguarding food and goods supply, and creating jobs are part of Pillar III of the WBG COVID-19 response and recovery and the three countries governments response (see Annex 2).

### Economic analysis:

#### *Localized Economic Benefits*

- 90. An economic analysis using the traditional cost-benefit approach was conducted for Component 1 and separately for Component 3 of the project.** The net economic benefits of the LON corridor improvements (Component 1) include the benefits that accrue from savings in vehicle operating costs, time, road safety (due to fewer fatalities), and greenhouse gas emissions. The net economic benefits of the rural access road improvements (Component 3) derive from the reductions in travel time on the roads, which enable easier access to economic and social opportunities.
- *Cost-benefit analysis for the main road corridor improvement (Component 1)*
- 91. To ensure that the project generates sufficient economic benefits that warrant the investments, a Cost Benefit Analysis was conducted for the Aouda-Kara-section of the corridor (110 km) using the Highway Development and Management Model (HDM-4).** The analysis computes annual road agency and users' costs for each project alternative over the evaluation period, comparing the proposed project investments with the conditions without such investments. The quantities of resources consumed, and vehicle speeds are calculated first and then multiplied by unit costs to obtain total vehicle operating costs, travel time costs and CO<sub>2</sub> emissions. The resources consumed, and vehicle speeds are related to traffic volume and composition, and road surface type, geometric characteristics, and roughness.
- 92. The quantified net benefits computed by HDM-4 for the project roads comprise vehicle operating costs, travel time costs, road maintenance costs due to the road improvements, road safety benefits, and CO<sub>2</sub> emissions costs.** For the HDM-4 calculations, the following assumptions were applied:
- A discount rate of 6 percent and an evaluation period of 20 years, comprising two years construction period and 18 years of project benefits. All costs are stated in constant 2021 US Dollars. Economic costs are 72 percent of financial costs.
  - The adopted average daily traffic annual increase rate for all vehicles is 1.0 percent per year over the evaluation period. Generated traffic benefits were considered at a rate of 10 percent of the normal traffic.
  - The numbers of fatalities are estimated to decrease with the project. RSSAT indicates that the annual fatalities will decrease from 29 to 28 fatalities per year on the project road. The social cost of a fatality is



US\$51,800 per fatality.<sup>47</sup>

- The social cost of carbon is US\$84 per ton equivalent in 2022 increasing to US\$128 per ton equivalent in 2041, based on the high scenario for the social cost of carbon derived from the 2017 World Bank guidance note on shadow price of carbon in economic analysis.<sup>48</sup>

**93. The Aouda-Kara-road is a two-lane asphalt concrete road in a flat terrain in poor pavement condition carrying on average 9,981 vehicles per day;** of this total, 46 percent are motorcycles and 24 percent cars. Car travel speeds are estimated to be around 66 km/hour without the project that should increase to around 82 km/hour after the rehabilitation works. The total financial capital cost for the road rehabilitation works were estimated to be US\$79 million, corresponding to approximately US\$718,000 per km.

**94. The overall economic internal rate of return (EIRR) of the project is 23.5 percent and the net present value (NPV) is US\$34.2 million, at 6 percent discount rate.** Vehicle operating costs savings of the normal traffic account for around 38 percent of the project benefits, travel time benefits of the normal traffic for 56 percent, generated traffic benefits for 5 percent, and road safety benefits for 1 percent.

**95. Sensitivity analysis shows that the project is economically justified even if construction cost is 20 percent higher or if the project benefits are 20 percent lower or both.** If construction costs were 20 percent higher and the project benefits were 20 percent lower, the overall EIRR would drop to 10.1 percent. Switching values analysis shows that construction costs would have to increase by 67 percent for the EIRR to reach 6 percent.

**96. Total gross Carbon Dioxide (CO<sub>2</sub>) emissions over the 20-year evaluation period under the without-project scenario are estimated at 2,581,930 tons and under the with-project scenario at 3,243,450 tons resulting in a net increase in CO<sub>2</sub> emissions of 661,520 tons, or 33,076 tons per year.** The increase in CO<sub>2</sub> emissions is attributed to the increase in travel speeds with the project and the generated traffic.

- *Economic analysis for the access road improvements (Component 3)*

**97. The economic benefits of improving the secondary and tertiary roads, planned under Component 3, were analyzed using the Road Economic Decision (RED) tool for those roads whose average daily traffic reaches at least 50 vehicles.** The assumptions in the analysis were the same as in Component 1 economic analysis, except for a larger number of different vehicle types considered.

### **Burkina Faso**

**98. In Burkina Faso, a cost-benefit analysis was done separately for roads RN17 (110 km) and RR06-RR32 (96 km).** Given that these roads are currently unpaved with relatively low traffic, the RED version 4.0 was used to perform the analysis, using the consumer surplus approach to estimate project benefits in terms of road user costs savings (vehicle operating costs plus travel time costs) and CO<sub>2</sub> emissions costs.

<sup>47</sup> Fatality cost = 70 X GDP per capita as proposed by the 2008 iRAP note The True Cost of Road Crashes.

<sup>48</sup> The guidance note presents low and high scenarios of the social cost of carbon over time, from which the high scenario was used due to positive net CO<sub>2</sub> emission of the project.





- 99. Road condition:** The current condition of the roads corresponds to an average International Roughness Index (IRI) of 23 m/km on RN17 and an IRI of 15 m/km for RR32-RR06. After the project, it is assumed that the IRI for RN17 would improve to 3 m/km, while for RR32-RR06 the IRI will improve to 2 m/km.
- 100. Traffic:** The current traffic (Average Annual Daily Traffic, AADT) amounts to about 917 motorized vehicles on RN17, of which over 90 percent are motorcycles, and to about 439 motorized vehicles on RR32-RR06, of which motorcycles represent nearly 88 percent and all types of trucks – about 8 percent. For RN17, the evaluation considered an annual traffic growth rate of between 3.0 and 5.0 percent, depending on the type of vehicle, during 2021-2025, and of between 3.0 and 7.0 percent during subsequent years. On RR32-RR06, the annual traffic growth rate is assumed at 5.8 percent during 2021-2025 and at between 5.7 and 6.1 percent later on. The generated traffic, due to the decrease in transport costs caused by the road improvements, was assumed to be between 0 and 32 percent of the normal traffic, depending on the vehicle type, on RN17. On RR32-RR06, a price elasticity of 1 was assumed. Diverted traffic was only considered for RN17.
- 101. Costs:** The initial investment cost is US\$560,000 per km for RN17 and US\$571,641 per km for RR32-RR06. The initial investment would be followed by a recurrent annual routine maintenance of about US\$3,000 per km on both roads.
- 102. Results:** The analysis was performed for a 20-year evaluation period, adopting a discount rate of 6 percent, a road agency economic cost factor of 0.72, and a “high” scenario of the social cost of carbon, in US\$ per CO<sub>2</sub> ton-equivalent, based on the recommendations of the World Bank’s Shadow Price of Carbon Guidance Note.
- **RN17:** The overall EIRR is 30 percent and the NPV is US\$148.23 million, corresponding to a benefit-cost ratio of 4.46. The investment is thus highly economically justified. Normal traffic accounts for the largest share of user benefits (46.5 percent), while generated traffic accounts for 6.7 percent.
  - **RR32-RR06:** The overall EIRR is 8 percent and the NPV is US\$8.58 million, corresponding to a benefit-cost ratio of 1.21, suggesting a modest economic benefit. Normal traffic accounts for nearly 83 percent of the user benefits from the investment.
- 103. CO<sub>2</sub> emissions:**
- **RN17:** Total gross CO<sub>2</sub> emissions over the 20-year evaluation period under the without-project scenario are estimated at 555,641 tons and under the with-project scenario at 367,104 tons, resulting in a net decrease in CO<sub>2</sub> emissions of 188,537 tons, or 9,427 tons per year.
  - **RR32-RR06:** The total gross CO<sub>2</sub> emissions over the 20-year evaluation period under the without- and the with-project scenarios are estimated at 172,587 tons and 230,491 tons, respectively, resulting in a net increase in CO<sub>2</sub> emissions of 57,904 tons, or 2,895 tons per year.

### Niger

- 104. Given the very low traffic volumes on the access roads in Niger and the fact that the roads are unpaved, economic analysis in this case entailed only a calculation of the population served per investment.** AADT on the access roads in Niger to be improved as part of the project – whose final selection will be completed during project implementation – is typically less than 10 vehicles per day. The size of the population that will directly benefit from the road improvements, defined as the total population of the Torodi, Gueladio, Say, and Tamou Communes in which the roads will be improved, is estimated at about 607,000, based on 2020 data. With the planned



investment of US\$10 million in the improvement of rural access roads in this area, the average investment per person directly served by the investment is US\$16.5 (or about 60,700 people served per US\$1 million of investment).

### Togo

**105. The rural access roads to be improved in Togo are also very low volume, averaging less than 50 vehicles per day.**

The total population directly benefiting from the roads to be improved – in Kara region and in the Oti prefecture of Savanes region – is estimated at about 1,153,000. Thus, the average investment per person served is approximately US\$8.7, equivalent to 115,300 people served per US\$1 million of investment.

### *Wider Economic Benefits*

**106. In addition to the direct effects, corridor improvements will have indirect (spillover) effects on the rest of the economy.**

These effects may include, among others, spatial and structural impacts through changes in economic activities, and the movement of people and capital; positive supply shocks for the whole economy (all firms are more productive as they can access cheaper inputs); loss of population in some regions as workers migrate towards better economic opportunities; and firms in closer proximity to the corridor benefit more from better connectivity than those that are further away.

**107. The indirect effects of improvements planned under the project in Togo's corridor section are modeled for Burkina Faso and Niger, the two landlocked countries connected to the Lomé gateway port via the LON corridor.**

The analytical approach used is a spatial general equilibrium model, and the indirect effects (or so-called wider economic benefits) of the corridor improvements are measured by changes in household real incomes in the sub-national districts of Burkina Faso and Niger. Improvements of the LON corridor sections in Togo and Niger represent a subset of the scenarios modeled in the study *Enhancing Burkina Faso Regional Connectivity – An Economic Corridor Approach* completed by the World Bank in 2019.

**108. Opportunities for better integration with foreign markets and subsequent economic gains are not even across the sub-national districts within countries;**

they are driven by factors such as the potential to produce tradable goods (agricultural, manufacturing, etc.) and a district's connectivity to the main transport corridors. The spatial general equilibrium analysis uses data on the district-level land area, number of employees, sectoral shares of employees, and transport costs.

**109. Model results suggest that the infrastructure investment on the LON corridor within Togo will increase real incomes in Niger by 0.17 percent and in Burkina Faso by 0.12 percent on average.**

However, the real income gains within the two countries will be unevenly distributed. The districts with high potential to produce tradable goods and those that are well-connected will get the most out of corridor investments. For example, in the absence of good quality roads between production locations, especially for agriculture, and the main corridor, the impacts of corridor infrastructure investment on exports will remain limited.



### *Reduced uncertainty and inventory costs for traders*

**110. Reduced delays and uncertainty in travel times and border crossing times along the corridor are expected to increase the frequency with which shipments reach consignees within scheduled or expected delivery times, thereby improving reliability and reducing the cost of uncertainty for firms.** Time reduction will also translate into cost savings for firms by reducing inventory costs. Uncertainty leads to hedging costs for traders who need to plan for overstocks to avoid empty shelves or interruptions in production (when products are an input into a productive process). The formula used to calculate hedging cost is as follows:

$$\text{Hedging cost} = \text{Value of goods}^{49} \times (\text{Maximum delivery time} - \text{Minimum delivery time}) \times \text{Daily interest rate}$$

**111. Benefits for the landlocked economies:** Reduced delays and uncertainty will benefit transit imports to Burkina Faso and Niger via the Port of Lomé:

- **Burkina Faso:** Assuming the difference between the maximum delivery time (taken to be the 5 percent worst-case scenario) and the minimum delivery time (taken to be the 5 percent best-case scenario) to Ouagadougou is reduced from 38.5 days to 19.5 days, there will be cost savings of nearly US\$843,000 annually owing to reduced hedging costs for firms. As a result of the projected reduction in the average delivery times by 30 percent, from 23 days to 16.1 days, firm inventory costs will amount to about US\$307,500. The total savings associated with reduced hedging costs and inventory costs are thus estimated at over US\$1.15 million per year.
- **Niger:** The difference between the maximum delivery time and the minimum delivery time for shipments to Niamey is expected to decline from 70.4 days to 16.1 days, resulting in hedging cost savings of slightly over US\$1.124 million per year. In addition, the projected reduction of average travel times by 30 percent, from 25.2 days to 17.6 days, would produce an additional US\$156,000 per year in inventory cost savings. The total savings for Niger associated with hedging and inventory cost reductions are thus estimated at about US\$1.281 million annually.

**112. Benefits for Togo:** Given the much larger volumes of containerized freight leaving from the Port of Lomé along the RN1 corridor for destinations within the country itself (see Table 2), firms in Togo are expected to see the largest aggregate hedging cost and inventory cost savings. With an assumed reduction in the difference between the maximum delivery time and the minimum delivery time from 39.0 days to 13.1 days, hedging cost savings will amount to about US\$4.3 million per year, while the projected reduction in average delivery time from 12.2 days to 8.5 days would produce annual inventory cost savings of over US\$608,000, for a total of approximately US\$4.91 million in annual savings to firms.

**113. The estimated savings in hedging and inventory costs only consider containerized freight flows (not bulk or breakbulk, which, too, account for a significant share of flows on the corridor).** Therefore, the figures should be representing the lower bound on expected savings. The analysis also assumes the volume of containerized freight flows to each of the countries to remain constant, while in reality it is likely that the flows will increase with reductions in travel time and cost, with overall hedging and inventory cost savings thus also increasing.

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<sup>49</sup> "Goods" refers to containerized goods, for which hedging uncertainty is more relevant.



Table 2: Hedging and Inventory Cost Calculation Assumptions

	Togo		Burkina Faso		Niger	
	Current	With Project	Current	With Project	Current	With Project
Delivery time (average)	12.2	8.5	23.0	16.1	25.2	17.6
Max delivery time (5 percent of shipments)	40.1	14.2	46.5	27.6	78.7	24.4
Min delivery time (5 percent of shipments)	1.1	1.1	8.1	8.1	8.3	8.3
Difference between max and min	39.0	13.1	38.5	19.5	70.4	16.1
Interest rate (annual)	20 percent					
Number of containers	36,917		2,408		1,118	
Value per container (median custom value per container)	US\$8,214.29		US\$33,774.10		US\$33,774.10	

## B. Fiduciary

### (i) Financial Management and Disbursement Responsibilities

- 114. As part of project preparation, an FM assessment was conducted for the national implementing entities in Burkina Faso, Niger and Togo.** The objective of the assessment was to determine whether the FM arrangements of the respective implementing entities are adequate to ensure that: (i) project funds will be used for purposes intended in an efficient and economical way; (ii) project financial reports will be prepared in an accurate, reliable, and timely manner; (iii) project assets will be safeguarded; and (iv) project is subjected to a satisfactory auditing process.
- 115.** The PCUs in all three countries will be anchored at the ministries of transport and will be fully staffed to enable seamless implementation, including an FM specialist, an accountant and an internal auditor. In Burkina Faso, the existing Hydromet-PCU that is currently implementing the Project Preparation Advance (PPA) will be responsible for FM and procurement activities. In Niger, a fully staffed PCU anchored at the Ministry of Transport will be established and include key fiduciary specialists. Capacity assessments in the three countries have been conducted, and action plans for reinforcement of capacities have been proposed as needed (Annex 1).
- 116.** The overall residual FM risk is rated as **Substantial**. At PCU level, this risk is deemed **Substantial** for the three LON countries mainly owing to the project's regional design, number of stakeholders, lack of FM arrangements in place in both Niger and Togo, and the security threats mainly in Burkina Faso and Niger.
- 117. The conclusion of the assessment** was that the PCUs in Burkina Faso, Niger and Togo would be in a position of managing the project's funds once the following measures are implemented prior and after the project effectiveness: (i) hire or appoint on a competitive basis, a FM officer and an accountant solely dedicated to the project for Burkina Faso, Niger and Togo, with qualifications and experiences satisfactory to the World Bank, before project effectiveness; while HYDROMET-PCU in Burkina Faso will revise the terms of references (ToRs) and contracts of the existing FM staff, within one month after project effectiveness; (ii) draft the project procedures manual including FM, approved by the stakeholders involved in the project, prior to the project effectiveness for Niger and Togo; while HYDROMET-PCU in Burkina Faso will update the existing procedures manual within three months after project effectiveness; (iii) acquire and install an accounting software acceptable to the World Bank,



within three months after project effectiveness in Niger and Togo; while HYDROMET-PCU in Burkina Faso will migrate the parameters of its existing accounting software to take into consideration the needs of the new project, within three months after project effectiveness; (iv) recruit or appoint an internal auditor, based on ToRs acceptable to the World Bank, within three months after project effectiveness in Niger and Togo; while HYDROMET-PCU in Burkina Faso will revise the annual work plan of the current internal auditor to include the project's activities, within one month after effectiveness; and (v) recruit an external auditor with experience and qualifications acceptable to the World Bank within six months after project effectiveness in all three countries.

- 118. Budgeting Arrangements.** The budgeting process will be clearly defined in the project administrative, financial, and accounting procedures manual, and the budget will be reviewed and adopted by the National Inter-ministerial Steering Committee no later than November 30 each year. Annual budgets adopted by the National Inter-ministerial Steering Committee will be submitted to the World Bank for no-objection before implementation. Budgets will be regularly monitored at all levels. The PCUs will monitor the approved annual project budget against actual expenditures on a quarterly basis. The budget variances will be adequately explained and justified through the semi-annual non-audited Interim Financial Report (IFRs).
- 119. Accounting policies and procedures.** The current accounting standards in use in West and Central African Francophone countries for on-going World Bank-financed projects will be applicable. To that end, SYSCOHADA is the assigned accounting system. Project accounts will be maintained on an accrual basis, supported with appropriate records and procedures to track commitments and safeguard assets. Annual financial statements will be prepared by the PCUs in accordance with the SYSCOHADA and World Bank requirements. Accounting and control procedures will be documented in the administrative, financial, and accounting procedures manual.
- 120. Internal Control Systems.** Internal control comprises the whole system of control, financial or otherwise, established by the PCUs to: (i) carry out the project activities in an orderly and efficient manner; (ii) ensure adherence to policies and procedures; (iii) ensure maintenance of complete and accurate accounting records; and (iv) safeguard the assets of the project.
- 121. Disbursement Arrangements.** The disbursement methods will be based on the Disbursement Guidelines for IPF, dated February 2017. Disbursement methods that are commonly used could be: (a) direct payments to a third party for works, goods and services upon the Borrowers' request; (b) special commitments, letters of credit; (c) reimbursements for expenditures incurred under the project, etc. Further details about disbursements to the project are included in the disbursement procedures described in the Disbursement and Financial Information Letter (DFIL) and the administrative, financial, and accounting procedures manual. The PCUs will maintain the project Designated Accounts (DAs). If ineligible expenditures are found to have been made from the DAs, the Borrowers will be obligated to refund the same. If the DAs remain inactive for more than six months, the Borrowers may be requested to return to IDA the amounts advanced into the DAs. IDA will have the right, as reflected in the Financing Agreement, to suspend disbursement of the funds if reporting requirements are not complied with.
- 122. Flow of funds Arrangements.** Funds flow arrangements for the project, through the DAs are as follows: IDA will make an initial advance disbursement into the DAs to be opened by the PCUs in West African CFA franc (CFAF), upon receiving a withdrawal application from the Borrowers. Replenishment of funds from IDA to the DAs will be made upon providing evidence of satisfactory utilization of the advance, reflected in in Statements of Expenditures



(SOEs) and/or on full documentation for payments above SOE thresholds. Replenishment applications would be submitted monthly. Further details about disbursements to the project will be included in the disbursement procedures described in the DFIL.

- 123. Financial Reporting Arrangements.** The PCUs will prepare semi-annual unaudited IFRs. These will be submitted to the World Bank within forty-five (45) days of the end of the semester. The format and the content, consistent with the World Bank's standards, were agreed between the Borrowers and the World Bank during project negotiations. The PCUs will also prepare the project's annual accounts/financial statements within three months after the end of the accounting year in accordance with SYSCOHADA. The audited financial statements should be submitted to the World Bank within six (6) months after the end of the accounting year.

**(ii) Procurement**

- 124. Applicable procurement rules and procedures.** Procurement for goods, works, and non-consulting and consulting services for the project will be done in accordance with the procedures specified in the 'World Bank Procurement Regulations for IPF Borrowers', dated July 2016 and revised in November 2020; the World Bank's Anti-Corruption Guidelines: 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006 and last revised in July 1, 2016, and the provisions stipulated in the Financing Agreements.
- 125. All procuring entities, bidders, and service providers (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 paragraph 3.32 and Annex IV of the 'Procurement Regulations'. When procurement is done in the national market, as agreed in the Procurement Plan, the country's own procurement procedures may be used with the requirements set forth or referred to in paragraphs 5.3–5.6 related to National Procurement Procedures. For all works contracts, procurements that apply standard procurement documents (SPDs) will adopt World Bank provisions related to environmental, social (including SEA/H and GBV), environmental, health, and safety (ESHS) risks and impacts, including codes of conduct that prohibit sexual harassment and sexual abuse.
- 126. Project Procurement Strategies for Development (PPSDs) and draft Procurement Plans.** The PPSDs of all three countries have been completed and the procurement plans for the first 18 months of implementation prepared and cleared by the World Bank.
- 127. Special procurement considerations.** Given that insecurity and fragility affect considerable areas in Burkina and Niger, the project will use flexibility and simplification in procurement. These measures include use of the Borrower's national procurement, provided the arrangements are consistent with World Bank Core Procurement Principles. Other key measures to fast-track procurement include: (i) use of UN agencies, non-governmental organizations (NGO), Direct Selection and/or Limited Competition, and Request for Quotations with identified manufacturers and suppliers for other urgent items; and (ii) an increased threshold for Request for Quotations to US\$0.5 million for goods and US\$1 million for works. Bid Securing Declaration may be used instead of the bid security. Advance payment may be increased to 40 percent, while secured with the advance payment guarantee. The time for submission of bids/proposal can be shortened to 15 days in competitive national and international procedures, and to three days for the Request for Quotations, although if bidders request an extension, it should be granted. The simplified procurement arrangements will be detailed in the procurement section of the PIM.





**128. Systematic Tracking of Exchanges in Procurement (STEP).** The project will be implemented using STEP, a planning and tracking system, in accordance with clause 5.9 of the Procurement Regulations. Procurement Plans, their updates, and requests for prior review will be sent to the World Bank for clearance through STEP. Procurement activities not requiring World Bank prior review will be recorded in STEP as well.

**129. Procurement capacity assessments.** Consistent with the above procurement arrangements, procurement assessments were carried-out in the project countries during preparation, in accordance with the World Bank Procurement Risk Assessment and Management System. PCUs will be fully staffed, including procurement and other fiduciary specialists. In Burkina Faso and Togo, the staff have experience in international procurement of large civil works. In Niger, the staff does not have experience in procurement of World Bank- financed projects. To that end, a fully staffed PCU anchored at that ministry will be established and include key fiduciary specialists including procurement specialist; this PCU will be attached to the Directorate of Transport. In Togo, PCU will be anchored at the Ministry of Road, Air and Rail Transport and staffed including a procurement specialist. In Burkina Faso, the existing PCU anchored at the Ministry of Transport Road Safety and Urban Mobility that is currently implementing the PPA and the Strengthening Climate Resilience Project (P164078 - HYDROMET) staffed with a civil servant designated procurement specialist will be responsible for procurement activities. Based on the capacity assessments conducted, action plans for reinforcement of capacities have been proposed. Annex 6 contains a full summary of the completed procurement assessments and suggested measures to address the inadequacies and risks identified.

**130. Conclusion.** Overall procurement risk is substantial but after implementation of the proposed mitigation measures, the residual risk will be **Moderate**.

### C. Safeguards

**131. The project is prepared under World Bank safeguards policies and is classified as a Category “B”,** given that its effects are expected to be moderate, not irreversible, controllable, and manageable. This is consistent with the classification under national regulations in the three countries and justified by the fact that no category “A” activities are being financed under the project.

**132. Safeguards instruments have been finalized and published<sup>50,51</sup>.** The project units have prepared the required studies of the various safeguard instruments, namely:

- Togo: Environmental and Social Management Framework (ESMF) (disclosed on May 30, 2021) and RPF (disclosed on June 2, 2021) for the project. For the identified road section RN1 Aouda – Kara (110 km); a RAP (disclosed on May 30, 2021) and Environmental and Social Impact Assessment (ESIA) (disclosed on June 2, 2021)
- Burkina Faso: ESMF, RPF (disclosed on May 30, 2021) for the project and 2 ESIA's (both disclosed on June 2, 2021) and RAPs for the RN17 and RR32 /RR06 (both disclosed on June 1, 2021)

<sup>50</sup> Publish ESMF and ESIA for all three countries

<http://operationsdashboard.worldbank.org/project/secure/sap/forms/safeguard?stage=IMP&projId=P168386#safeguardreport-environmentalassessmenttopbp401>

<sup>51</sup> Published RPF and RAP for all three countries

<http://operationsdashboard.worldbank.org/project/secure/sap/forms/safeguard?stage=IMP&projId=P168386#safeguardreport-involuntaryresettlementtopbp412>



- Niger: ESMF and RPF (both disclosed on May 30, 2021)

**(i) Environmental Safeguards**

- 133. OP/BP 4.01, *Environmental Assessment* is triggered.** Adverse negative risks and impacts on the human population or the environment may be expected in road works. They are anticipated to occur largely during the construction phase and within the existing footprint of the activities under Component 1, which will support road rehabilitation, the construction of parking areas and put in place road centers along the corridor, and under the activities of Sub-component 3(a), which will aim at improving community infrastructure and access roads to support local economic development and the resilience of fragile areas around the corridor. The project will mainly employ local workers for unskilled labor requirements, but skilled laborers may come from other parts of the country. Labor influx risks from skilled laborers and their followers include increased GBV, in particular sexual exploitation and abuse and sexual harassment (SEA/HS), and child labor, criminality, conflict with host communities, and increased resource utilization and extraction.

Potential environmental risks and negative impacts may include soil erosion and disturbance of water flows, water pollution, traffic disruption, noise, gaseous and dust pollution, and disturbance of flora and fauna. Furthermore, the civil works activities proposed under Component 1 are likely to produce potential health impacts and risk spreading COVID-19, HIV/AIDS or other diseases in urban areas crossed by the project; potential safety issues (accidents related to site management, the movement of machinery, road users, the handling of explosives on quarry sites, etc.); adverse effects of waste generated by the workers' camp (garbage), maintenance of construction equipment, works-related noise and vibration; loss of vegetation due to the right-of-way required for efficient works management; consumption of natural spaces due to the working of borrow areas and quarry deposits, landscape alterations and soil erosion; increased pressure on the natural resources of the area as a result of firewood and charcoal. Some noise and dust from the opening of quarries are also anticipated and may negatively affect the environment and daily life of populations in the project areas. Pollution or contamination may also be induced by incident or accident. These impacts would be incurred primarily during construction but may also be incurred during the operational phase. The impacts would be site-specific and likely limited to the project areas and surroundings. However, it is anticipated that all risks and negative impacts of project activities are of a temporary nature during the construction phase (including dust, noise, waste generation, disruption to traffic and movement, damages to existing utilities) and would be easily mitigated by the site specific Environmental and Social Management Plans (ESMPs). Mitigation during the construction phase will be included as part of the civil works contracts, which will require contractors to undertake impact mitigation according to the ESMPs. Furthermore, there are numerous positive environmental impacts. For example, the creation of parking/rest areas for trucks is likely to have a positive impact on the safety and security of drivers, cargo, and road users and will minimize chaotic parking along the road.

- 134.** To address these impacts, each country has prepared an ESMF and in the case of Togo and Burkina Faso ESAs have been prepared. These documents have been cleared by the World Bank and publicly disclosed on June 2, 2021. ESAs include an ESMP and will require the contractor to prepare a Site-Specific Environmental and Social Management Plan (SSESMP) before the commencement of construction works. The ESMF provides the process for conducting environmental and social screenings, and impact assessments of subprojects under the project activities, including the preparation of other ESAs and plans to manage environmental and social risks and impacts.





- 135.** Principles and guidelines for contractor Codes of Conduct and the management of worker health and safety have been developed in the ESMF and ESIA's and will be incorporated in the bidding documents; compliance with these will be regularly monitored by the PCUs during the execution of works. Contractors will be required to train the entire workforce on the Workers Code of Conduct (CoC) Sexual Exploitation Abuse and Harassment (SEA/SH) sensitive on a regular basis to ensure a clear understanding of the obligations of a contractors' staff and workers with regard to implementing the project's ESHS and Occupational Health and Safety (OHS) requirements; help prevent, report and address SEA/SH within the work site and in its immediate surrounding communities; and inform workers about national laws that make GBV/SEA/SH a punishable offence that is prosecuted.
- 136. OP/BP 4.11, *Physical Cultural Resources* is triggered.** Rehabilitation activities proposed under Component 1 will involve earth movement, mainly in borrow areas and quarry deposits. The ESMF takes into consideration physical cultural resources by defining baselines and clear procedures for handling "chance finds" during the implementation of project activities. These include procedures for the identification and protection of cultural property from theft, and the treatment of discovered artifacts.

**(ii) Social Safeguards**

- 137. OP/BP 4.12, *Involuntary resettlement* is triggered.** Resettlement impacts are mostly limited to economic displacement and are known in Togo and Burkina Faso. In Niger since the rural roads are not yet identified, only a RPF has been developed. Once the rural roads are identified in Niger, the relevant RAPs will be prepared. The economic displacement will be caused by the construction phase of the project, where the ambulant sellers will be displaced from the right-of-way to enable the upgrading of the roads and the parking lots to be constructed. For Togo, one RAP and for Burkina Faso two RAPs have been developed to address the resettlement impacts that have been defined. In Togo, the RAPs for the concerned road sections are Aouda-Kara. In Burkina Faso, the concerned roads are RN17, RR32 and RR06.
- 138.** In Burkina Faso, the estimated total project affected persons (PAPs) on the RN17 is 1,382, of which 44 are considered vulnerable. The total assets to be affected are 237 residential buildings and their annexes, 1,240 commercial buildings, 502 commercial activities, 261 agricultural fields, three water sources and 43 cultural heritage or religious sites, including 32 tombs (these will be aimed to be avoided during finalization of the detailed design and project implementation ). The total cost for the RAP implementation is calculated at CFAF 1,102,700,962 (around US\$2.2 million). The cut-off date was set between March 22-28, 2021, depending on each location and when the socio-economic survey was finalized. The dates were communicated to the local population and it was made clear that any people moving into the right-of-way after this date are no longer eligible for compensation or resettlement assistance. For RR32 and RR06, the number of PAPs is 658, of which 110 are considered vulnerable. There will be a total of 1,638 assets affected, including 560 commercial buildings, 48 residential buildings and their annexes, one residential piece of land, 791 trees, 239 agricultural fields, 20 tombs and four sacred sites. The tombs will be aimed to be avoided during finalization of the detailed design and project implementation. Physical displacement will only be experienced by one PAP; the rest will be economically displaced only. The assets to be affected are agricultural fields, commercial infrastructures and fruit trees. The total compensation amounts are calculated at CFAF 286,508,025 (approximately US\$533,000). The cut-off date was set on March 17, 2021, which was communicated to the local population and after which all people moving into the right-of-way are no longer eligible for compensation or resettlement assistance.



- 139.** For Togo, the estimated number of affected people is 1,796, with a total number of 2,028 assets impacted, including 468 residences and 234 of their annexes, 976 vendor stalls, 85 agricultural fields, 87 trees, 110 outdoor sales activities, two tombs, one monument and 65 signs (belonging to individuals). The tombs will be aimed to be avoided during the finalization of the detailed design and project implementation. The total cost is currently calculated at around CFAF 963,723,734 which equates to around US\$1.8 million. There will be economic displacement only. The census of PAPs was carried out from March 1 to March 14, 2021. Thus, the eligibility deadline for the identified PAPs was March 14, 2021. This was communicated to the local population. It has also been made clear to the local population that if people move into the right-of-way without permission after March 14, 2021, they will receive neither compensation nor resettlement assistance.
- 140.** All three RAPs include a GRM that will be established prior to commencing the activities to deal with resettlement affected PAPs to ensure that grievances are resolved in a timely and effective manner. The GRMs have different levels of grievance resolution but it is foreseen that there will be a centralized grievance log at the PCU level to ensure that all of the grievances are properly recorded and archived in case of compensation or other resettlement related disputes. The functionality of the GRM will also be evaluated and included in the final resettlement report for the World Bank's approval.
- 141.** All resettlement-related documentation, including all RFPs developed for Togo, Burkina Faso and Niger and the RAPs developed for Togo and Burkina Faso were disclosed prior to project appraisal and have been made public on the World Bank sites and in-country on May 30, 2021 thru June 2, 2021.
- 142.** The project will mainly employ local workers for unskilled labor requirements, but semi-skilled or skilled laborers are likely to come from other parts of the country. This labor influx could cause risks of SEA/SH, which could lead to increased incidences of sexual violence, sexually transmitted diseases, and unwanted pregnancies. The influx could also cause an increase in child labor, local criminality, conflicts with host communities and increased resource utilization and extraction. To mitigate these issues, the project will develop labor CoC and basic rules to which all local and non-local laborers will have to adhere to and sanctions will be put in place should these rules be broken. Each laborer will be informed of the content of the CoC and provided a copy prior to their employment (illiterate workers will be provided extra assistance) and each worker will need to sign the CoC as part of his condition of employment. In addition, the project will organize consultations with community members and distribute information about the content of the CoC signed by the workers and brief them on how to report incidences of misconduct. As per the Good Practice Note on *Addressing SEA/SH in IPF involving Major Civil Works* February 2020<sup>52</sup> and based on the GBV risk assessment tool, the PIM will include specific actions and requirements to address GBV risks such as selection of NGO to identify support mechanisms, prerequisites before the mobilization of contractors and clauses as part of the procurement documents. Annex 7 presents an action plan for addressing SEA/SH risks across the project and will be updated during implementation.
- 143.** Labor camps will be constructed for the influx of workers coming from outside the community, and they will be regularly monitored by the PCUs and by a third-party monitor to ensure compliance with the World Bank safeguards standards. Labor camps for workers will be equipped with facilities, separate for men and women, that can be locked from the inside. The ESMF provides details on the GRM that will be used to manage grievances from workers. The GRM should also be sensitive to SEA/SH complaints with accessibility to be discussed during consultations with women/girls, referrals to local GBV service providers and complaint management procedures

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<sup>52</sup> <https://pubdocs.worldbank.org/en/741681582580194727/ESF-Good-Practice-Note-on-GBV-in-Major-Civil-Works-v2.pdf>



to be confidential and survivor centered. The PCUs will regularly monitor the adherence of the labor codes and monitor labor camps to ensure there are no conflicts with the community, no SEA/SH incidences, and no prohibited behavior as per the CoC. All incidences to the contrary will be registered and treated on-site and communicated to the project, who will, in turn, provide an update to the World Bank in each trimestral report.

144. There is also a SEA/SH risk related to the upgrading and professionalization of the trucking and logistics industry. These will need to be included in specific trucking related CoC and as part of the training providers to truckers in the project, SEA/SH risks should be addressed. Particularly the creation of parking/rest areas for trucks are likely to attract female food vendors and are therefore potential sites for SEA/SH incidences. Therefore, it is important that these areas be governed by a specific CoC and truck drivers are sensitized regularly and where necessary sanctions are given to them and their companies for violating the CoC put in place. An SEA/SH prevention and response action plan for addressing risks across the project has been prepared for all participating countries and will be updated and adopted no later than three months after project effectiveness (Annex 7).
145. Security risks are prevalent in the project areas, particularly in Burkina Faso and Niger, which are classified as FCV countries and where there is a risk of roads being heavily targeted with IED and other devices by Daesh/ISIS. In Burkina Faso, terrorism risks continue to increase as security forces struggle to prevent the spread of jihadist insurgencies across the country, with military bases highly vulnerable to attack. Kidnapping and attack risks are particularly high in northern, central, and eastern Burkina Faso. In Niger, since the start of 2021, more than 300 people have been killed in attacks in the western part of the country, which includes the border crossing from Burkina Faso to Niger, where the project will finance various upgrades and infrastructure investments. To mitigate these issues SMPs for Burkina Faso and Niger will need to be developed for the project that will need to include adaptative management and a third-party monitoring (TPM) will need to be hired to monitor its implementation. The SMPs will be prepared as part of the PIM and before the works start
146. Each PCU will also develop a brief Stakeholder Engagement Plan (SEP) during the first implementation year, which will include a section on stakeholder identification, outline any past and future stakeholder engagements that will be conducted as part of the project, and develop a communications plan during the first implementation year that is inclusive and takes into account all project stakeholders, particularly women and the most vulnerable.
147. **Citizen engagement and project GRM.** The project is committed to a proactive citizen engagement through the development and implementation of a communication strategy. The project will engage with stakeholders and a GRM mechanism will be developed for the project. The GRM will take provisions to manage SEA/SH complaints in a confidential and survivor centered manner. During project implementation, citizens will also be consulted, and opportunities will be created to facilitate citizen participation to provide feedback on the project, making sure that participatory mechanisms are gender sensitive. A “hotline” to inform on wrong practices along the corridor and at the borders will be established and public consultations and stakeholder engagement will be conducted in a manner that follows national and local COVID-19 restrictions in place by the government and minimize risks posed by conducting public meetings. The project will review constraints and propose diversified means of communications based on the type and category of stakeholders and where physical interaction can be challenging and will be tailored in a sensitive and culturally appropriate manner, especially for women and other vulnerable groups. The project will follow World Bank guidance on



COVID-19<sup>53</sup>. A citizen engagement indicator has been included in the results matrix. The project GRM will include specific protocols for handling any allegations of SEA/SH and according to pre-established and confidential referral procedures.

### Grievance Redress Mechanisms

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

## V. KEY RISKS

149. **This is a substantial risk, high-rewards operation.** The overall proposed project risk rating is substantial due to the estimated residual substantial risks related to: (i) sector strategies and policies including the regional three-country dimension; (ii) environmental and social; and (iii) other risks mainly related to security. They are briefly discussed below along with the identified and implemented mitigation measures.
150. **The residual *sector strategies and policies* risk is substantial due to the inherent multi-sectoral dimension of the operation.** While transport infrastructure investment is usually not controversial, the implementation of proposed reforms in transport services and international transit are difficult, time consuming, and may affect some private sector players, such as small truck drivers, informal trade intermediaries, etc. The proposed re-engineering and streamlining of customs and other border agencies' procedures and practices may be opposed by law enforcement agencies operating at the corridor's borders. While Burkina Faso and Togo have already engaged in such reforms over the past two-three years, Niger has not yet done so. Despite the lack of substantial transport sector industry and trade reforms, which most West African countries have already embarked on, the proposed regional operation provides an opportunity for Niger to catch-up. Moreover, changes in such strategies and policies need to be harmonized and implemented in all three project countries so that they are fully effective. A harmonized approach based on close coordination and information sharing is envisaged in the project design and for future activities to be implemented. The regional project will provide a strong framework for the actual enforcement of reforms, including processes, procedures, and behaviors, based on constant supervision, performance monitoring, and peer-pressure during the entire project life.
151. **The overall unmitigated *environmental and social* risk has been assessed at substantial.** The main risks assessed and outlined in the ESIA's, the ESMPs, the RPFs and the RAPs include, on the environmental side: soil erosion,

<sup>53</sup> World Bank. March 2020. Technical Note: Public Consultations and Stakeholder Engagement in World Bank-supported operations when there are constraints on conducting public meetings.



disturbance of water flows, water pollution, traffic disruption, noise, gaseous and dust pollution, and disturbance of flora and fauna, potential health impacts and risk spreading COVID-19, HIV/AIDS or other diseases, health and safety issues. On the social side the risks include: resettlement impacts, largely economic displacement, SEA/SH and lack of proper consultations with the local populations. The resettlement impacts will include loss of residential buildings and their annexes, commercial buildings, livelihoods, agricultural fields, water sources and cultural heritage or religious sites in all three participating countries. Moreover, the SEA/SH risk assessment conducted highlights factors that contribute to the risk of SEA/SH related to the project as (i) the proximity of project workers to women and girls in the community, possibly with limited supervision; and (ii) the context of poverty and insecurity which increase vulnerability to SEA/SH; and (iii) the trucking sector's expansion may put women and girls at risk for SEA/SH in communities along the transportation corridor. A GRM will be developed for the project to deal with project grievances but also with resettlement grievances, this GRM will need to be functional and effective, which in many projects within the region is often not the case. Moreover, the GRM will need to be SEA/SH sensitive and be able to provide adequate referrals to SEA/SH services for victims. SEA/SH prevention and response action plan will also be adopted no later than three months after project effectiveness.

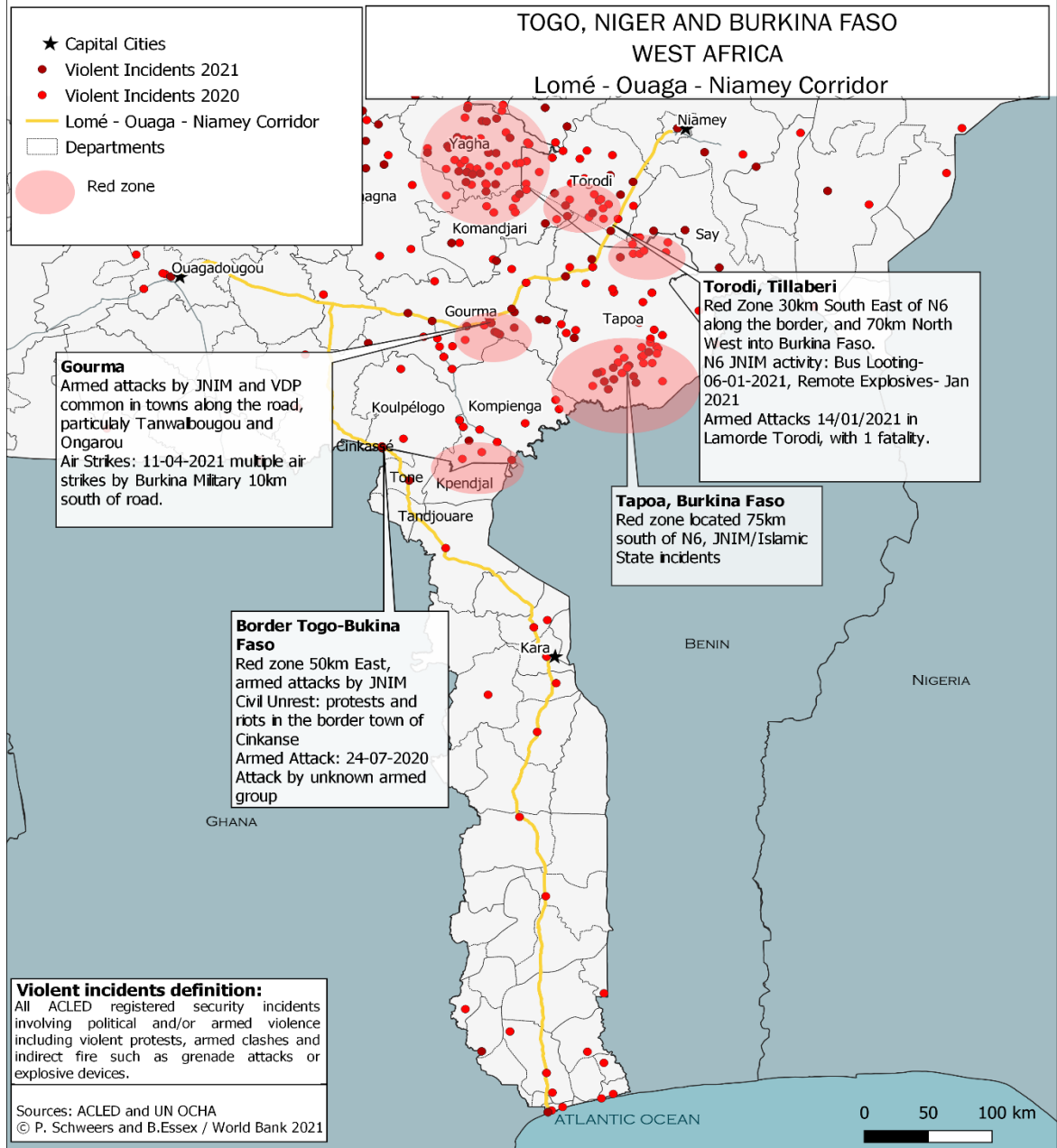
- 152. Other risks include the residual *high security* risk, mainly stemming from the fragile environment in Niger, and the security tensions in Niger and Burkina Faso that may affect some of the project areas.** While the project aims at improving the resilience of local populations along the corridor, thus contributing to increased stability, there are security threats and unexpected events beyond the control of the project and its counterparts. The project is located in a region where jihadist groups may establish themselves on long term, and there are areas where access by the authorities in Burkina Faso and Niger is already limited. In Togo, authorities still manage to have an easy access to the local areas and communities along the border with Burkina Faso, but they remain concerned by the jihadist threat and have increased the military presence especially in the border town of Cinkasse. The evolution of the jihadist groups' activities makes it possible to envisage a gradual expansion of their activities to northern Togo and northern Benin especially along ethnic lines, growing intercommunity tensions, local frustrations and marginalization – perceived and otherwise - by the states. Despite the strong stated commitment of all three governments to the regional project, the above-mentioned situations may impact implementation in the most vulnerable areas, and thus negatively affect the resilience dimension of the project's development objectives. Security risks may also include armed attacks against the local communities around the project areas, as well as state representatives, PCU members and implementing entities, mostly in western Niger.
- 153. Security considerations will be used to determine and adjust project intervention along the corridor as well as the implementation approach.** For Burkina Faso, the majority of the physical investment such as road rehabilitation will be executed in the Center-East which is currently a conflict prevention zone where road works are still possible. The project will not intervene in the East Region (which is a high security risk zone) except at the border post with Niger. In Niger, the project security risk is higher because the corridor goes through Tillabery region - a high-risk conflict zone with multiple recent attacks in communes not far from the corridor. In the Niger section of the corridor, the project will focus on investments with short execution time (boreholes for drinking water, schools etc.) to avoid exposure. The evolution of the security conditions will inform the feasibility of the rural roads in the Niger section. The Togo section is safer, and all proposed investments can be executed. The security situation will be reassessed regularly in Burkina Faso and Niger through a periodic security risk assessment SRA to inform a security management plan SMP needed for the implementation of activities along the corridor. SMPs will be prepared by each country. While the type of activities, precise locations and implementation approach (government versus third party such as UN agencies, NGOs) will be adjusted based on the security





conditions on the ground, risk management measures could include regular security threat monitoring and assessments, regular security information sharing with the Borrowers and other development partners, TPM by a credible locally based organization (contracted directly with the World Bank), remote monitoring through satellite images, geo-enabled data and other ICT tools, and possible Third-Party Execution (TPE) especially for the implementation of the RAPs. Furthermore, the project will work with the Community-Based Recovery and Stabilization Project for the Sahel (P173830) for information sharing on security in the region of Tillabery in Niger.

Figure 4: Spatial distribution of violent incidents in 2020 and 2021 around the project area



Source: World Bank, based on ACLED and UN OCHA data



VI. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Western Africa

Lome-Ouagadougou-Niamey Economic Corridor

Project Development Objectives(s)

The proposed PDO is to improve regional connectivity and socio-economic community infrastructure along the corridor between the capital cities of Togo, Burkina Faso, and Niger.

Project Development Objective Indicators

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
<b>Improved regional connectivity</b>				
Travel time for containerized freight on the corridor from ship arrival at the Port of Lomé to final clearance in Niamey (regional indicator) (Days)		36.00	33.00	27.00
Border crossing time by truck at Kantchari-Torodi border (Burkina Faso - Niger) (Hours)		48.00	38.00	18.00
Border crossing time by truck at the Cinkanse border (Togo - Burkina Faso) (Hours)		78.00	64.00	36.00
Travel time for containerized freight on the corridor from ship arrival at the Port of Lomé to final clearance in Ouagadougou (regional indicator) (Days)		18.00	17.00	14.00
Reliability of travel time for containerized freight on the corridor from ship arrival at the Port of		36.00	32.00	22.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Lomé to final clearance in Niamey (regional indicator) (Days)				
Reliability of travel time for containerized freight on the corridor from ship arrival at the Port of Lomé to final clearance in Ouagadougou (regional indicator) (Days)		15.00	14.00	10.00
<b>Improved socio-economic community infrastructure</b>				
Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (regional indicator) (Percentage)		22.00	23.00	26.00
Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (Burkina Faso) (Percentage)		46.00	48.00	53.00
Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (Niger) (Percentage)		14.00	15.00	18.00
Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (Togo) (Percentage)		15.00	16.00	19.00





**Intermediate Results Indicators by Components**

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
<b>Improvement of infrastructure and introduction of intelligent transportation systems on the corridor</b>				
Length of Aouda-Kara section rehabilitated (Togo) (Kilometers)		0.00	35.00	110.00
Fenced parking lots built along the corridor (regional indicator) (Number)		0.00	2.00	6.00
Share of the Lomé-Ouagadougou-Niamey road corridor equipped with a system to receive real-time traffic, incident and weather information (Percentage)		0.00	30.00	100.00
Decrease in annual fatalities from road accidents on the Lome-Ougadougou-Niamey corridor (Percentage)		0.00	5.00	15.00
<b>Support for improving the quality of transport and transit services along the corridor</b>				
Implementation of qualifying training for transport operators (Niger) (Yes/No)		No	Yes	Yes
Establishment of mechanisms to guarantee the quality of freight transport vehicles (Niger) (Yes/No)		No	Yes	Yes
Optimization of cross-border facilities, processes and procedures at the Kantchari/Makalondi border (Burkina Faso, Niger) (Yes/No)		No	Yes	Yes
Percentage of the certified professionals in commercial trucking activities and the logistics industry that will be women (Percentage)		0.00	5.00	15.00
Percentage of the certified professionals employed as a result of certification that will be women (Percentage)		7.00	10.00	15.00
<b>Improving community infrastructure and access roads to support local economic development/resilience</b>				



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Length of corridor access roads rehabilitated or improved (regional indicator) (Kilometers)		0.00	200.00	531.00
Length of rehabilitated/improved access roads linking areas of high agricultural production to RN1 (Togo) (Kilometers)		0.00	50.00	120.00
Length of RN17, RR32 and RR06 paved and other roads improved (Burkina Faso) (Kilometers)		0.00	100.00	231.00
Length of access roads rehabilitated (Niger) (Kilometers)		0.00	50.00	150.00
Length of feeder road rehabilitated to climate resilient standards (regional indicator) (Kilometers)		0.00	200.00	531.00
<b>Project implementation support at the regional and national level</b>				
Registered grievances responded and/or resolved within the stipulated service standards for response time (Number)		0.00	30.00	30.00

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Travel time for containerized freight on the corridor from ship arrival at the Port of Lomé to final clearance in Niamey (regional indicator)	It is the time required for a truck loaded with goods from its exit from the Port of Lomé until its arrival at	Annual	Surveys	Recording of dates/times/mn and truck registration numbers from the exit	Ministries of Transport of Togo, Burkina Faso, and Niger



	the Niamey Customs Clearance Office.			registers of trucks in transit from the Port of Lome, or T1s at the Lomé-Port Customs Office.	
Border crossing time by truck at Kantchari-Torodi border (Burkina Faso - Niger)	It is the difference between the day/hour/minute of completion of formalities at the border post of Torodi (Niger, country of destination) and the day/hour/minute of start of formalities at the border post of Kantchari (Burkina Faso) of trucks loaded with goods in transit to the Customs Office of Niamey. It consists of the time taken by the various administrations and forwarding agents to complete the formalities.	Annual reporting. Collection: 7 days every three months, for all trucks in transit during the collection period	Surveys	Recruitment and training of active data collection agents.	Ministries of Transport of Burkina Faso and Niger
Border crossing time by truck at the Cinkanse border (Togo - Burkina Faso)	Border crossing time at the JBP (Togo-Burkina Faso and Burkina Faso-Togo)	Annual reporting. Collection: 7 days every three months, for all trucks in transit during the	Surveys and Customs data		Ministries of Transport of Togo and Burkina Faso



		collection period			
Travel time for containerized freight on the corridor from ship arrival at the Port of Lomé to final clearance in Ouagadougou (regional indicator)		Annual			
Reliability of travel time for containerized freight on the corridor from ship arrival at the Port of Lomé to final clearance in Niamey (regional indicator)	Reliability is defined as the standard deviation in travel time.	Annual			Ministries of Transport
Reliability of travel time for containerized freight on the corridor from ship arrival at the Port of Lomé to final clearance in Ouagadougou (regional indicator)	Reliability is defined as the standard deviation in travel time.	Annual			Ministries of Transport
Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (regional indicator)	Share of the population of the local communities benefiting from access road improvements that is able to access a local market by motorized transport within 30 minutes.	At midterm and at the completion of the project	Market locations data and speed assumptions from Ministries of Transport of the three countries.	It will use population distribution, locations of markets in the beneficiary communities, and data on the speeds on feeder roads.	Ministries of Transport
Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (Burkina Faso)					



Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (Niger)					
Population of beneficiary communities able to access a local market by motorized transport within 30 minutes (Togo)					

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Length of Aouda-Kara section rehabilitated (Togo)	Number of km of roads rehabilitated	Annual	Monitoring surveys		Ministry of Infrastructure and Transport of Togo
Fenced parking lots built along the corridor (regional indicator)	Number of parking lots rehabilitated or built, based on a corridor logistics study (regional)	Annual	Supervision	Number and location of parking lots to be established upon completion of corridor logistics study	Ministries of Transport of Togo, Burkina Faso, and Niger
Share of the Lomé-Ouagadougou-Niamey road corridor equipped with a system to receive real-time traffic, incident and weather information					
Decrease in annual fatalities from road accidents on the Lome-Ougadougou-Niamey corridor	Uses WHO definition of "road accident fatalities" as all fatalities within 30 days of the accident.	Annual			

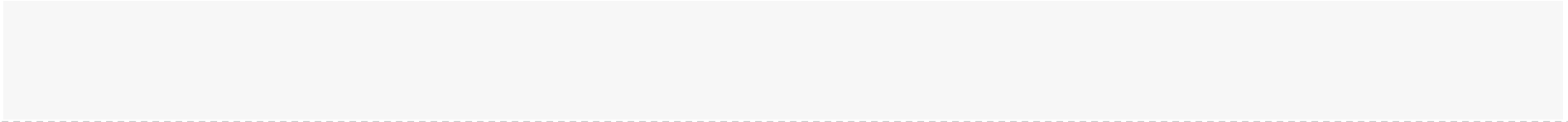


Implementation of qualifying training for transport operators (Niger)					Ministry of Transport of Niger
Establishment of mechanisms to guarantee the quality of freight transport vehicles (Niger)	Establishment of mechanisms to guarantee the quality of goods transport vehicles: entry into the fleet, periodic inspections, management of the end of life of vehicles				
Optimization of cross-border facilities, processes and procedures at the Kantchari/Makalondi border (Burkina Faso, Niger)	Optimization of cross-border facilities, processes and procedures at the Kantchari/Makalondi border, more specifically: introduction of advanced technologies (for controls, detection, inspection, scanning, weighing of goods and means of transport, biometric controls of documents, facial recognition of people, etc.) and integration of the information systems of the various agencies to reach the level of a "smart border".				
Percentage of the certified professionals in commercial trucking activities and the logistics industry that will be women	Under the training program, target women receiving training	Once, under the training	PCU reporting on the training	Counting the number of women receiving training	PCU in the Ministry of Transport



		program	program		
Percentage of the certified professionals employed as a result of certification that will be women	Calculate the percentage of women employed in the sector as a result of the project including training and job creation	Once, at project completion	PCUs in the Ministry of Transport	Monitor the percentage of women out of the total employment in the sector, over the project life	PCUs in the Ministries of Transport
Length of corridor access roads rehabilitated or improved (regional indicator)					
Length of rehabilitated/improved access roads linking areas of high agricultural production to RN1 (Togo)					
Length of RN17, RR32 and RR06 paved and other roads improved (Burkina Faso)					
Length of access roads rehabilitated (Niger)					
Length of feeder road rehabilitated to climate resilient standards (regional indicator)	Use of climate resilient standards at design and execution of civil works	As per the advancements with civil works	Consultants supervision reports	Supervision	PCUs in the Ministries of Transport
Registered grievances responded and/or resolved within the stipulated service standards for response time		Annual	PCUs safeguards implementation reports	Per the established methodology of the GRM	PCUs in the Ministries of Transport







**ANNEX 1: Implementation Arrangements and Support Plan**

- The following institutional arrangements are planned for the project (see Table 1.1).** At regional level, a regional Inter-state Steering Committee, co-chaired by the Ministers in charge of transport in the three countries, will be established, in parallel with inter-ministerial steering committees at the national level in each of the three countries. At the technical supervision level, an Inter-state Technical Committee will be established at the regional level. Finally, PCUs - attached to the Road Transport Directorates (in Togo and Niger) and to the Transport and Meteorology Budget Programme (in Burkina Faso) - will supervise the various implementing agencies to ensure the project implementation.

**Table 1.1: Institutional Arrangements**

Regional level	Togo	Burkina Faso	Niger
<b>Steering Committees</b>			
<b>Inter-state steering committee</b> co-chaired by the transport ministers of the three countries.	<b>Inter-ministerial Steering Committee</b> chaired by the Minister in charge of Road Transport.	<b>Review Committee</b> chaired by the SG of the Ministry in charge of Transport; includes all projects and programs of the budget program (in this case transport and meteorology).	<b>Inter-ministerial Steering Committee</b> chaired by the Minister in charge of Transport.
<b>Technical committees</b>			
<b>Interstate Technical Committee</b> , co-chaired by the Secretaries General of the Ministries of Transport of the three countries; constituted by the National Technical Committees.			
<b>PCUs</b>			
	<b>PCU/Unit</b> attached to the Directorate of Road and Rail Transport, coordinating director of road transport, and staff recruited competitively with counterpart officials appointed for the transfer of competences.	<b>PCU</b> (Hydromet), attached to the Transport and Meteorology Budget Programme, with reinforced staff recruited on a competitive basis with counterpart officials appointed for the transfer of competences.	<b>PCU</b> attached to the Road Transport Directorate, coordinator director of road transport, and staff recruited competitively with counterpart officials appointed for the transfer of competences.
<b>Implementing agencies</b>			
SIAAs	Focal points in each agency	Focal points in each agency	Focal points in each agency



**Table 1.2: Implementing Agencies by Project Activity**

Component/activity	Agencies		
	Togo	Burkina Faso	Niger
<b>1: Improvement of the infrastructure and introduction of intelligent transportation systems in LON corridor</b>			
1(a): Rehabilitation of the Aouda-Kara section	Ministry of Public Works/General Directorate of Public Works		
1(b): Pilot smart corridor - ITIS equipment	Road and Rail Transport Directorate	Ministry of Transport Road Safety and Urban Mobility	Direction des Transport Routiers (Directorate of Road Transport, DTR), Ministry of Transport
1(c): Logistics and road safety improvement	Directorate of Road and Rail Transport/National Road Safety Office/Ministry of Security and Civil Protection	Chamber of Commerce and Industry of Burkina Faso (CCI-BF), Burkina's Shippers' Council (CBC)/General Directorate of Roads (DGIR)/National Office of Road Safety (ONASER)	<i>Agence Nigérienne de la Sécurité Routière</i> (Road Safety Agency of Niger - ANISER)
<b>2: Improving the quality of transport and transit services along the corridor</b>			
2(a): Harmonization of professionalization frameworks in the trucking sector	Road and Rail Transport Directorate	Ministry of Transport Road Safety and Urban Mobility/CCI-BF	DTR, Ministry of Transport
2(b): Improvement of border crossing facilities, processes, and procedures	Togolese Revenue Office	General Directorate of Customs (DGD)/ Ministry of Transport Road Safety and Urban Mobility	DGD, Ministry of Finance
<b>3: Improvement of community infrastructure and access roads to support local economic development and resilience around the corridor</b>			
3(a): Feeder roads around the corridor	Ministry of Public Works and Rural Roads	Ministry of Infrastructures and Accessibility DGIR/General Directorate of Rural Roads)	Direction Générale des Routes Rurales (General Directorate of Rural Roads - DGRR), Ministry of Public Works
3(b): Community infrastructure	Ministry of Public Works/Ministry of Water and Village Hydraulics/Ministry of Social Action, Promotion of Women and Literacy	PCU	DGRR Ministry of Public Works
<b>4: Project implementation support at the regional and national levels</b>			
4(a): Project management including GBV	PCU	PCU	PCU
4(b): M&E	PCU	PCU	PCU



## Financial Management and Disbursement Arrangements

2. As part of the project preparation, an FM assessment of the proposed PCUs was conducted for Burkina Faso, Niger, and Togo. The objective of the FM assessment was to determine whether the respective selected PCUs have adequate FM arrangements to ensure that the: (i) project funds will be used for purposes intended in an efficient and economical way; (ii) project financial reports will be prepared in an accurate, reliable, and timely manner; (iii) project's assets will be safeguarded; and (iv) project is subjected to a satisfactory auditing process.<sup>54</sup> The review of existing FM systems included budgeting, staffing, financial accounting, financial reporting, fund flow and disbursements, and internal and external audit arrangements.

### *(i) Budgeting Arrangements*

3. HYDROMET for Burkina Faso, NE-PCU, and TG-PCU in Burkina Faso, Niger, and Togo, respectively will each prepare an AWPB in accordance with ToRs acceptable to the World Bank. SIA entities receiving financial support from the project will submit their budgets to the respective PCUs for consolidation. The AWPB will then be approved by respective National Project Steering Committees and submitted to the World Bank not later than November 30 of each calendar year throughout the implementation of the Project.
4. The PCUs will monitor the project's budget execution with the project accounting software in accordance with the budgeting procedures specified in the FM manual of procedures, and they will report on variances along with submitting the semi-annual unaudited non-audited IFRs. The budgeting system will need to forecast for each fiscal year the origin and use of funds under this project. Only budgeted expenditures will be committed and incurred to ensure that resources are used within the agreed-upon allocations and for the intended purposes. The semi-annual IFRs will be used to monitor the execution of the AWPB.

### *(ii) Accounting Arrangements*

5. **Accounting policies and procedures, and information system.** Overall, accounting procedures are adequate for the selected project implementing units of Burkina Faso and Togo, while in Niger, the ministry does not have experience in the FM of World Bank financed projects. PCUs in Niger and Togo will acquire and install an accounting software appropriate for the needs of the project based on ToRs acceptable to the World Bank, not later than three months after project effectiveness, while HYDROMET-PCU in Burkina Faso will utilize a multi-site license of the existing accounting software used for the project "Strengthening Climate Resilience in Burkina Faso" (P64078) to reflect the needs of the proposed project. The new accounting software license for HYDROMET-PCU will be acquired, and the existing accounting system will be customized within three months after effectiveness. Any new accounting staff in each PCU will be trained to be conversant with the accounting software.
6. The existing Administrative, Accounting, and Financial Procedures Manuals used by HYDROMET-PCU in Burkina Faso will be updated within three months after project effectiveness, to consider the new project context. The PCUs for Niger and Togo will prepare and adopt their respective FM manuals before project effectiveness.

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<sup>54</sup> The FM assessment was carried out in accordance with the FM Manual for World Bank-IPF Policy effective on the 1<sup>st</sup> March 2010, and reissued on the 10<sup>th</sup> of February 2017, and the supporting guidelines.



7. **Accounting staff.** To strengthen the accounting staffing arrangements within HYDROMET-PCU or to be set up in the new PCUs to be established in Niger and Togo, several actions are recommended. All accounting staff will be trained in the World Bank FM and disbursement procedures as well as in the use of the project accounting software.
  - **Burkina Faso:** The current FM team within HYDROMET-PCU in Burkina Faso comprises one FM specialist, and an accountant. In addition to those staff, an accountant was recruited and fully dedicated to the PPA. HYDROMET will need to revise the ToRs and contracts of these staff to include the needs of this new project, and recruit additional dedicated staff including a FM specialist, by project effectiveness.
  - **Niger:** In Niger, the ministry does not have experience in the FM of World Bank financed projects. To that end, a fully staffed PCU anchored at that ministry will be established and include key specialists including one FM specialist, and one accountant, to be recruited based on ToRs acceptable to the World Bank prior to project effectiveness.
  - **Togo:** A new PCU will be created in Togo, and staffed including a FM specialist, and an accountant to be recruited based on ToRs satisfactory to the World Bank, before project effectiveness.
8. **Accounting standards and basis.** All fiduciary units in Burkina Faso, Niger, and Togo will use the current SYSCOHADA accounting system customized for African francophone countries and in use for the World Bank financed projects implemented in these three countries.

*(iii) Internal Control and Internal Audit Arrangements*

9. **Internal controls.** The internal control procedures will be documented in the FM Manuals of procedures for each of the PCU and their PIMs, taking into consideration gaps in their existing FM Manuals/Regulations to ensure that project FM arrangements are in line with the Financing Agreements. These efforts will ensure that the new project has an effective internal control system covering the procedures required to support activities under different components, including those that will be carried out with subnational and local actors. A review of the internal control systems for the existing HYDROMET-PCU noted no major internal control or accountability issues. Since in Niger and Togo, there are not yet PCUs in place, such a review has not been done.
10. **Internal audit.** Robust internal audit arrangements are in place within HYDROMET-PCU in Burkina Faso. It was agreed that, within three months after project effectiveness, the internal audit function of PCUs in Niger and Togo will be strengthened by recruiting a qualified and experienced Internal auditor, based on ToRs acceptable to the World Bank. In Burkina Faso, no additional internal auditor will be recruited. Thus, HYDROMET-PCU will revise the ToRs, contract, and the annual work plan of the internal auditor under the ongoing IDA financed project to include the needs of this new project (to be reflected in the PIM). The internal auditors in each of the implementing entities should ensure that the audit is conducted using a risk-based approach.

*(iv) Governance and Anti-Corruption (GAC) Arrangements*

11. **All country implementing entities will follow their institutional rules/regulation/guidelines/policies and procedures.** FM arrangements will ensure that there are internal control systems in place and audits conducted to prevent and detect fraud and corruption. Transparency and accountability are highly encouraged by putting



the project budget and audited financial statements on the project implementing entity's websites where applicable. Complaint-handling mechanisms should also be set up by the PCUs so that beneficiaries who are not receiving services as planned have a mechanism to raise their complaints and ensure that they are followed up and addressed. This will involve putting a system in place to record all complaints received, direct them to the person responsible for addressing them, and record when a response is sent to the complainant. The new project must also comply with the World Bank Anti-Corruption Guidelines. The use of Geo-Enabling initiative for Monitoring and Supervision (GEMS) would be explored for the monitoring of infrastructure contracts, would also provide additional real-time information for internal and external audits.

*(v) Financial Reporting Arrangements*

12. HYDROMET-PCU, NE-PCU, and TG-PCU in Burkina Faso, Niger, and Togo, respectively will prepare semi-annual unaudited IFRs in form and content satisfactory to the World Bank, which will be submitted to the World Bank within 45 days after the end of the semester to which they relate. The frequency, formats, and contents of the IFR have been agreed between the World Bank and the national implementing entities during negotiations. The contents of the IFR for all implementing entities will include the following information to account for Project funds:
  - Statement of Sources and Uses of Funds.
  - Statement of Uses of Funds by Project Activity/Component.
  - DA Activity Statement.
  - Bank statements for both the Designated and Project Account and related bank reconciliation statements.
  - Summary statement of DA expenditures for contracts subject to prior review.
  - Summary statement of DA expenditures not subject to prior review.
13. HYDROMET-PCU, NE-PCU, TG-PCU in Burkina Faso, Niger, and Togo, respectively will also prepare annual financial statements for the project within three months after the end of the accounting year (December 31), and these statements will comply with SYSCOHADA and the World Bank requirements. The audited financial statements will be required to be submitted to the World Bank within six months after the end of the fiscal year.

*(vi) External Audit Arrangements*

14. Burkina Faso, Niger, and Togo will use private audit firms that are acceptable to the World Bank; the project will meet the cost of hiring a private audit firm. All audits will be carried out in accordance with International Standards on Auditing. ToRs for each implementing entity will be agreed with the World Bank. The external auditors must be appointed within six months of effectiveness. Audit reports for the project accounts, together with management letters, should be submitted to the World Bank within six months after the end of the government's fiscal year (December 31 for the three countries). The audit reports will be publicly disclosed by the World Bank in accordance with the World Bank disclosure policy. A review of the audit reports of HYDROMET in Burkina Faso (as documented under the internal control assessment reported above) found no major accountability and internal control issues that needed to be addressed for Burkina Faso. It was agreed that new PCUs will be established in the ministries in charge of transport in Niger and Togo. There are no outstanding audit reports under the IDA ongoing financed project managed by HYDROMET.



Table 1.3: Auditing Arrangements

S/No	Country	Implementing Entity	Audit Type	Audit Firm	Due Date
1	Burkina Faso	HYDROMET-PCU	Project Financial Statement	Private Audit Firm	Six (6) months after the end of government fiscal year
2	Niger	A new PCU to be established	Project Financial Statement	Private Audit Firm	Six (6) months after the end of government fiscal year
3	Togo	A new PCU to be established	Project Financial Statement	Private Audit Firm	Six (6) months after the end of government fiscal year

15. In line with the World Bank access to information policy, the implementing agencies will be required to make the annual audited financial statements publicly available on their official websites. Accordingly, the World Bank will also publish the reports upon receipt.

*(vii) Funds Flow Arrangements*

16. **Designated and Project Accounts.** HYDROMET-PCU in Burkina Faso will open a DA, denominated in CFAF, at the Central Bank of West African States (*Banque Centrale des Etats de l’Afrique de l’Ouest*) and a Project Operational Account denominated in local currency. NE-PCU, and TG-PCU for Niger, and Togo, respectively will open one DA in a reputable commercial bank acceptable to the World Bank. All the DAs and the Project Operational Account (in Burkina Faso) should be opened within one month from the project effectiveness. The signatories to these bank accounts should be in line with the FM Manuals of procedures of the respective implementing entities. Payments to eligible expenditure can be made from either the DA in the case of Niger and Togo or the project operational account in Burkina Faso. The signatories to these accounts should be in line with the FM Manuals of the sub-implementing entities and they should be submitted to the main implementing entities in the country.

17. **Disbursements.** All project implementing entities in the three (Burkina Faso, Niger, and Togo) will access funding from the World Bank using the disbursement methods described in the World Bank Disbursement Handbook (that is, advance, direct payment, reimbursement, and special commitments). Detailed disbursement procedures will be documented in the FM Manuals of procedures. Upon project effectiveness, each PCU will be required to submit a withdrawal application for an initial deposit to the DA, drawn from the IDA Credit/Grant, in an amount to be agreed to in the DFIL. Further deposit of funds from IDA to the DA will be made upon evidence of satisfactory utilization of the advance, reflected SOEs. Withdrawal applications must be submitted regularly (at least once a month).

18. If ineligible expenditures are found to have been made from the Designated and/or Project Accounts, the Borrowers will be obligated to refund the same. If the DA remains inactive for more than three months, the World Bank may reduce the amount advanced. The World Bank will have the right, as reflected in the terms of the Financial Agreement, to suspend disbursement of the funds if significant conditions, including reporting requirements, are not complied with. Additional details regarding disbursement will be provided in the DFIL.





**Table 1.4: Disbursement Arrangements**

S#	Country	Implementing Entity	DA (FCFA/BCEAO)	Other Project Bank Accounts	Supporting documents
1.	Burkina Faso	HYDROMET-PCU	DA – Central Bank (BCEAO)	Project Operational Account denominated in FCFA /BCEAO in a commercial bank	SOE
3.	Niger	New PCU to be created	DA – Commercial bank	N/A	SOE
3.	Togo	New PCU to be created	DA – Commercial bank	N/A	SOE

**Table 1.5: Eligible Expenditures under IDA Grant and Credit per Category, Burkina Faso**

Category	Amount of the Credit Allocated (expressed in EUR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 1(b) and (c), Part 2 (a)(ii), Part 2 (b), Part 3(a)(ii), Part 3 (b), Part 4 and Part 5 of the Project	102,500,000	88,200,000	100%
(2) Scrapping Premiums for Part 2(a)(ii)	800,000	700,000	100%
(3) Resettlement Compensation	1,300,000	1,100,000	100%
(4) Refund of Preparation Advance	2,100,000	0	Amount payable pursuant to Section 2.07(a) of the General Conditions
(5) Emergency Expenditures	0	0	100%
<b>TOTAL AMOUNT</b>	<b>106,700,000</b>	<b>90,000,000</b>	



**Table 1.6: Eligible Expenditures under IDA Grant and Credit per Category, Niger**

Category	Amount of the Credit Allocated (expressed in EUR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 1 (b) and (c), Part 2 (a)(iii), Part 2 (b)(i) and (iii), Part 3(a)(iii), Part 3 (b), Part 4 and Part 5 of the of the Project	34,500,000	29,100,000	100%
(2) Scrapping Premiums for Part 2 (a) (iii)	2,000,000	1,700,000	100%
(3) Resettlement Compensation	500,000	400,000	100%
(4) Emergency Expenditures	0	0	100%
<b>TOTAL AMOUNT</b>	37,000,000	31,200,000	

**Table 1.7: Eligible Expenditures under IDA Grant and Credit per Category, Togo**

Category	Amount of the Credit Allocated (expressed in EUR)	Amount of the Grant Allocated (expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 1, Part 2 (a)(i), Part 2 (b)(i), Part 2 (b)(ii), Part 3(a)(i), Part 3 (b), Part 4 and Part 5 of the of the Project	46,800,000	39,500,000	100%
(2) Scrapping Premiums for Part 2(a)(i)	2,500,000	2,100,000	100%
(3) Emergency Expenditures	0	0	100%
<b>TOTAL AMOUNT</b>	49,300,000	41,600,000	



Figure 1.1: Flow of Funds Disbursements for Burkina Faso

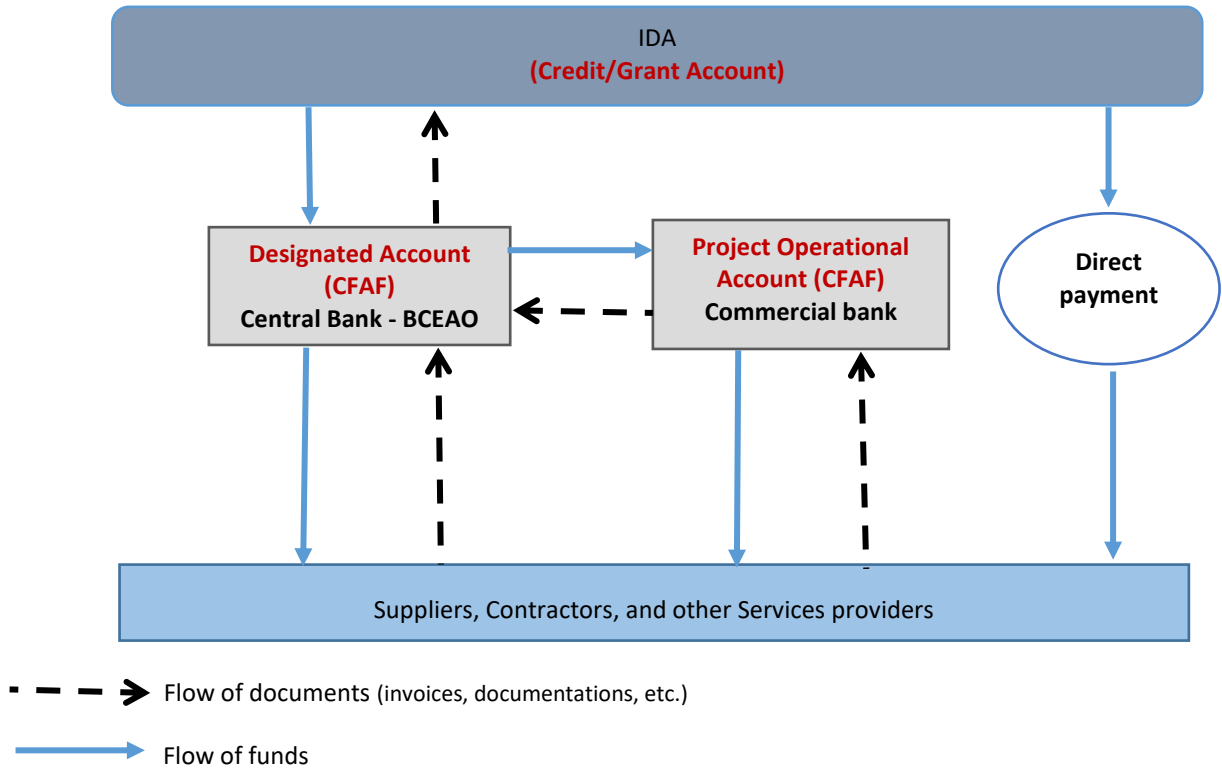
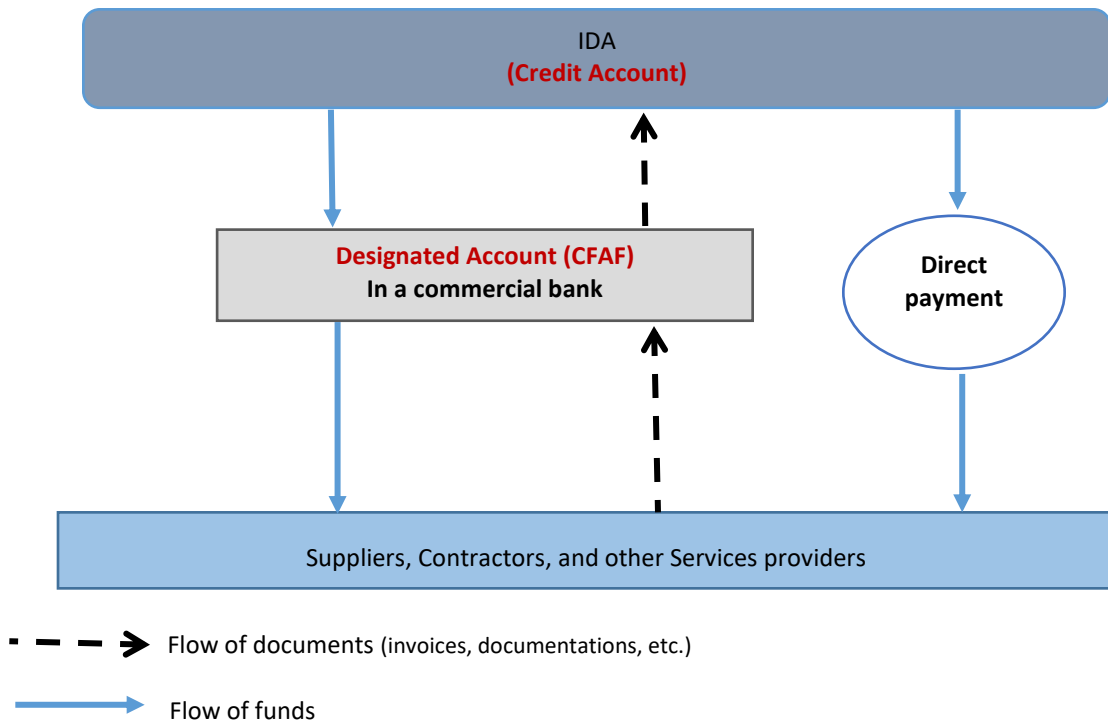


Figure 1.2: Flow of Funds Disbursements for Niger and Togo





**Table 1.8: FM Action Plan**

<i>Issue/topic</i>	<i>Action recommended</i>	<i>Responsible body/person</i>	<i>Completion status/date</i>
<b>All countries</b>			
<b>DA</b>	Open a DA under terms and conditions acceptable to the World Bank	Respective Governments	Within one (1) month of effectiveness
<b>External Auditing</b>	Recruit or appoint an external auditor	Respective Governments	Within six (6) months of effectiveness
<b>Specific</b>			
<b>Burkina Faso</b>			
<b>Staffing</b>	Recruit an FM specialist	Government of Burkina Faso	Before project effectiveness
<b>Information system accounting software</b>	Configure the existing accounting system parameters to take into consideration the specificities of the new project	Government of Burkina Faso	Within three (3) months of project effectiveness
<b>PIM including Administrative, Accounting and Financial Procedures</b>	Update the FM manual in use at HYDROMET	Government of Burkina Faso	Within three (3) months of project effectiveness
<b>Project Account</b>	Open the Project Account (PA) under terms and conditions acceptable to the World Bank	Government of Burkina Faso	Within one (1) month of project effectiveness
<b>Internal Auditing</b>	Include project’s activities in the current Internal Auditor’s annual workplan	Government of Burkina Faso	Within three (3) months after project effectiveness
<b>Niger</b>			
<b>Staffing</b>	Recruit an FM specialist	Government of Niger	Before project effectiveness
<b>Information system accounting software</b>	Acquisition and installation of an accounting software	Government of Niger	Within three (3) months of effectiveness
<b>Administrative, Accounting and Financial Procedures Manual</b>	Prepare and adopt an FM manual to be used under the new project	Government of Niger	Before project effectiveness
<b>Internal Auditing</b>	Recruit and appoint an internal auditor	Government of Niger	Within three (3) months after project effectiveness
<b>Togo</b>			
<b>Staffing</b>	Recruit an FM specialist	Government of Togo	Before project effectiveness
<b>Information system accounting software</b>	Acquisition and installation of an accounting software	Government of Togo	Within three (3) months of project effectiveness
<b>PIM including Administrative, Accounting and Financial Procedures</b>	Prepare and adopt an FM manual to be used under the new project	Government of Togo	Before project effectiveness
<b>Internal Auditing</b>	Recruit and appoint an internal auditor	Government of Togo	Within three (3) months after project effectiveness

19. **Implementation Support Plan.** For FM, implementation support missions (ISMs) will be carried out twice a year for each of the three countries, based on the substantial FM residual risk rating. Implementation support will also



include desk reviews, such as the review of IFRs and audit reports. In-depth reviews and forensic reviews may be done where deemed necessary. The FM implementation support will be an integral part of the project’s implementation reviews.

**Table 1.9: Implementation Support Plan**

<b>FM activity</b>	<b>Frequency</b>
<b>Desk reviews</b>	
IFR review	Quarterly/Bi-annual
Audit report review of the program	Annually
Review of other relevant information such as interim internal control systems reports	Continuous as they become available.
<b>On-site visits</b>	
Review of overall operation of the FM system	Semi-annually (implementation support mission)
Monitoring of actions taken on issues highlighted in audit reports, auditors’ management letters, internal audit, and other reports	As needed, but at least during each implementation support mission
Transaction reviews (if needed).	As needed
<b>Capacity-building support</b>	
FM training sessions by World Bank FM team	During implementation and as needed

20. **Conclusion.** The conclusion of this assessment is that the FM arrangements in place meet the World Bank’s minimum requirements under the World Bank Policy IPF, and therefore are adequate to provide, with reasonable assurance, accurate and timely information on the status of the project required by World Bank (IDA). **The overall FM residual risk rating is *Substantial* for Burkina Faso, Niger, and Togo**



## ANNEX 2: World Bank Group Regional Integration Program Adjustment in Response to COVID-19

### Impact of the COVID-19 Pandemic on Africa and Continental Response

1. **According to the Africa Centers for Disease Control and Prevention (AC CDC), there have been over 4.9 million confirmed cases and 132,840 deaths caused by COVID-19 across Africa<sup>55</sup>.** While the first wave of infection was relatively milder compared to other continents, many African countries have been badly hit by the ongoing second wave. Great uncertainty continues surrounding the exact scale and trajectory of the pandemic in the region due to poor mortality data in several countries of the continent. Beyond the health toll, the pandemic has taken a large toll on economic activity in SSA, putting a decade of hard-won economic progress at risk. Economic output is estimated to have contracted by 3.7 percent in 2020 in the SSA region. The recovery is expected to be weak, with growth reaching only 3 percent in 2021, according to the WBG latest projections. Moreover, COVID-19 is likely to weigh on growth for a long period, as the rollout of vaccines is expected to lag that of advanced economies.
2. **RECs contributed to the coordinated response to the ongoing health, economic and social shock.** For example, the ECOWAS created a Committee of Experts that made recommendations on how to ease Transport, Logistics, Free Movement and Trade in the context of the COVID-19 pandemic. The Common Market for Eastern and Southern Africa developed an online portal for member states to exchange information on availability of essential products in the region. For the currency unions, the convergence criteria on the deficit level have been temporarily suspended within the WAEMU and Central African Economic and Monetary Community. Both the Central Bank of West African States and the Bank of Central African States have taken actions to maintain access to liquidity within the banking and financial sectors. At the continental level, the African Union (AU) and its bodies responded swiftly to complement and coordinate the measures taken at the national level to cope with the health, economic and social shocks created by the COVID-19 pandemic. The Africa Joint Continental Strategy for COVID-19 has been adopted, which notably established an AU COVID-19 Response Fund to assist member states in funding an effective response. Coordination and cooperation among African countries has also been facilitated by the AC CDC, which benefited from WBG support.
3. **The Regional Disease Surveillance Systems Enhancement Program (REDISSE; P154807) is a regional project that has been instrumental in providing emergency support to member countries.** More than US\$200 million of IDA resources from REDISSE Projects have been mobilized so far to support immediate COVID-19 related activities in 12 member countries. In countries like Angola, Chad, Liberia, the CERCs were also activated. The REDISSE support builds on the lessons from the Ebola crisis to address the immediate health-related response to the pandemic on the region.

### Support for Responding to the Crisis

4. The Regional Integration (RI) Strategy Update is well aligned with the pillars of the COVID-19 Response Framework Approach Paper – *“Saving Lives, Scaling-up Impact and Getting Back on Track”*. The regional envelope under IDA19 will be mobilized to enhance a resilient recovery and contribute to reigniting growth and job creation through market integration and economic transformation:

<sup>55</sup> Data as of June 7, 2021: <https://africacdc.org/covid-19/>



- (a) **Saving Lives:** Since the 2014 West Africa Ebola outbreak, the RI program has committed US\$1.5 billion in disease surveillance operations covering over 20 SSA countries. Plans are in place to work with country clients to extend the REDISSE Program to cover additional countries in the continent.
  - (b) **Protecting Livelihoods:** Maintaining free flows of food and medication, as well as protecting livelihoods, particularly in landlocked regions and countries, is critically important. Enhanced engagement in priority areas afflicted by FCV, including the Sahel, Lake Chad and the Horn of Africa, will also contribute to protecting livelihoods under the Resilience pillar of the RI Strategy Update in line with IDA19 commitments. Multisectoral and integrated territorial approaches will notably support the rehabilitation of livelihoods, such as pastoral activities in the Sahel with the Regional Sahel Pastoralism Support Project (PRAPS-P147674), small-scale trade in borderlands in the Horn which is particularly beneficial to women, and small-scale irrigation work in the Lake Chad region with the Lake Chad Region and Development Project (P161706).
  - (c) **Ensuring private sector growth and job creation:** The first and second pillars of the RI Strategy Update are highly complementary since they focus on developing connectivity infrastructure and enhancing trade and market integration. Under IDA19, enhanced support will be provided to support economic transformation, notably through the development of regional markets and regional value chains, through regional power pools, digital access and trade facilitation along renovated economic corridors, such as the Horn of Africa Gateway Development Project (P161305). It is currently exploring how regional synergies and economies of scale could be exploited further to support SME financing and private sector financing more broadly, in close coordination with IFC.
5. **Building back better:** The regional integration portfolio will contribute to building back better notably by supporting *Human Capital Development* under the third pillar of the RI Strategy Update. It will support women's empowerment with the extension of the Sahel Women's Empowerment and Demographic Dividend Project (P150080) and support to the First Africa Higher Education Centers of Excellence for Development Impact Project (P164546) and the Second Africa Higher Education Centers of Excellence for Development Impact Project (P169064).





## ANNEX 3: Economic Analysis<sup>56</sup>

### A. Economic Evaluation Assumptions

1. To ensure that the project generates sufficient economic benefits that warrant the investments, a Cost Benefit Analysis was conducted for the project road using the Highway Development and Management Model (HDM-4). The analysis computes annual road agency and users' costs for each project alternative over the evaluation period, comparing the proposed project investments with the conditions without such investments. The quantities of resources consumed, and vehicle speeds are calculated first and then multiplied by unit costs to obtain total vehicle operating costs, travel time costs and CO<sub>2</sub> emissions. The resources consumed, and vehicle speeds are related to traffic volume and composition, and road surface type, geometric characteristics, and roughness.
2. The quantified net benefits computed by HDM-4 for the project roads comprise vehicle operating costs, travel time costs, road maintenance costs due to the road improvements, road safety benefits, and CO<sub>2</sub> emissions costs. For the HDM-4 calculations, the following assumptions were applied:
  - A discount rate of 6 percent and an evaluation period of 20 years, comprising two years construction period and 18 years of project benefits. All costs are stated in constant 2021 US Dollars. Economic costs are 72 percent of financial costs.
  - The adopted average daily traffic annual increase rate for all vehicles is 1.0 percent per year over the evaluation period. Generated traffic benefits were considered at a rate of 10 percent of the normal traffic.
  - The fatalities with and without the project were estimated with the will decrease with the Road Safety Appraisal Tool (RSSAT) that indicates that the annual fatalities will decrease from 29 to 28 fatalities per year on the project road. The social cost of a fatality is US\$51,800 per fatality<sup>57</sup>.
  - The social cost of carbon is US\$84 per ton equivalent in 2022 increasing to US\$128 per ton equivalent in 2041, based on the high scenario for the social cost of carbon derived from the 2017 World Bank guidance note on shadow price of carbon in economic analysis.<sup>58</sup>
3. The project will finance the rehabilitation of the RN1 Aouda-Kara road in Togo, totaling 110 km. The road is a two-lane asphalt concrete road in a flat terrain in poor pavement condition carrying on average 9,981 vehicles per day of which 46 percent are motorcycles and 24 percent cars. Car travel speeds are estimated to be around 66 km per hour without the project that should increase to around 82 km per hour after the rehabilitation works. The total financial capital cost for the road rehabilitation works is estimated to be US\$79 million, corresponding to about US\$ 718,000 per km.
4. The table below presents the vehicle fleet economic unit, basic characteristics, and the average traffic composition on the project roads. The economic costs reflect the costs net of duties and tax.

<sup>56</sup> The economic analysis using HDM-4 is applied to the Togo segment of the regional corridor (Component 1), the only one rehabilitated under the project; and a separate accessibility impacts analysis for the rural roads rehabilitated under the project (Component 3) is provided in Annex 4.

<sup>57</sup> Fatality cost = 70 X GDP per capita as proposed by the 2008 iRAP note The True Cost of Road Crashes.

<sup>58</sup> The guidance note presents low and high scenarios of the social cost of carbon over time, from which the high scenario was used due to positive net CO<sub>2</sub> emission of the project.



**Table 3.1: Vehicle Fleet Economic Unit Costs, and Characteristics**

	Motorcycle	Car	Van/ Pickup	Small Truck	Medium Truck	Heavy Truck	Articulated Truck	Mini Bus	Bus
New Vehicle Cost (US\$)	1,400	14,009	13,082	30,797	39,627	50,602	84,324	13,082	53,004
New Tire Cost (US\$)	30	70	102	305	392	302	436	102	189
Fuel Cost (US\$/liter)	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78	0.78
Lubricant Cost (US\$/liter)	1.78	1.78	1.78	1.78	1.78	1.78	1.78	1.78	1.78
Maintenance Cost (US\$/hour)	1.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Crew Cost (US\$/hour)	1.00	2.73	3.63	3.66	4.91	5.45	6.36	3.63	4.54
Overhead Cost (US\$/year)	40	294	654	654	1,271	1,362	1,726	654	1,217
Interest Rate (%)	6	6	6	6	6	6	6	6	6
Pass Work Time (US\$/hour)	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09	1.09
Pass Non-Work Time (US\$/hour)	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27
Cargo Time (US\$/hour)	0.00	0.00	0.00	0.11	0.11	0.11	0.11	0.00	0.00
Annual Utilization (km)	14,000	25,000	30,000	35,000	50,000	50,000	50,000	30,000	60,000
Annual Utilization (hours)	700	700	900	900	1,000	1,000	1,000	900	1,500
Service Life (years)	9	7	8	8	14	14	14	7	7
Number Passengers (#)	1	3	6	3	3	3	3	20	40
Work Related Pass Trips (%)	75	75	0	0	0	0	0	75	75
Operating Weight (tons)	0.30	1.20	2.20	10.50	19.50	32.00	47.00	2.20	21.00
ESA Loading Factor	0.00	0.00	0.01	0.10	1.25	2.28	4.63	0.04	0.70
Traffic Composition (%)	46.2%	24.4%	6.3%	1.0%	1.7%	1.1%	8.9%	10.0%	0.4%

**B. Economic Analysis Results**

- The overall EIRR of the project is 23.5 percent and the NPV is US\$34.2 million, at 6 percent discount rate. Vehicle operating costs savings of the normal traffic account for around 38 percent of the project benefits, travel time benefits of the normal traffic for 56 percent, generated traffic benefits for 5 percent, and road safety benefits for 1 percent. The table below presents the distribution of the project net benefits.

**Table 3.2: Distribution of Net Benefits (Million US\$)**

Capital Costs	Maintenance Costs	Normal VOC	Normal Time	Generated VOC	Generated Time	Road Safety	CO2 Emissions	Total
-37.0	0.3	40.9	61.7	2.0	3.1	0.9	-37.7	34.2

- Sensitivity analysis shows that the project is economically justified even if construction cost is 20 percent higher or if the project benefits are 20 percent lower or both. If construction costs were 20 percent higher and the project benefits were 20 percent lower, the overall EIRR would drop to 10.1 percent. Switching values analysis shows that construction costs would have to increase by 67 percent for the EIRR to reach 6 percent.



**Table 3.3: EIRR Sensitivity Analysis**

Road	Base (%)	Costs +20%	Benefits -20%	Cost +20% Benefits -20%
RN1 Aouda-Kara	23.5%	17.6%	16.2%	10.1%

**C. GHG Accounting**

7. Total gross Carbon Dioxide (CO<sub>2</sub>) emissions over the 20-year evaluation period under the without-project scenario are estimated at 2,581,930 tons and under the with-project scenario at 3,243,450 tons resulting in a net increase in CO<sub>2</sub> emissions of 661,520 tons, or 33,076 tons per year. The increase in CO<sub>2</sub> emissions is attributed to the increase in travel speeds with the project and the generated traffic.

**D. Public Sector Financing and World Bank Value Added**

8. Private sector financing is not available to undertake road projects of this nature in Togo. Public sector financing is the appropriate vehicle for financing the proposed road works because the civil works costs cannot be recovered through tariffs due the low traffic of the project roads.
9. The World Bank’s role is justified because of the project’s economic and social benefits. The World Bank’s engagement in Togo’s road sector adds value in several manners, including: (i) bringing global experience on road asset management; (ii) providing best practices in climate resilient transport and sustainable maintenance solutions; and (iii) helping address environmental and social safeguards.



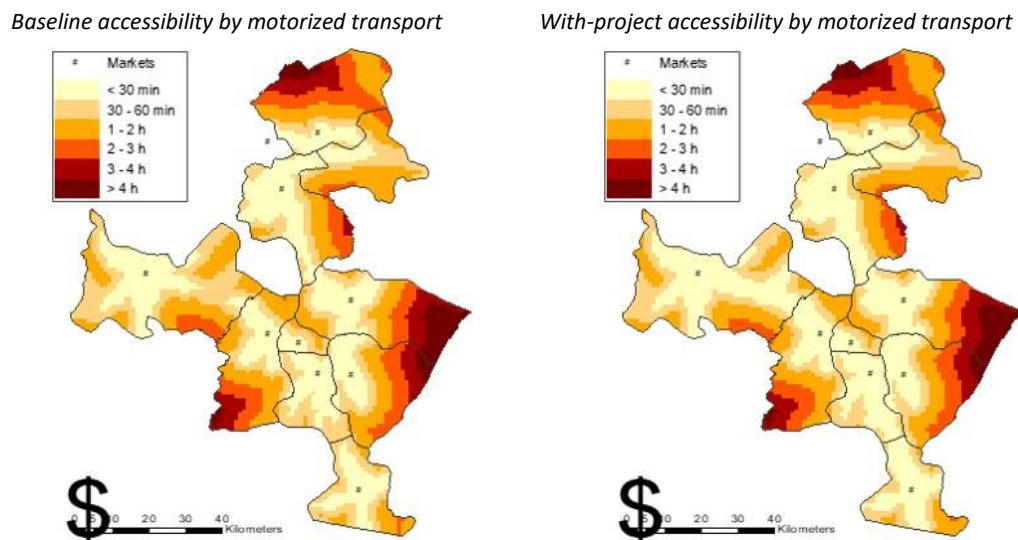
ANNEX 4: Local Accessibility Impacts Analysis

1. The improvements of the rural access roads in the three countries as part of Component 3 is expected to generate significant local accessibility benefits, such as for accessing local markets, which is important for building the local populations' socio-economic resilience. The accessibility improvements would derive from an increase in travel speeds on the rural roads that will be enabled by the improved road condition.
2. In Burkina Faso, the project will improve the condition of RN17 and RR06-RR32 in the Centre-Est region, directly benefiting ten communes with a total population of nearly 523,000 people. The road improvements are expected to increase the maximum motorized travel speeds on RN17 from 30 km/h to 80 km/h and on RR06-RR32 from about 42 km/h to about 69 km/h, on average. As a result of the increased speeds, the share of the population across the ten Communes able to access at least one local market within 30 minutes by motorized transport is expected to increase from 46 percent to 53 percent (a 15-percent increase in the number of people able to do so), while at least 5 percent would see their travel times decrease by at least 20 minutes each way.

Table 4.1: Accessibility impacts to local markets in Burkina Faso

	Baseline	After Project
Population that can access a market by motorized transport within 30 min	241,830	278,222
% of population that can access a market by motorized transport within 30 min	46%	53%
Increase in number of people able to access a market in 30 min as a result of Project	15%	
Population for whom drive time to nearest market will decrease by at least 10 min	65,656	
% of population of the Project Communes	13%	
Population for whom drive time to nearest market will decrease by at least 20 min	24,092	
% of population of the Project Communes	5%	

Figure 4.1: Accessibility impacts to local markets in Burkina Faso



Source: World Bank estimate, based on data provided by the Government of Burkina Faso

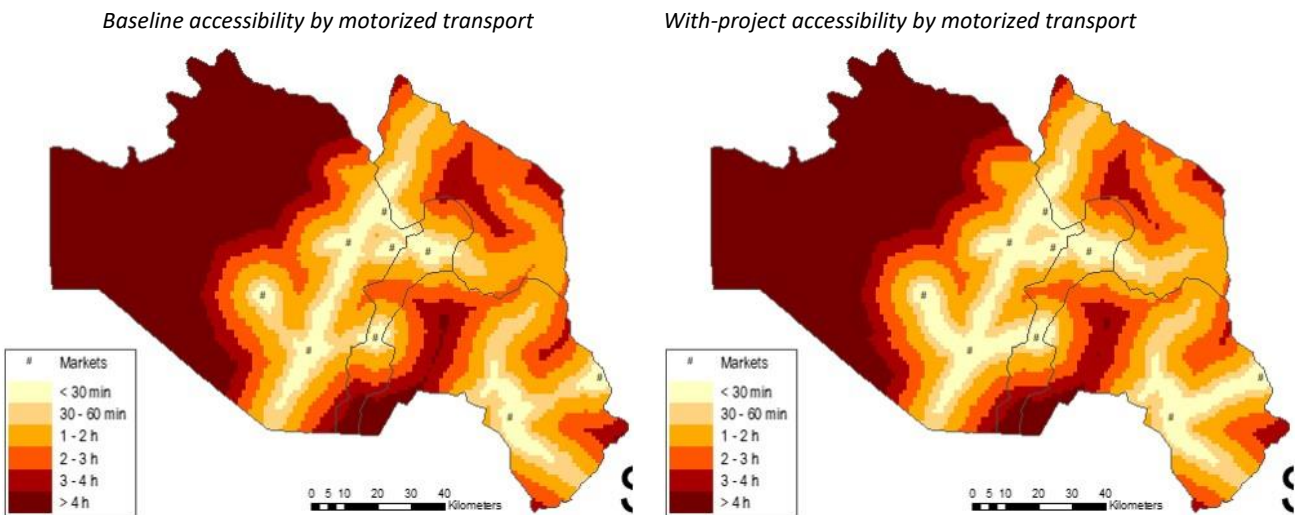


- 3. In Niger, the road improvements – covering about 150 km of road length – will be concentrated in the Tillabéry region in the country’s South, near the border with Burkina Faso, directly benefiting four Communes (Gueladio, Say, Tamou, and Torodi) with a total population of about 607,000 in 2020. The motorized travel speed on the roads to be improved are expected to increase from around 11 km/h to 40 km/h.
- 4. The baseline accessibility in the beneficiary Communes in Niger is considerably lower than in Burkina Faso, with only about 14 percent of the population able to access a local market within 30 minutes by motorized transport. As a result of the Project, that share is expected to increase to 18 percent, equivalent to a 23-percent rise in the number of people with access. One-way travel time reduction of at least 20 minutes will be enjoyed by nearly 185,000 people, or 31 percent of the beneficiary Commune population.

Table 4.2: Accessibility impacts to local markets in Niger

	Baseline	After Project
Population that can access a market by motorized transport within 30 min	87,089	107,240
% of population that can access a market by motorized transport within 30 min	14%	18%
Increase in number of people able to access a market in 30 min as a result of Project	23%	
Population for whom drive time to nearest market will decrease by at least 10 min	242,785	
% of population of the Project Communes	40%	
Population for whom drive time to nearest market will decrease by at least 20 min	184,808	
% of population of the Project Communes	31%	

Figure 4.2: Accessibility impacts to local markets in Niger



Source: World Bank estimate, based on data provided by the Government of Niger

- 5. Finally, in Togo, the project will improve the condition of several roads in the Kara region and in the Oti prefecture of Savanes region, directly benefiting a population of about 1.153 million people. The road improvements are expected to increase the motorized travel speeds from between 15 km/h and 30 km/h at baseline, depending on the road, to 50 km/h once the road works are completed. As a result, the share of the population across Kara and Oti that is able to access at least one local market within 30 minutes by motorized transport is expected to increase from 15 percent to 19 percent (a 29-percent increase in the number of people



with access within this time threshold). About 10 percent of the population would see their travel times decrease by at least 20 minutes each way, and 42 percent – but at least 10 minutes.

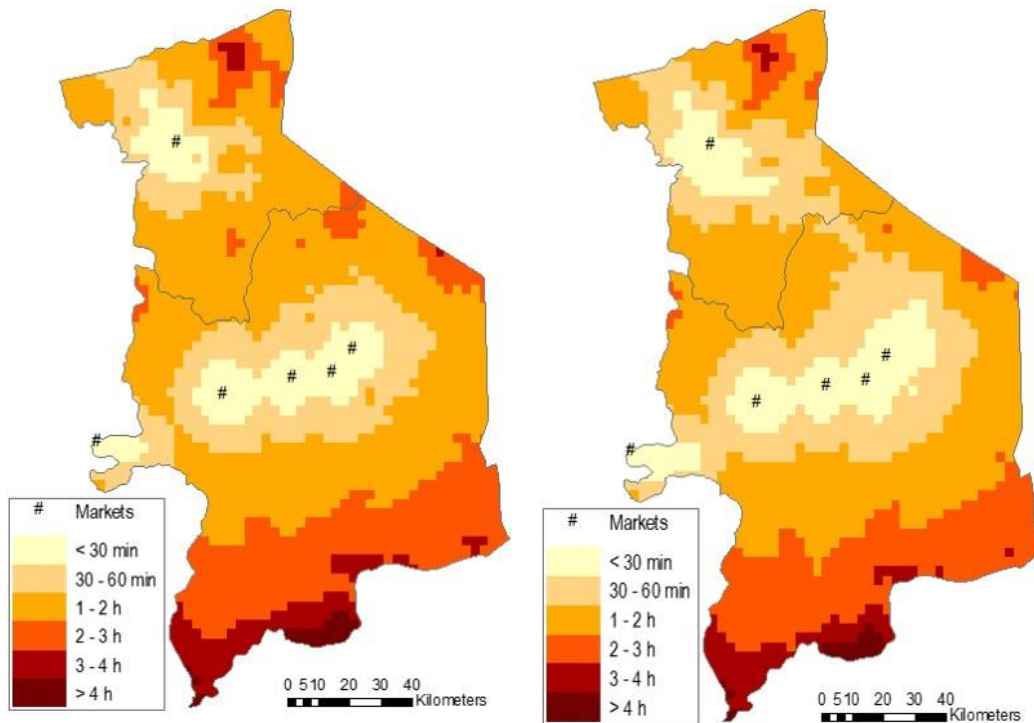
Table 4.3: Accessibility impacts to local markets in Togo

	Baseline	After Project
Population that can access a market by motorized transport within 30 min	168,737	218,342
% of population that can access a market by motorized transport within 30 min	15%	19%
Increase in number of people able to access a market in 30 min as a result of Project	29%	
Population for whom drive time to nearest market will decrease by at least 10 min	478,954	
% of population of Kara and Oti	42%	
Population for whom drive time to nearest market will decrease by at least 20 min	119,967	
% of population of Kara and Oti	10%	

Figure 4.3: Accessibility impacts to local markets in Togo

Baseline accessibility by motorized transport

With-project accessibility by motorized transport



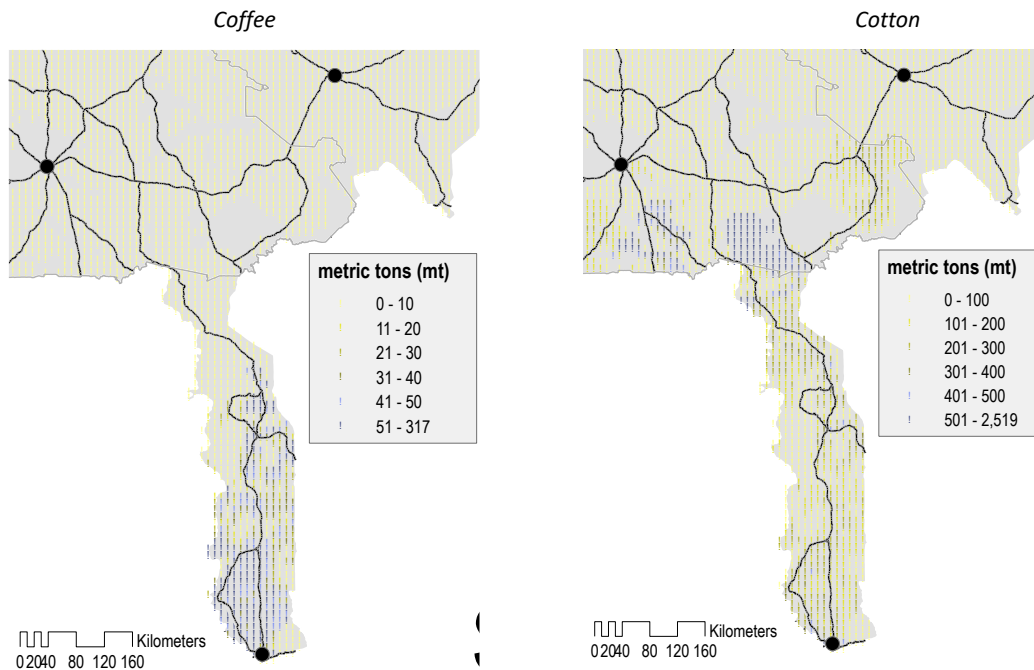
Source: World Bank estimate, based on data provided by the Government of Togo



### ANNEX 5: Agricultural Production Profile of the LON Corridor

1. The agricultural production profile and value in Burkina Faso, including around the LON corridor, was assessed in detail in the *Enhancing Burkina Faso Regional Connectivity – An Economic Corridor Approach Advisory Services and Analytics (ASA) (P167957) completed in December 2019*. The study utilized high-resolution agricultural datasets and spatial modeling tools, partnering with the International Food Policy Research Institute (IFPRI). The analysis found that the current agricultural production and potential production is among the highest in the Center-Est region of the country, located on the Ouagadougou-Lomé route, where currently about 560,000 mt of agricultural crops are produced annually, with the potential to reach 940,000 mt with the assumption of improved infrastructure and agricultural inputs.
2. Agricultural production basins, both of staple crops, such as rice and maize, and of cash crops, such as fresh fruits and vegetables, are found along the LON corridor also in Niger and, especially, in Togo. Just in the immediate vicinity of the corridor, defined as the 20-km radius, an estimated 2.63 million metric tons of agricultural crops are produced each year, representing about 11 percent of all agricultural production in the three countries. Among the major export (cash) crops, this includes about 73,000 mt of cotton (roughly 8 percent of the countries' total cotton production), 8,200 mt of coffee (47 percent), and 9,200 mt of cocoa (41 percent).

Figure 5.1: Production volume of key export crops in the Project area of influence (metric tons)



Source: World Bank, based on data from International Food Policy Research Institute





## ANNEX 6: Procurement

1. Procurement will be carried out in accordance with all relevant policies and procedures: (i) *the World Bank Procurement Regulations for IPF Borrowers*, dated July 2016 revised in November 2020; and (ii) “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants,” last revised on July 1, 2016; and (iii) other provisions stipulated in the Financing Agreements, using the SPDs accompanying the Regulation. STEP will be the platform for preparing, submitting, reviewing, and clearing Procurement Plans and prior review procurement activities. STEP will also be used for uploading the documents and evaluation reports for post review contracts. The PIM will detail the procurement procedures, SPDs, and model contracts associated with the market approaches and selection methods for various procurement categories. Details of the Procurement Plans are in STEP.

### *Procurement Capacity Assessment Summary*

#### **Burkina Faso**

2. The existing unit anchored at the Ministry of Transport Road Safety and Urban Mobility that is currently implementing the PPA and the Strengthening Climate Resilience in Burkina Faso (P164078) will be responsible for procurement activities. This unit was established in May 14, 2019 according to the new presidential Decree 2018-0092/PRE/PM/MINEFID dated February 15, 2018 regulating development programs and projects executed in Burkina Faso. The assessment showed that the unit is well staffed with an appointed civil servant procurement specialist. The procurement activities are performed by the designated services of the Ministry of Transport Road Safety and Urban Mobility including: Financial Affairs Direction (DAF), Public Procurement Direction (DMP) and the Direction of Public Procurement control. The DMP is particularly responsible for (i) finalizing procurement documents prepared by the technical structures included DGDT; (ii) preparing the advertisement notices; and (c) presiding over tender committees and drafting contracts for approval. The tender committee comprises both internal and external members. The DMP is staffing with 12 agents and the DCMEF with five agents. The main identified risks are (i) the recent creation of this unit and minimum experience in applying World Bank procurement regulation; and (ii) workload in procurement activities for two projects. Based on these risks, we can conclude that **the procurement risk is substantial**.

#### **Niger**

3. The project will be implemented by a Coordination Unit attached to the Directorate of Transport under the supervision of the Ministry of Transport. The PCU will be responsible for the day-to-day management of the project, including the preparation of work plans and annual budgets, procurement, FM, monitoring and implementation of environmental and social measures, M&E, as well as the general implementation of project activities.
4. The PCU will be staffed by a technical team and a fiduciary team including a procurement specialist. The assessment revealed that (1) the ministry does not have experience in World Bank financed projects; (2) long delays in the procurement process, particularly in the bids/ proposals’ evaluation stage; (3) the lack of a procurement specialist proficient in World Bank procurement procedures; (4) the lack of procurement manual acceptable for World Bank operations (IPF); (5) inadequate communication and interaction between the



Beneficiary service focal points and the PCU may lead to delays in procurement processes and poor cost projections; (6) the administrative routines observed in the public services may result in procurement delays detrimental to the project implementation; and (7) the existing archiving system is not consistent with World Bank requirements.

5. Other risks identified are:
  - the security issues in the Kantchari (Burkina Faso) – Makalondi (Niger) section and arounds, may lead to limited number of qualified contractors and suppliers willing to work - this situation may lead to a restricted competition and possibly increase prices and collusion risks.
  - the difficulties and risks to conduct supervision and procurement missions for security reasons.
  - insufficient capacity can lead to poor contract management and administration of large contracts.
6. Overall, all these risks can cause mis-procurement, delays in evaluation of bids, and technical proposals leading to implementation delays, poor quality of contract deliverables, and reputational risks to the World Bank and the project.
7. In view of the findings revealed by the assessment and in addition to the fact that the staff is not yet recruited, **the procurement risk is rated high.**

## Togo

8. **Procurement environment.** The public procurement system is governed by Law No. 2009-013 of June 30, 2009, on public Procurement and Public Service Delegations and by Decree No. 2009-277 of November 11, 2009, containing the code of public contracts and delegations of public service. The public procurement code transposes in Togolese law the provisions of the WAEMU Directives of 2005 (Directive 04 on the procedure for the procurement, execution, and regulation of public procurement and public service delegations; Directive 05 on the control and regulation code of public contracts and delegations of public service).
9. The Ministry of Road, Air and Rail Transport has established a Public Procurement Control Commission (*Commission de contrôle des marchés publics, CCMP*) and a Public Procurement Control Commission (*Commission de la passation des marchés publics, CPMP*), each consisting of five members. The procurement bidding documents to be elaborated by the Procurement Specialist of the project will be submitted to the PRMP for the review of the CCMP, or for the decision of the National Procurement Control Directorate (*Direction Nationale de Contrôle des Marchés Publics, DNCMP*) under the Ministry of Finance depending on the procurement control threshold described in the procurement code. The project's institutional and implementation arrangements will build on the implementation of the ongoing Togo Trade and Logistics Services Competitiveness Project (P158982), which has been financing the activities of the preparation of this project.
10. **Procurement institutional arrangement.** A PCU will be anchored at the Ministry of Road, Air and Rail Transport and staffed including among others a procurement specialist. The PCU will be attached to the Directorate of Road and Rail Transport of the Ministry of Road, Air and Rail Transport. A Coordinator will be appointed by the Minister and staff recruited on a competitive basis with counterpart civil servants appointed for the transfer of



competences Focal points in each agency. The ministry’s staff have also experience in international procurement of large civil works, but no experience in the management of World Bank financed projects.

- 11. The summary of the other main identifiable risks are: (i) lack of acceptable procurement manual as part of the PIM; (ii) the lack of a CERC manual; (iii) the lack of a qualified procurement specialist; (iv) weak capacity of the CCPM, CPMP, and the DNCMP in the New Procurement Framework procedures of July 2016 and revised in November 2020; and (v) weak capacity of the PCU on the use of STEP.
- 12. The overall procurement risk for the project is rated **substantial** and will become **moderate** after implementing the proposed mitigation measures. The corrective measures are on the table below:

Table 6.1: Procurement Risk Mitigation Measures

Agency/ country	Implementing agency	Procurement mitigation measure	By when
Burkina Faso	PCU	Recruit on a competitive basis, a second procurement specialist who is experienced and familiar with World Bank procurement procedures and policies and will be dedicated to this project.	By project effectiveness
		Update the procurement manual in the PIM to ensure appropriate implementation of activities in line with the World Bank general framework related to the project. The manual should describe procurement rules applicable to the project and a clear accountability system, as well as responsibilities for decision making, and describe streamlined procurement procedure when applicable.	Three months after project effectiveness
		Train contract staff on the new framework (online and/or in person) and the STEP, which will be used to manage all contract transactions and related documents Ensure timely archiving of all procurement documents and complaints in STEP.	Throughout project implementation
Niger	PCU	Recruit on competitive basis a dedicated procurement specialist proficient in World Bank procurement procedures (Regulations).	By project effectiveness
		As part of the PIM, develop a procurement manual of procedures based on Regulations dated November 2020 and clarify the role of each team member involved in the procurement process of the project and the maximum delay for each procurement stage.	By project effectiveness
		Develop accountability framework with defined business standard and engage beneficiaries’ technical departments and focal points as early as possible. Involve qualified technical experts (consultants) to support preparation of technical specifications and functional requirements of bidding documents, and ToRs. Set up monthly meeting of the coordination.	Three months after project effectiveness and throughout the project implementation



		Apply World Bank procurement flexibilities in fragile situation, as needed. Advertise at the national level even for small works using request for quote (RFQ) (open approach of the market).	Throughout the project implementation
		Provide a dedicated room for archiving. Set up a filing system at the PCU level to ensure compliance with World Bank procurement filing manual. Insert in real time in STEP, documents at each stage of procurement roadmap.	Six (6) months after effectiveness
<b>Togo</b>	PCU	Elaborate and submit to IDA for agreement, a satisfactory version of the PIM comprising a section on procurement for use by the project.	By project effectiveness
		Recruit and maintain a procurement specialist with qualification and expertise satisfactory to the World Bank within PCU.	By project effectiveness
		Reinforce the capacity the Procurement Commission, the PCC, the DNCMP in the New Procurement Framework procedures of July 2016, and revised in November 2020.	Three months after project effectiveness
		Train the PCU on the use of STEP.	One month after the recruitment of staff
<b>Burkina, Niger and Togo</b>	All PCUs	Adopt World Bank provisions related to environmental, social (including SEA/SH and GBV), ESHS risks and impacts, including CoC that include prohibitions against sexual harassment and sexual abuse to all works procurements that apply SPDs.	Three months after project effectiveness
		Elaborate and submit to IDA for agreement, a satisfactory version of the CERC manual.	If/ when CERC is triggered
		Set up third-party supervision and monitoring system (GEMS). Provide military escorts to supervision missions.	Throughout the project implementation, as needed
		Develop contract management plans for prior review contracts.	Throughout the project implementation

**13. Procurement documents.** For international competitive procurement of works, goods, non-consulting services, and consulting services, the Borrowers shall use the World Bank SPDs with minimum changes, acceptable to the World Bank, as necessary to address any Project-specific conditions.

**14. Procurement information and documentation—filing and database.** Procurement information will be recorded and reported as follows:

- a) Complete procurement documentation for each contract, including bidding documents, advertisements, bids received, bid evaluations, letters of acceptance, contract agreements, securities, and related correspondence will be maintained at the level of respective ministries in an orderly manner, readily available for audit.



- b) Contract award information will be promptly recorded and contract rosters, as agreed, will be maintained.
- c) Comprehensive quarterly reports will be prepared indicating: (i) revised cost estimates, where applicable, for each contract; (ii) status of ongoing procurement, including a comparison of originally planned and actual dates of the procurement actions, preparation of bidding documents, advertising, bidding, evaluation, contract award, and completion time for each contract; and (iii) updated Procurement Plans, including revised dates, where applicable, for all procurement actions.

**15. General Procurement Notice, Specific Procurement Notices, Requests for Expression of Interest, and results of the evaluation and contracts award** should be published in accordance with advertising provisions in the Procurement Regulations. For request for bids and request for proposals that involve international bidders/consultants, the contract awards shall be published in the United Nations Development Business in line with the provisions of the PR.

**16. Training, workshops, study tours, and conferences.** Training (including training materials and support), workshops, and conference attendance (based on individual needs as well as group requirements), and on-the-job training will be carried out based on an approved annual training and workshop/conference plan that will identify the general framework of training activities for the year. A detailed plan and ToR providing the nature of training/workshop, number of trainees/participants, duration, staff months, timing, and estimated cost will be submitted to IDA for review and approval before initiating the process. The appropriate methods of selection will be derived from the detailed schedule. After the training, each beneficiary will be requested to submit a brief report indicating what skills have been acquired and how these skills will contribute to enhance his/her performance and contribute to the attainment of the PDO. Reports by the trainees, including completion certificate/diploma upon completion of training, shall be provided to the Project Coordinator, will be kept as parts of the records, and will be shared with the World Bank if required.

**17. Procurement Manual and CERC Manual.** Procurement arrangements, roles and responsibilities, methods, and requirements for carrying out procurement shall be elaborated in detail in the Procurement Manual, which will be a section of the PIM. The context of fragility and the capacity constraints in project countries will be considered, and simplified procurement arrangements will be designed accordingly. The PIM and the CERC Manual<sup>59</sup> shall be prepared by the Borrowers and agreed with the World Bank. Preparation of PIM is a project effectiveness condition for Niger and Togo; whereas Burkina Faso's PCU will update its PIM within three months from project effectiveness.

**18. Operating costs.** Operating costs financed by the project are incremental expenses, incurred by PCUs or implementing entities as approved by the World Bank, on account of project implementation, management, and M&E, including utilities; office space rental; office supplies; bank charges; vehicle operation, maintenance, and insurance; maintenance of equipment and buildings; communication costs; travel and supervision costs (that is, transport, accommodation, and per diem); and salaries of contracted and temporary staff. They will be procured using the procedures specified in the project manual of administrative, financial, accounting, and procurement procedures, accepted and approved by the World Bank.

**19. Implementing entities.** The procurement activities for the project will be executed by the respective project implementing agencies. PCUs will be set up within these agencies. The PCU will carry out the following activities:

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<sup>59</sup> CERC Manual will be prepared only if/when CERC is triggered



- a) Managing overall procurement activities and ensuring compliance with the procurement process described in the relevant manuals.
- b) Ensuring compliance of bidding documents, draft requests for proposals, evaluation reports, and contracts with World Bank procedures.
- c) Preparing and updating the Procurement Plan.
- d) Monitoring the implementation of procurement activities.
- e) Developing procurement reports.
- f) Seeking and obtaining approval of internal designated entities and then of IDA on procurement documents, as required.

20. The PCU will participate in the process of all procurement activities and will notably support the following activities: (i) preparation of ToRs and the bidding documents; (ii) preparation of evaluation reports and contracts in line with World Bank procedures; and (iii) participation in procurement commission activities and all related meetings.

**21. Procurement Procedures.** When approaching the national market, the country’s own procurement procedures may be used with the requirements set forth or referred to in paragraphs 5.3–5.6 related to National Procurement Procedures and subject to certain requirements for national open competitive procurement. Other national procurement arrangements (other than national open competitive procurement) that may be applied by the Borrowers (such as Limited/Restricted Competitive Bidding, RFQ, Shopping, Local Bidding, and Direct Contracting), shall be consistent with World Bank core procurement principles and ensure that World Bank Anticorruption Guidelines and Sanctions Framework and contractual remedies set out in the World Bank Financing I Agreements apply.

**22. Frequency of Procurement Supervision.** In addition to the prior review supervision which will be carried out by the World Bank, semi-annual supervision missions are recommended. Annual World Bank procurement post review will be conducted in the respective countries by the World Bank procurement specialists. The sample size will be based on the procurement risk rating for the implementing agencies in each country. The prior review procurements will be reviewed and cleared in STEP by the respective country’s World Bank procurement specialist.

**23. Procurement prior review.** The procurement risk is rated **Substantial**. Table 9.2 summarizes the procurement prior review for **Substantial** risk. These prior review thresholds can evolve according to the variation in procurement risk during the life of the project.

**Table 6.2: Procurement Prior Review Thresholds (US\$ millions) for Substantial risk**

Works	10.0
Goods, information technology, and non-consulting services	2.0
Consulting firms	1.0
Individual consultants	0.3

**24. Contract management and administration.** For all prior review contracts, contract management plans (in line with the provisions of Regulations Annex XI) will be developed during contract creation and completed at the time contracts are signed.



**25. Summary of the PPSD:** A PPSD has been prepared by each country and agreed upon with the World Bank. The works contracts represent in value the major part of the financing of the project. The main works are rehabilitation of roads and tracks, construction of parking areas and construction and equipment of a car scrapping center and drilling. Contracts for consultant services mainly relate to study missions and control of road and track works and studies and implementation of environmental and social safeguards contracts. Apart from the acquisition of minor equipment, the goods are low in value and will focus on the acquisitions of computer equipment, rolling stock, and various office equipment and furniture. The market analysis shows that countries have potential bidders for the track rehabilitation contracts, this is not the case for the road rehabilitation works of and the work relating to the construction of the center of automobile scrapping for witch the international market approach is will be requested. For the goods, only the acquisition of driving simulators constitutes a specific feature and will preferably be awarded by international call for tenders. The other contracts will be awarded using conventional procurement methods.





## ANNEX 7: Addressing Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH)

1. The SEA/SH risk for the project is rated “**substantial**”. Given the complexity of addressing SEA/SH risks of the project within and across countries, each country PCU will ensure that a GBV expert is hired, before project effectiveness, to assist with the implementation of the SEA/SH prevention and response action plan, that will be prepared and adopted no later than three months after project effectiveness, and a specialized NGO will be hired to support the project with the implementation of some of the identified mitigation measures. The SEA/SH, risks will be reevaluated throughout the duration of the project through regular dedicated consultation with women and girls, organizations advocating for women and children’s rights and other key stakeholder, and mitigations measures adapted accordingly.
2. The project will hire an independent TPM organization/Independent Verification Agent (IVA) (civil society organization, international or local NGO, academic partner, private sector firm) with experienced GBV staff to monitor implementation of the SEA/SH Prevention/ Response Action Plan and regular actualization of the Action Plan, and to ensure all parties are meeting their responsibilities.
3. The identified project SEA/SH risks require that an assessment and specific activities be designed to address any SEA/SH in relation to employment of workers in the context of road works/ construction under the project; and in relation to the trucking activities under the project – in terms of employment but also in relation to the parking/rest areas and other facilities that will be created. CoCs SEA/SH sensitive will also be prepared and signed by workers on the project.
4. An NGO specialized in GBV will be hired in each country under the project before the civil works begins to (a) support the design and implementation awareness and prevention campaigns of GBV/SEA/SH risks in the communities of the project; (b) ensure the holistic care (medical, psychosocial, legal) of survivors and/or their referral to other structures; and (c) monitor the number of SEA/SH complaints that have been reported and resolved through a GRM specifically designed to track SEA/SH incidents. The project will work and rely on the selected SEA/SH service provider(s) available and community-based organizations to support the project in addressing any case of SEA/SH that may be project related while also working actively to prevent such cases through sensitization activities and the signature of the CoC by the project workers.
5. A specific GRM will be developed for the project to address SEA/SH cases. The GRM will follow a referral protocol for the entire response procedure with multiple channels for reporting to ensure that - SEA/SH related complaints are registered in a safe and confidential manner. The GRM will rely on the mobilization of the NGO specialized in GBV to serve as an entry point through its network of focal points in the project intervention areas. NGO would also be a referral entry point for SEA/SH complaints received through other channels such as SEA/SH community focal points, women associations and/or traditional community leaders.



**Table 7.1: Action Plan for mitigating SEA/SH risks**

6. This action plan will be further adapted based on the results of ESIA's and will be finalized across PCU during project implementation.

Phase	Action to mitigate the risks of SEA/SH	Responsible	Deadline	Project update	Comments
Identification/Evaluation	<b>The social assessment of the project</b> should include the assessment of the social situation and the underlying risks of GBV, with a focus on SEA/SH, using the SEA/SH risk screening tool and taking into account the safety and ethical considerations related to the collection of GBV/SEA/SH data. No prevalence or baseline data should be collected as part of the risk assessment.	PCU for social evaluation.  Project team for the SEA/SH risk screening tool.	According to the schedule of the social evaluation.	Ongoing review during implementation support missions.  Update the project's ESMPs and ESMPs-C if the risk situation changes.	The World Bank team assessed the project's risk of SEA/SH using the assessment tool. The risk is considered substantial and these aspects will be considered in the safeguard documents (ESIAs, ESMFs).
	<b>Identify the actors involved in the</b> prevention and response to GBV, SEA/SH in the project's neighboring communities. This will include conducting an assessment of the providers' capacity to offer quality services focused on SEA/SH survivors, including managing SEA/SH cases, providing advocacy for the survivors and providing recommendations to link with other services not provided by the organization itself.	PCU	During the SEA/SH risk assessment during the social evaluation (see above).	Update the mapping, as required.	
	Integrate SEA/SH risks into all <b>relevant safeguard instruments</b> (i.e., the project's ESMP and ESMP-C) - especially in the environmental and social assessment. Include GBV mapping in these instruments.	PCU for social evaluation and ESMP.  ESMP-C (see implementation phase).	This action was completed before appraisal.	Ongoing review during implementation support missions.  Project to update the ESMPs and ESMP-C if the risk situation changes	



Action to mitigate the risks of SEA/SH	Responsible	Deadline	Project update	Comments
Develop a SEA/SH <b>prevention and response action plan</b> and include it in the ESMP. The actions for which the company/consultant is responsible should be included in its Enterprise-Environmental and Social Management Plan.	PCU	Three months after effectiveness.	Ongoing review during implementation.	
As part of the <b>project stakeholder consultations, those affected by the project should be duly informed about GBV/SEA/SH risks</b> and project activities in order to get feedback on the project design and safeguard issues. <sup>60</sup> Need to engage in consultations with various stakeholders (political, cultural or religious authorities, health teams, local governments, social workers, women's organizations, young people and groups working with children) and intervene at the beginning and throughout the project's implementation.	PCU	According to the schedule for stakeholder consultations.	Monitor the implementation of the stakeholder mobilization plan.	

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<sup>60</sup> Consultations with women should be conducted in a safe environment that is conducive to sharing experiences (e.g., ensure that consultations are facilitated by women, separate from consultations with men, and specifically target groups that are particularly vulnerable to the risks of SEA/SH ).



	Action to mitigate the risks of SEA/SH	Responsible	Deadline	Project update	Comments
	Ensure the availability of a <b>complaint management mechanism</b> with multiple channels for filing complaints. It should include specific procedures for SEA/SH, including confidential reporting of SEA/SH cases and their safe and ethical documentation, management and reporting. Given the high risk of the project, it will be imperative to establish an external complaint management mechanism parallel to that of the project.	PCU, but discussion and agreement with the project team.	Before civil works begin.	Ongoing monitoring and regular reporting on the operation of the complaint’s management mechanism.	
	Ensure that each <b>PCU has a gender specialist</b> to support project implementation.	PCU	To be completed before effectiveness.	Regular reports.	
	For <b>supervision, have an environmental and social specialist on the consultant's team</b> in charge of project supervision with <b>specific skills in the area of GBV</b> to oversee related issues (such as monitoring the signing of CoC and related trainings, checking that a SEA/SH complaint management mechanism is in place and functioning, referring some cases, if necessary) and working with GBV service providers and entry points to raise awareness about the complaint management mechanism.	PCU	When finalizing the ToRs of the supervision Engineer.	Regular reports.	



	Action to mitigate the risks of SEA/SH	Responsible	Deadline	Project update	Comments
	<b>Ensure monitoring</b> by an independent third party - <b>Independent Verification Organization/Agent (IVA)</b> - (civil society organization, local or international NGO, academic partner, private company) with <b>staff experienced in GBV</b> in order to monitor the effective implementation of the GBV action plan, ensure that all parties fulfill their responsibilities and provide early warnings in case of problems.	PCU	Recruited before civil works begining.	Regular reports.	
	<b>In the case of gaps identified by mapping exercise</b> , recruit GBV service providers to facilitate victims' access to safe, timely and confidential services (including to cover transportation, documentation and accommodation if necessary). The same providers support the project in the implementation of other SEA/SH prevention and activities, such as mobilizing and training communities, implementing the training staff, etc.	PCU	Before civil works begin.	PCU	
Procurement	Clearly define SEA/SH requirements and expectations in the <b>tender documents</b> .	PCU	When preparing the bidding documents.	Review by the project team.	
	Define the provisions to be included in the tender documents in order to achieve a <b>CoC that addresses SEA/SH to be signed by workers of the project</b> .	PCU	Before publishing bidding documents.	Review by the project team.	
	For public procurement subject to a <b>national bidding process</b> , consider incorporating GBV (SEA/SH) related provisions in SPDs for international tenders.	PCU	Before publishing documents.	PCU with review by the project team.	



Action to mitigate the risks of SEA/SH	Responsible	Deadline	Project update	Comments
Clearly indicate in the contracting files how the reasonable costs of GBV/ SEA/SH prevention and intervention will be covered in the contract. For example, one can include: i) in the specifications, specific items for clearly defined SEA/SH control activities (such as the preparation of relevant plans) or ii) specific estimated amounts for activities that cannot be predefined (such as the implementation of relevant plan(s), the hiring of GBV service providers, if necessary).	PCU	When preparing the bill of quantities in the bidding documents.	Review by the project team.	
Clearly define and explain the provisions of the CoC to bidders before they submit their bids, including the need for CoC to include: <ul style="list-style-type: none"><li>• Prohibited behaviors, including SEA/SH</li><li>• Sanctions in case of non-compliance.</li></ul>	PCU	Before submission of bids.	Review by the project team.	
Clearly define SEA/SH requirements and expectations in the <b>tender documents</b> .	PCU	Before publishing bidding documents.	Review by the project team.	



	Action to mitigate the risks of SEA/SH	Responsible	Deadline	Project update	Comments
Implementation	<p><b>Assess contractor’s proposed SEA/SH risk mitigation measures proposed in the ESMP-C and confirm, prior to finalizing the contract, the company’s ability to meet the project’s GBV (SEA/SH) requirements.</b></p>	PCU	Before signing civil works contract.	Review by the project team.	
	<p><b>Verify that the complaint management mechanism receives and processes SEA/HS complaints</b> in accordance with established protocols and respecting a survivor-centered approach, including confidentiality and security.</p>	Project team PCU	Throughout civil works implementation.	Regular reports.  Follow-up and resolution of complaints.	
	<p><b>Ensure that CoC are signed and understood</b></p> <ul style="list-style-type: none"> <li>- Ensure that those who sign CoC understand their provisions.</li> <li>- Ensure that the CoC have been signed by all those who will be physically present at the project site.</li> <li>- Train project-related staff on the obligations of conduct prescribed by CoC.</li> <li>- Disseminate the CoC (including visual illustrations) and discuss them with employees and local residents.</li> </ul>	Contractors, consultant, PCU	Prior to the start of the work and thereafter on a quarterly basis/at each wave of worker recruitment.	Review of GBV risks during project supervision (e.g. mid-term review) to assess the evolution of the risk. - Confirmation by the supervising consultant that CoC are signed and that workers have been trained and understand their obligations. <sup>27</sup> - Monitoring of the complaint management mechanism regarding GBV complaints. - Discussion during public consultations.	



	Ensure that project workers and local populations are regularly sensitized on the project's CoC, PPMs and available care services.	• PCU, contractors, NGO GBV	Throughout civil works implementation.	Regular reports	
	• Regularly <b>monitor and evaluate the implementation of</b> this action plan.	• PCU, contractors, consultants	Throughout civil works implementation.	Monitoring of the complaint management mechanism.  Regular reports.	





**ANNEX 8: Environmental and Social Safeguards**

1. While some project locations are identified, others are not yet defined; however, most likely the interventions will take place along the road corridors between Lome-Ouagadougou, Lome-Niamey via Burkina, and Ouagadougou-Niamey. At this stage, the following priority road sections were identified and related ESIA's have been prepared and approved by the World Bank: Togo – RN01 Aouda – Kara and Burkina Faso – RN17 and RR32 /RR06. Activities will include road rehabilitation and upgrading works within the right of way. Regarding the construction of road-side rest stops/parking areas for trucks, improvement of dry ports/logistics areas, and rehabilitation of border posts area including small construction of offices and utilities, the exact location remains unknown and will be decided after consultation with the relevant Borrowers.
2. Potential environmental risks and negative impacts may include soil erosion and disturbance of water flows, water pollution, traffic disruption, noise, gaseous and dust pollution, and disturbance of flora and fauna. Furthermore, the civil works activities proposed under Component 1 are likely to produce potential health impacts and risk spreading COVID-19, HIV/AIDS or other diseases in urban areas crossed by the project; potential safety issues (accidents related to site management, the movement of machinery, road users, the handling of explosives on quarry sites, etc.); adverse effects of waste generated by the workers' camp (garbage), maintenance of construction equipment, works-related noise and vibration; loss of vegetation due to the right-of-way required for efficient works management; consumption of natural spaces due to the working of borrow areas and quarry deposits, landscape alterations and soil erosion; increased pressure on the natural resources of the area as a result of firewood and charcoal. Some noise and dust from the opening of quarries are also anticipated and may negatively affect the environment and daily life of populations in the project areas. Pollution or contamination may also be induced by incident or accident. These impacts would be incurred primarily during construction but may also be incurred during the operational phase. The impacts would be site-specific and likely limited to the project areas and surroundings. However, it is anticipated that all risks and negative impacts of project activities are of a temporary nature during the construction phase (including dust, noise, waste generation, disruption to traffic and movement, damages to existing utilities) and easily mitigated by the site specific ESMPs. Mitigation during the construction phase will be included as part of the civil works contracts, which will require contractors to undertake impact mitigation according to the ESMPs. Furthermore, there are numerous positive environmental impacts. For example, the creation of parking/rest areas for trucks is likely to have a positive impact on the safety and security of drivers, cargo, and road users and will minimize chaotic parking along the road.

**Table 8.1: Triggered safeguard policies:**

Safeguard Policies	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Adverse negative risks and impacts on the human population or the environment may be expected in road works. They are anticipated to occur largely during the construction phase and within the existing footprint of the activities under Component 1, which will support road rehabilitation, the construction of parking areas and put in place road centers along the corridor, and under the activities of Sub-component 3(a), which will aim at improving community infrastructure and access roads to support local economic development and the resilience of fragile areas around the corridor.



Potential environmental risks and negative impacts may include soil erosion and disturbance of water flows, water pollution, traffic disruption, noise, gaseous and dust pollution, and disturbance of flora and fauna.

Furthermore, the civil works activities proposed under Component 1 are likely to produce potential health impacts and risk spreading COVID-19, HIV/AIDS or other diseases in urban areas crossed by the project; potential safety issues (accidents related to site management, the movement of machinery, road users, the handling of explosives on quarry sites, etc.); adverse effects of waste generated by the workers' camp (garbage), maintenance of construction equipment, works-related noise and vibration; loss of vegetation due to the right-of-way required for efficient works management; consumption of natural spaces due to the working of borrow areas and quarry deposits, landscape alterations and soil erosion; increased pressure on the natural resources of the area as a result of firewood and charcoal. Some noise and dust from the opening of quarries are also anticipated and may negatively affect the environment and daily life of populations in the project areas.

Pollution or contamination may also be induced by incident or accident. These impacts would be incurred primarily during construction but may also be incurred during the operational phase. The impacts would be site-specific and likely limited to the project areas and surroundings. However, it is anticipated that all risks and negative impacts of project activities are of a temporary nature during the construction phase (including dust, noise, waste generation, disruption to traffic and movement, damages to existing utilities) and easily mitigated by the site specific ESMPs. Mitigation during the construction phase will be included as part of the civil works contracts, which will require contractors to undertake impact mitigation according to the ESMPs. Furthermore, there are numerous positive environmental impacts. For example, the creation of parking/rest areas for trucks is likely to have a positive impact on the safety and security of drivers, cargo, and road users and will minimize chaotic parking along the road.

To address these impacts, each country has prepared an ESMF and in the case of Burkina Faso and Togo, ESIA for road sections identified to date have also been prepared for the known road sections of intervention. These documents have been cleared by the World Bank and publicly disclosed on June 2, 2021. The ESIA include an ESMP and will require the contractor to prepare a SESMP before the commencement of construction works. The ESMF provides the process for conducting environmental and social screenings, and impact assessments of subprojects under the project activities, including the preparation of



other ESIA's and plans to manage environmental and social risks and impacts.

The project will mainly employ local workers for unskilled labor requirements, but semi-skilled or skilled laborers are likely to come from other parts of the country. This labor influx could cause risks of SEA/SH, which could lead to increased incidences of sexual violence, sexually transmitted diseases and unwanted pregnancies. The influx could also cause an increase in child labor, local criminality, conflicts with host communities and increased resource utilization and extraction. To mitigate these issues, the project will develop labor CoC and basic rules to which all local and non-local laborers will have to adhere to and sanctions will be put in place should these rules be broken. Each laborer will be informed of the content of the CoC and provided a copy prior to their employment (illiterate workers will be provided extra assistance) and each worker will need to sign the CoC as part of his condition of employment. In addition, the projects will conduct consultations with community members and distribute information about the content of the CoC signed by the workers, and brief them on how to report incidences of misconduct.

Labor camps will be constructed for the influx of workers coming from outside the community, and they will be regularly monitored by the PCUs and by a third-party monitor to ensure compliance with the World Bank safeguards standards. Labor camps for workers will be equipped with facilities, separate for men and women, that can be locked from the inside. The ESMF provides details on the GRM that will be used to manage grievances from workers. The GRM should also be sensitive to SEA/SH complaints with accessibility to be discussed during consultations with women/girls, referrals to local GBV service providers and complaint management procedures to be confidential and survivor-centered. The SEA/SH Prevention and Response Action Plan will be prepared and adopted within three months of project effectiveness. The PCUs will regularly monitor the adherence of the labor codes and monitor labor camps to ensure there are no conflicts with the community, no SEA/SH incidences, and no prohibited behavior as per the CoC. All incidences to the contrary will be registered and treated on-site and communicated to the project, who will, in turn, provide an update to the World Bank in each trimestral report.

There is also a SEA/SH risk related to the upgrading and professionalization of the trucking and logistics industry. These will need to be included in specific trucking-related CoC and as part of the training providers to truckers in the project, SEA/SH risks should be addressed. Particularly the creation of parking/rest areas for trucks are likely to attract female food vendors and are therefore potential sites for SEA/SH



incidences, therefore it is important that these areas be governed by a specific CoC and truck drivers are brief and where necessary sanctions are given to them and their companies for violating the CoC put in place.

The CoC to be developed as well as the management of worker health and safety are part of the ESMFs and the ESIA's and will be incorporated in the project bidding documents. Compliance with these will be regularly monitored by the PCUs during the execution of works and sanctions will be provided for non-adherence. Contractors will be required to train their entire workforce on the worker's CoC on a regular basis to ensure a clear understanding of the obligations of a contractors' staff and workers with regard to implementing the project's ESHS and OHS requirements.

Finally, security risks are prevalent in the project areas, particularly in Burkina Faso and Niger, which are classified as FCV countries and where there is a risk of roads being heavily targeted with IEDs and other devices by Daesh/ISIS. In Burkina Faso, terrorism risks continue to increase as security forces struggle to prevent the spread of jihadist insurgencies across the country, with military bases highly vulnerable to attack. Kidnapping and attack risks are particularly high in northern, central, and eastern Burkina Faso. In Niger, since the start of 2021, there have been more than 300 people killed in three attacks in the western part of the country, which includes the border crossing from Burkina Faso to Niger, where the project will finance various upgrades and infrastructure investments. To mitigate these issues a SMP for Burkina Faso and Niger will need to be developed by the project that will need to include adaptive management and a TPM will need to be hired to monitor its implementation.

Physical Cultural Resources OP/BP 4.11

The policy is triggered as various components will impact on cultural heritage. In Togo, there are a total of two tombs and one monument that will be impacted by the works foreseen, this is outlined in the RAP and compensation is foreseen for these elements. In Burkina Faso for RN17 there are a total of 43 cultural heritage and religious sites, including 32 tombs, impacted by rehabilitation of the road and for RRN32/RN06 there are 20 tombs and four sacred sites. These elements of cultural heritage are all included in the RAPs and the ESIA's prepared for the RN17 and RN32/RN06 to outline mitigation measures and compensation. The detailed design has not been finalized at this stage and the project has discussed options to change the design to ensure, where this is technically possible, that the road is 30 m away from the tomb, which is the legal distance required. This will be an ongoing process and also considered as part of the implementation of the project.

In addition, in each country, the procedures outlined in the ESMFs for cultural heritage will be included in all standard bidding documents. The



	<p>ESMFs provide the procedures for handling the “chance finds” during the implementation of project activities that the construction companies will need to follow.</p>
Involuntary Resettlement OP/BP 4.12	<p>The resettlement impacts for both Physical and economic displacement, is already known in Togo and Burkina Faso. However given that the rural roads are not yet identified for Niger only a RPF has been developed. The RAPs will be prepared in Niger once the exact locations of the rural roads are known. The economic displacement will be caused by the construction phase of the project, where the ambulant sellers will be displaced from the right-of-way to enable the upgrading of the roads and the parking lots to be constructed.</p> <p>In Burkina Faso, the estimated total of 1,382 PAPs on RN17 (of which 44 people are considered vulnerable). The total assets to be affected are 237 residential buildings and their annexes, 1,240 commercial buildings, 502 commercial activities, 261 agricultural fields, three water sources and 43 cultural heritage or religious sites including 32 tombs (these will be aimed to be avoided during the finalization of the detailed design and the implementation of the project). The total cost for the RAP implementation is calculated at CFAF 1,102,700,962 (around US\$2.2 million). The cut-off date was set between March 22-28, 2021, depending on each location and when their socio-economic survey was finalized. The dates were communicated to the local population and it was made clear that any people moving into the right-of-way after this date are no longer eligible for compensation or resettlement assistance. For RR32 and RR06, the number of PAPs is 658, of which 110 are considered vulnerable. There will be a total of 1,638 assets affected according, including 560 commercial buildings, 48 residential buildings and their annexes, one residential piece of land, 791 trees, 239 agricultural fields, 20 tombs and four sacred sites. The tombs will be aimed to be avoided during the finalization of the detailed design and the implementation of the project. There will only be physical displacement experienced by one PAP, the rest will be economic displacement. The assets to be affected are agricultural fields, commercial infrastructures and fruit trees. All displacement will be economic. The total compensation amounts are calculated at CFAF 286,508,025 which equates to approximately US\$533,000. The cut-off date was fixed on March 17, 2021, which was communicated to the local population and after which all people moving into the right-of-way are no longer eligible for compensation or resettlement assistance.</p> <p>For Togo, the estimated number of affected people is 1,796 with a total number of 2,028 assets impacted, including 468 residences and 234 of their annexes, 976 vendor stalls, 85 agricultural fields, 87 trees, 110 outdoor sales activities, two tombs, one monument and 65 signs (belonging to individuals). The tombs will be aimed to be avoided during</p>



the finalization of the detailed design and the implementation of the project. The total cost is currently calculated at around CFAF 963,723,734 which equates to around US\$1.8 million. There will be economic displacement only. The census of PAPs was carried out from March 01 to 14, March 2021. Thus, the eligibility deadline for the identified PAPs was March 14, 2021, this was communicated to the local population. It has also been made clear to the local population that if people move into the right-of-way without permission after March 14, 2021, they will receive neither compensation nor resettlement assistance.

There will be GRMs established under each RAP to deal with resettlement-affected PAPs to ensure that grievances are resolved in a timely and effective manner. The GRM has various levels of resolution with a centralized grievance log at the PCU level to ensure all grievances are adequately recorded and archived. The RAP completion reports will also evaluate the effectiveness and functionality of the GRM to ensure that there are no outstanding grievances.

All resettlement-related documentation, including all RFPs developed for Togo, Burkina Faso and Niger and the RAPs developed for Togo and Burkina Faso have been reviewed and disclosed prior to project appraisal.