ICR Review
Operations Evaluation Department

Report Number : ICRR10900

1. Project Data:		Date Posted :	05/04/2001	
PROJ ID :	P000276		Appraisal	Actual
Project Name :	Transport Secal	Project Costs (US$M)	463.4	392.3
Country :	Burkina Faso	Loan/Credit (US$M)	66	66
Sector(s):	Board: TR - Roads and highways (80%), Railways (10%), Aviation (8%), Central government administration (2%)	Cofinancing (US$M)	253.7	256.4
L/C Number :	C2332			
		Board Approval (FY)		92
Partners involved :	UNDP, EEC, ADB, IDB, BADEA, BOAD, FONDS, CEDEAO, Canada (CIDA), France (CCCE/FAC) , Germany (BMZ).	Closing Date	12/31/1996	10/31/2000

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2. Project Objectives and Components

a. Objectives

The objectives of the project were to: (i) improve the efficiency of sector operations through the restructuring of sector parastatals, and (ii) maintain and rehabilitate essential transport infrastructure.

b. Components

To achieve the objectives the project comprised the following components:

(i) Investment component.

Roads: rehabilitation of 152 km of paved roads; periodic maintenance of 389 km of paved roads; rehabilitation of 5000 km of gravel and earth roads; routine maintenance of 1500 km of paved roads and 700 km of gravel and earth roads; and technical assistance for restructuring of road maintenance activity.

Road Passenger Transport: technical assistance for restructuring the public bus company, Regie X9 and for carrying out feasibility studies to improve traffic and passenger handling and management of terminal facilities.

Railways: emergency program for the Burkina Railway Company (SCFB), including technical assistance for improving the operational and financial management of SCFB; providing essential maintenance and spare parts; and a consolidation program.

Civil Aviation: Restructuring of Air Burkina (AB) and Naganagani, and an airport management action plan.

Sector Administration: technical assistance and training to improve the transport through computerization of administrative documents, establishment of transport sector data bank, and studies promoting improvements of sector operations.

(ii) Adjustment component: for providing general budget support and assisting in narrowing the external financing gap.

Revised Components:

The objectives of the project were not revised. However, the railways and road passenger transport sub-components were substantially modified.

(i) Burkina Faso National Railways (SCFB) was supposed to meet performance indicators related to annual tonnage transported and ratio of manpower expenditure. Faced with difficulties in meeting these targets, the Government decided to privatize SCFB operations. In cooperation with Ivorian authorities, a concession agreement was made between a private operator to manage the railway between Abidjan and Ouagadougou. This became effective in 1996.

(ii) Also, the public bus company (Regie X9) was unable to achieve operational efficiency through performance contract, the Government decided to privatize it in 1993.

c. Comments on Project Cost, Financing and Dates

The actual cost of the project is US$392.3 million compared to an appraisal estimate of US$463.4 million. This is mainly due to the failure to fully close the original financing gap of US$72 million. The project closed three years and ten months after the original closing date. The delays were largely due to: (a) the procurement of railway equipment which was delayed by the railway privatization process; (b) privatization of Air Burkina; and (c) the concessioning of the airports.

3. Achievement of Relevant Objectives:

The project achieved its key objectives.

Roads: The capacity to maintain and rehabilitate transport infrastructure has greatly improved. Public Works directorate (DGTP) was restructured in 1992 and was responsible for planning and execution of road programs. Road maintenance operations were made more efficient through the use of private contractors and creation of private company to lease equipment to the contractors. Public sector capacity to manage contracts has been greatly enhanced. The condition of paved road network in bad condition decreased from 48% in 1997 to 27% in 1999.

Road Passenger Transport: A private bus company SOTRAO was established to improve bus transport services. An urban transport policy paper was prepared near the end of the project period to assess the steps needed to improve urban transport.

Railways: A Private Railway Operating Company "SITARAIL" and Burkina Rail Infrastructure Company "SOPAFER-B" were established. The privatization of railways considerably improved railway operations. Freight level increased from 643,000 tons in 1996 to more than 1 million tons in 2000.

Civil Aviation:

(i) The government is planning to divest Air Burkina allow private company to provide airline services.

(ii) Naganagani, the freight airline, was liquidated in 1995 due to untenable financial position..

(iii) To improve the management of Ouagadougou and Bobo-Diolasso airports, the government is planning to enter into a concession agreement with private operator. Bidding documents and concessioning agreements are being prepared.

Sector Administration: The project assisted in developing the capacity within the department of Land and Maritime Transportation (DTTM) and the Ministry of Transport and Tourism (MTT) through technical assistance and training. Public Works directorate (DGTP) was reorganized into Directorate general of Roads (DGR) in 1998. The number of employees responsible for routine maintenance in the ten Regional Directorates were reduced from 1,100 to 423. The Executive Committee for Urban Transport (CETOU) was established in 1997 to coordinate the activities among the various urban transport agencies.

4. Significant Outcomes/Impacts:

The significant impact of the project is the promotion of private sector participation in the transport sector: (a) A private railway operating company SITARAIL was established to manage railway operations between Ouagadougou in Burkina Faso and Abidjan in Cote d'Ivoire; (b) a private bus company SOTRAO was established to improve bus transport services; and (c) reforms in road maintenance were introduced, replacing of the force account system with a system of contracting to the private sector and privatization of road maintenance equipment.

5. Significant Shortcomings (including non-compliance with safeguard policies):

Most of the roads originally scheduled for periodic maintenance ultimately needed to be rehabilitated, requiring more funds and reallocation of funds, due to delays in financing of periodic maintenance and inappropriate selection of priorities.

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Satisfactory	
Institutional Dev .:	Substantial	Substantial	
Sustainability:	Likely	Likely	
Bank Performance:	Highly Satisfactory	Highly Satisfactory	The Bank provided particularly strong and coordinated assistance to achieve privatization of the railways which involved intense dialogue between the authorities in Burkina Faso and Cote d'Ivoire.
Borrower Perf .:	Satisfactory	Satisfactory	
Quality of ICR:		Satisfactory	

NOTE: ICR rating values flagged with ' * ' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

The ICR identifies the following lessons with broad applicability:

- Bank staff during supervision must be flexible enough to consider alternative options for achieving project objectives.
- Performance contracts between parastatals and the government in some cases are inadequate to improve the efficiency of sector operations.
- Concessioning of railways can improve performance significantly.
- Privatization of bus company can substantially improve the quality and availability of bus transport service.
- Liquidation of loss making parastatals may be considered as an alternative if efficiency cannot be improved through other means.

8. Assessment Recommended? ● Yes ○ No

Why? To draw lessons from the reforms undertaken to promote private sector participation in the transport sector.

9. Comments on Quality of ICR:

The quality of ICR is satisfactory. It is clearly written and covers all the relevant and important issues. There are some inconsistencies in cost figures in Annex 2 tables "Project Cost by Component" and Project Financing by Component".