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Report No: 49368-AFR

PROJECT APPRAISAL DOCUMENT

ON PROPOSED CREDITS

TO THE REPUBLIC OF GHANA
IN THE AMOUNT OF SDR 74.6 MILLION
(US\$120.00 MILLION EQUIVALENT)

TO THE REPUBLIC OF BENIN
IN THE AMOUNT OF SDR 46.6 MILLION
(US\$75.00 MILLION EQUIVALENT)

AND A PROPOSED GRANT

TO THE REPUBLIC OF TOGO
IN THE AMOUNT OF SDR 20.5 MILLION
(US\$33.00 MILLION EQUIVALENT)

FOR THE FIRST PHASE PROJECT OF THE

ABIDJAN-LAGOS TRADE AND TRANSPORT FACILITATION PROGRAM (ALTTFP)

February 25, 2010

Transport Sector
Country Department AFCRI
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective November 30, 2009)

Currency Unit	=	US\$1
US\$ 1	=	Ghanaian Cedi 1.50
US\$ 1	=	Francs CFA 464
US\$ 1	=	SDR 0.621
SDR 1	=	US\$1.61

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AAFM	Administrative, Accounting and Financial Manual
Accra MOU	Memorandum of Understanding on Transport and Transit Facilitation along the Abidjan-Lagos Corridor
AFD	<i>Agence française de développement</i> (French Development Agency)
AfDB	African Development Bank
AFTTR	Africa Transport Sector Unit
AIT	Agency Implementation Team
ALCO	Abidjan-Lagos Corridor Organization
ALTTFP	Abidjan-Lagos Trade and Transport Facilitation Project
APL	Adaptable Program Loan
ASYCUDA	Automated System for Customs Declarations
AU	Accounts Unit
BP	Bank Procedure
BPP	Bureau of Public Procurement
CAA	<i>Caisse autonome d'amortissement</i> (Amortization Autonomous Fund)
CAS	Country Assistance Strategy
CBF	Community Based Facilitator
CBO	Community Based Organization
CC/PST	<i>Cellule de Coordination du Programme Sectoriel des Transports</i> (Transport Sector Program Coordination Unit)
CEMAC	<i>Communauté économique et monétaire de l'Afrique de l'Ouest</i> (Central African Economic and Monetary Community)
CEPS	Ghana Customs, Excise and Preventive Service
CET	Common External Tariff
CFA	<i>Communauté financière africaine</i> (African Financial Community)
CFAA	Country Financial Accountability Assessment
CNCS	<i>Comité National de Coordination et de Suivi</i> (National Coordination and Monitoring Committee)
CPAR	Country Procurement Assessment Report
CPS	Country Partnership Strategy
CQS	Cost and Quality Selection

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DA	Designated Account
DFID	Department for International Development of UK Government
DGDDI	<i>Direction Générale des Douanes et Impôts Indirects – DGDDI</i> (General Directorate of Customs and Indirect Duties)
DGTP	<i>Direction Générale des Travaux Publics</i> (General Directorate of Public Works)
DGTT	General Directorate of Land Transport
DNMP	National Directorate for Public Procurement
DO	Development Objective
DTC	Department of Transport and Communication
EATTFP	East Africa Trade and Transport Facilitation Project
EBID	ECOWAS Bank for Investment and Development
ECOWAS	Economic Community of West African States
EIA	Environmental Impact Assessment
EIRR	Economic Internal Rate of Return
EMP	Environmental Management Plan
EOI	Expression of Interest
ERPFP	External Review of Public Financial Management
EU	European Union
FDI	Foreign Direct Investment
FM	Financial Management
FMT	Financial Management Team
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GHA	Ghana Highway Authority
GNI	Gross National Income
GOB	Government of Benin
GOG	Government of Ghana
GOT	Government of Togo
GPN	General Procurement Notice
GPRS II	Growth and Poverty Reduction Strategy (Ghana)
HDM	Highway Design Management Model
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IA	Implementing Agency
IBRD	International Bank for Reconstruction and Development
IC	Individual Consultant
ICB	International Competitive Bidding
IDA	International Development Association
IDB	Islamic Development Bank
IDF	Institutional Development Fund
IEG	Independent Evaluation Group of the World Bank
IFC	International Finance Corporation
IFR	Interim Financial Report
IMF	International Monetary Fund
IMSC	Inter-Ministerial Steering Committee
IP	Implementation Progress
ISDS	Integrated Safeguards Datasheet

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ISR	Implementation Status Report
ISRT	Inter State Road Transit Convention (<i>See TRIE</i>)
IST	Inter-State Transportation Convention
IT	Information Technology
JBP	Joint Border Post
LCS	Least Cost Selection
M&E	Monitoring and Evaluation
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MDA	Ministries, Departments and Agencies
MDG	Millennium Development Goals
MOFEP	Ministry of Finance and Economic Planning
MRH	Ministry of Roads and Highways
NCB	National Competitive Bidding
NCS	Nigeria Customs Service
NEPAD	New Partnership for Africa's Development
NFC	National Facilitation Committee
NPV	Net Present Value
OP	Operation Policy
PAC	<i>Port Autonome de Cotonou</i> (Cotonou Port Authority)
PAL	<i>Port Autonome de Lomé</i> (Lomé Port Authority)
PAP	Project-Affected Person
PCN	Project Concept Note
PCU	Project Coordination Unit
PDO	Project Development Objectives
PEMFAR	Public Expenditure Management and Fiduciary Assessment Review
PFM	Public Financial Management
PHRD	Japan Policy and Human Resources Development
PID	Project Information Document
PIM	Project Implementation Manual
PIT	Project Implementation Team
PIU	Project Implementation Unit
PPF	Project Preparation Facility
PPP	Public Private Partnership
PRSP	Poverty Reduction Strategy Paper
PT	Procurement Team
QCBS	Quality and Cost Based Selection
RAP	Resettlement Action Plan
REC	Regional Economic Community
RFP	Request for Proposal
RIAS	Regional Integration Assistance Strategy
RMU	Regional Monitoring Unit
RRTTFP	Regional Road Transport and Transit Facilitation Program managed by ECOWAS
RVP	Regional Vice-Presidency
SBD	Standard Bidding Documents

SF	Social Fund
SIL	Sector Investment Loan
SOE	Statement of Expenses
SPN	Specific Procurement Note
SSS	Single Source Selection
STI	Sexually Transmitted Infection
TA	Technical Assistance
TOR	Terms of Reference
TRIE	<i>Convention transit routier inter-états</i> (Inter State Road Transit Convention (ISRT))
TSP	Transport Sector Project
TTF	Trade and Transport Facilitation
TTFSE	Trade and Transport Facilitation in Southeast Europe
TTL	Task Team Leader
UNDP	United Nations Development Program
USAID	United States Agency for International Development
VCT	Voluntary Counseling and Testing
VOC	Vehicle Operating Costs
WADB	West Africa Development Bank
WAEMU	West African Economic and Monetary Union (or UEMOA in French)
WATTFP	West Africa Transport and Transit Facilitation Project
WB	World Bank
WCO	World Customs Organization
WHO	World Health Organization
WTO	World Trade Organization

Vice President:	Obiageli K. Ezekwesili
Sector Director:	Inger Andersen
Acting Regional Integration Director:	Richard Scobey
Sector Manager:	C. Sanjivi Rajasingham
Task Team Leader:	Anca Cristina Dumitrescu

AFRICA
Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

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IBRD Map 37165

AFRICA

FIRST PHASE PROJECT (APL I) OF THE ABIDJAN-LAGOS TRADE
AND TRANSPORT FACILITATION PROGRAM (ALTTFP)

PROJECT APPRAISAL DOCUMENT

AFRICA REGION

AFTTR

Date: February 25, 2010	Team Leader: Anca Cristina Dumitrescu
Acting Regional Integration Director: Richard Scobey	Sectors: Roads and highways (50%); Other domestic and international trade (50%)
Sector Manager / Director: C. Sanjivi Rajasingham / Inger Andersen	Themes: Regional integration (P); Trade facilitation and market access (S)
Project ID: P096407	Environmental screening category: B (Partial Assessment)
Lending Instrument: Adaptable Program Loan	Safeguard screening category: B (Limited impact)

Program Financing Data							
APL	Indicative Financing Plan				Estimated Implementation Period (Bank FY)		Borrower
	IDA US\$ m	%	Others US\$ m	Total US\$ m	Commitment Date	Closing Date	
APL 1	228.0	89%	29.5	257.5	03/23/2010	09/30/2016	Ghana, Togo, Benin
APL 2	77.0	86%	12.5	89.5			Côte d'Ivoire, Nigeria
TOTAL	305.0	88%	42	347			Côte d'Ivoire, Ghana, Togo, Benin, Nigeria

Financing Plan (US\$ m)			
Source	Local	Foreign	Total
Government of Ghana	13.5	0.0	13.5
Government of Togo	5.0	0.0	5.0
Government of Benin	11.0	0.0	11.0
International Development Association Credit for Ghana	8.0	112.0	120.0
International Development Association Grant for Togo	2.0	31.0	33.0
International Development Association Credit for Benin	3.0	72.0	75.0
Total	42.5	215.0	257.5

Borrower: Ghana and Benin; Togo (grant recipient);
Responsible Agency: Ministry in charge of Economy, Cooperation, Transport and/or Finance for each country; ALCO, Cotonou, Benin;

Estimated disbursements APL1 (Bank FY/US\$ m)								
FY	2011	2012	2013	2014	2015	2016	2017	
Annual	16.0	72.0	84.0	21.0	19.0	9	7	
Cumulative	16.0	88.0	172.0	193.0	212.0	221.0	228.0	

Project implementation period: Start March 23, 2010 End: September 30, 2016
 Expected effectiveness date: September 30, 2010
 Expected closing date: September 30, 2016

Does the project depart from the CAS in content or other significant respects? Yes No
Ref. PAD A.3

Does the project require any exceptions from Bank policies? Yes No
Ref. PAD D.7

Have these been approved by Bank management? Yes No

Is approval for any policy exception sought from the Board? Yes No

Does the project include any critical risks rated "substantial" or "high"? Yes No
Ref. PAD C.5

Does the project meet the Regional criteria for readiness for implementation? Yes No
Ref. PAD D.7

Project development objective *Ref. PAD B.2, Technical Annex 3*

The objective of the project is to reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos corridor in Ghana, Togo and Benin.

Project description *Ref. PAD B.3.a, Technical Annex 4*

The project consists of the following broad components common to the three countries (details by country are indicated in Annex 4):

(A) Trade Facilitation (US\$13.7 million, IDA financed) will include the sub-components listed below:

- (i) Facilitation of collection and sharing of relevant information and data among customs agencies along the corridor.
- (ii) Establishment of a trade facilitation single window within the Recipients' ports of Lome and Cotonou, aimed at facilitating the handling of all transactions at the Recipients' ports in an efficient and speedy manner.
- (iii) Acquisition of equipment, materials, communication tools and technical advisory services required to: (a) establish a joint border posts along the Recipients' borders with the neighboring countries along the corridor; and (b) strengthen the capacity of the Recipients' border agencies to discharge their duties and responsibilities efficiently.
- (iv) Formulation and carrying out of training programs and activities aimed at enhancing the expertise and the abilities of relevant stakeholders involved in the implementation of the Project to discharge their responsibilities for the Project efficiently.
- (v) Streamlining of customs procedures, formulation of customs procedures manuals and dissemination of the same among the relevant stakeholders.
- (vi) Establishment of an adequate internal reporting system aimed at improving management control of customs agencies' operations.

- (vii) Strengthening of the operational capacity of the Recipients' National Road Transport and Transit Facilitation Committees.

(B) Improvement of the Road Corridor's Infrastructure (US\$ 234.3 million, of which IDA US\$ 205 million) will include the sub-components listed below:

- (i) Carrying out of technical design and detailed engineering studies for the road improvement and rehabilitation works to be carried out under the Project;
- (ii) Improvement of: (a) about 110 km of road in Ghana on the Agona Junction – Elubo section along the corridor; (b) about 17 km in Benin on the Godomey – Pahou section along the corridor, and (c) about 8 km of road in Togo on the Aneho – Hillacondji section along the corridor, including enlargement of the Aneho bridge; and (d) supervision of the related civil works;
- (iii) Implementation of social and environmental mitigation measures required under this Component B of the Project; and
- (iv) Provision of technical assistance, material and equipment for road safety.

(C) Project Management and Coordination (US\$3.5 million, IDA financed) will include provision of technical advisory services and logistical support (including office equipment, materials, supplies and vehicles) required to sustain management and coordination of Project implementation activities including monitoring and evaluation of progress achieved in the execution of the Project.

(D) HIV/AIDS Programs and Corridor Performance Monitoring (US\$6 million, IDA financed) will include the sub-components listed below:

- (i) Formulation and execution of programs of activities aimed at reducing the impact of HIV/AIDS and preventing the spread of HIV infection among communities established and/or operating along the portion of the corridor located within the Recipients' territories.
- (ii) (a) Collection and treatment of data required to measure and monitor performance in the areas of trade, transport and HIV/AIDS along the Corridor; and (b) wide dissemination of such data across the Recipients' territories and beyond.

Which safeguard policies are triggered, if any? *Ref. PAD D.6, Technical Annex 10*

Environmental Assessment (OP/BP/GP 4.01)

Involuntary Resettlement (OP/BP 4.12)

Cultural Property (OP/BP 4.11)

Significant, non-standard conditions, **if any**, for:

Ref. PAD C.6

Board presentation:

None

Credit/grant effectiveness:

- Togo and Benin have adopted the Project Implementation Manual, in form and substance satisfactory to IDA.
- Implementation Agreements have been duly executed on behalf of Ghana and Ghana Highway Authority, and Ghana and the Customs, Excise and Preventive Service.
- The Subsidiary Agreement has been executed on behalf of Togo and the Abidjan-Lagos

Corridor Organization.

- Standard effectiveness conditions for Ghana, Benin and Togo as per the General Conditions for Credits and Grants.
- Suspension Events under each Financing Agreement: Failure of any of the other 2 Financing Agreements to become effective by September 30, 2010; suspension of any of the other 2 Financing Agreements.

Covenants applicable to project implementation:

- Ghana, Togo and Benin shall maintain their respective Project Coordination Units (PCU) throughout Project implementation with functions and responsibilities acceptable to IDA and with staff in adequate numbers and whose qualifications and experience shall be acceptable to the IDA.
- Ghana, Togo and Benin shall each appoint an external auditor on the basis of Terms of Reference (TOR) and with qualifications and experience satisfactory to IDA not later than 4 months after the Effective Date.
- Ghana and Togo shall pay the amounts specified in their respective Resettlement Action Plans (RAPs) that are required to be paid as compensation to the Displaced Persons in accordance with the schedule and other provisions of the RAPs.
- Ghana, Togo and Benin shall each: (i) prepare and furnish to the Association for its review annual work plans, including budget, counterpart funds and other financing sources, for activities proposed to be carried out during the following year; and (ii) allocate such counterpart funding and carry out such plan as is approved by IDA.

A. STRATEGIC CONTEXT AND RATIONALE

1. Country and sector issues

Regional Context

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

2. West Africa had in 2007 a combined gross domestic product (GDP) of about US\$245 billion and a gross national income (GNI) per capita of about US\$744, making it one of the poorest sub-regions in the world. Over the last 20 years, the economic performance of West Africa has been uneven. The devaluation of the CFA franc in 1994 did improve the economic growth for the CFA zone countries. Whereas several countries (Benin, Cape Verde, Burkina Faso, Ghana, Mali and Senegal among others) in the sub-region have made good progress in achieving a greater degree of macroeconomic stability and economic growth, the remaining countries have had a mix record in improving their economic performance. This has meant that over the last 20 years, the sub-region has experienced a real GDP growth rate of about one to two percent per year. Unless the GDP long term real growth rate improves, it will be unlikely that the sub-region will achieve the Millennium Development Goals (MDGs) by 2015.¹ Due to Nigeria's dominant role in the region - with about 64 percent of population and 49 percent of regional GDP - and the limited economic potential of most of its neighboring countries, the real economy in West Africa depends heavily on that country. Details on the regional context are provided in Annex 1.

3. Development indicators for the region remain poor. Cape Verde aside, real GDP per capita for 2007 ranged from a low of US\$130 for Guinea Bissau to a high of US\$622 for Côte d'Ivoire. The proportion of the population living on a dollar or less a day measured in 2005 ranged from 10 percent in Côte d'Ivoire to 64 percent in Mali.

Regional Institutions

4. Although 15 countries in West Africa are members of the Economic Community of West African States (ECOWAS), only Benin, Togo, Burkina Faso, Guinea Bissau, Mali, Niger,

¹ Ghana is on track by having brought down its poverty levels from 52 percent in 1992 to 29 percent in 2006, and remains on course to achieve the MDG of halving poverty by 2015 ("Ghana's concerns – IDA's priorities", August, 2009). In Nigeria, significant progress has been made in education and poverty reduction, but critical challenges remain in the health sector.

Senegal and Côte d'Ivoire are members of the West African Economic and Monetary Union (WAEMU). Both regional institutions have long recognized the importance of improving the efficiency and competitiveness of the main transport corridors in West Africa by: (i) better linking the landlocked countries (Burkina Faso, Mali and Niger) to seaports, as well as; (ii) boosting competition among the ports along coastal corridor in order to promote intra-regional and international trade, a key factor of growth and contributor to poverty reduction.

5. The West Africa Council of Ministers' session dated January 2005 reorganized the institutional framework for implementation of the trade facilitation program. For each corridor, a cross-border corridor management committee is due to be established. The existing structure of Abidjan-Lagos Corridor Organization (ALCO) was created under the International Development Association (IDA)-funded Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) regional project and operates as a Regional Monitoring Unit (RMU) under ECOWAS.

Trade and transport facilitation challenges in West Africa

6. The transport sector in West Africa plays a key role in the economic development of the sub-region and generates about six percent of its GDP. Cognizant of the fact that an efficient regional road network is an enabling infrastructure required to promote trade and socio-economic development in general, ECOWAS and WAEMU member states have consistently committed themselves to the financing of designated regional road corridors. In many cases, bilateral arrangements have been made by member states to finance inter-state road improvement works. In a number of cases these bilateral arrangements involve a combination of two or more member states to jointly finance cross-border interstate roads.

7. Despite these commitments, the surface transport system in West Africa is still based on colonial era transport infrastructure which was developed with the objective of facilitating the extraction of raw materials out and imports into the sub-region, following a south-north axis from the major sea-ports to the hinterland.

8. In addition to the physical obstacles generated by the poor condition of road infrastructure, regional trade in West Africa is characterized by numerous obstacles to the free movement of goods and passengers such as: (i) illegal checkpoints; (ii) long, costly and non-harmonized customs procedures; (iii) lack of or insufficient automated customs procedures and adequate equipment at border posts; (iv) smuggling and corruption largely generated by restrictive trade policies.² Furthermore, along the corridor there is limited modal competition due to the fact that there is not a coastal railway system and very limited coastal shipping. The effect of these physical and non-physical barriers leads to delays in the movement of goods and services, hindering intra and inter regional trade.

9. One of the main barriers to expanding (legal) trade in West Africa is the current restrictive trade regime in Nigeria, which includes import bans and numerous levies. Although in 2005 Nigeria adopted the ECOWAS Common External Tariff (CET) and lowered the average

² The most relevant example is the traffic between Benin and Nigeria as a result of a restrictive trade regime of the latter.

tariff duties, the scheduled phasing out of import bans and the decrease of levies on imports remain to be implemented. Indeed, in October 2008 almost half of the banned import products were removed; however, the impact of these measures on trade flows and trade facilitation is limited because the main items subject to unofficial trade (such as garments, oil, and second-hand cars) remain prohibited for imports.³ Therefore, pursuing further reforms on Nigeria's trade policy regime is critical to boost regional trade.

Abidjan-Lagos Road Transport Corridor (the Corridor)

10. In 2003, ECOWAS and WAEMU adopted the Regional Road Transport and Transit Facilitation Program (RRTTFP) aimed at promoting intra-regional trade and facilitating trans-border movements. This program gives priority to the "Transcoastal" Lagos (Nigeria)-Nouakchott (Mauritania) and the "Trans-Sahelian" Dakar (Senegal) - N'Djaména (Chad) corridors. The Abidjan -Lagos coastal corridor was identified as one of the highest priority corridors for economic and social development in the sub-region due to its economic and large population that it covers.

11. The 998.8 km coastal corridor links some of the largest and economically most dynamic cities in Africa (Lagos, Accra and Abidjan) and serves a population catchment area of over 35 million people. This corridor fulfills two main functions in West Africa:

(i) It links the main cities and neighboring countries (e.g. Lagos in Nigeria to Cotonou in Benin). Regional traffic is predominantly based on traffic of passengers who conduct significant informal border trade. More specifically, at least two thirds of the total traffic has an origin/destination from/to the neighboring country. Traffic in transit from Abidjan to Lagos is limited to less than five trucks a day (ALCO report 2006). However, almost one passenger out of two, along the corridor, crosses the border at least once a week, and most of them trade on the other side of the border.

(ii) It is the global gateway to coastal and landlocked countries in West Africa, with all landlocked countries using at least one port along the Abidjan-Lagos corridor. Traders in West Africa sometimes shift port of exit/entry, and segments of the corridor are used when a problem arises on a given route: for example, the ports of Tema and Takoradi in Ghana were extensively used during the crisis in Côte d'Ivoire, for goods shipped to Burkina Faso.

Key sector issues

12. There is an increasing recognition that all of the major West African road corridors are inadequate in terms of transport costs. For example, transport tariffs per ton-kilometer are, on average, two times higher than in Western Europe, and the fleet is much older and transport quality and reliability lower. This seriously impedes smooth movement of people and goods, and reduces economic competitiveness. This is due to a combination of infrastructure, and even more importantly, non-infrastructure factors such as: (i) the deficient implementation of regional transit agreements; (ii) poor information sharing between the various control agencies and port

³ Gael Raballand, Edmond Mjekiqi (2009), Nigeria's Trade Policy Facilitates Unofficial Trade and Negatively Nigeria's Customs Efficiency and Economy, Washington, D.C the World Bank

operators; (iii) lagging Customs reforms; and (iv) poor road infrastructure. All these have made the use of the main transport corridors in West Africa, including the Abidjan-Lagos corridor, much more expensive than should be.

13. Therefore, reducing transport prices in the sub-region, and more specifically along the corridor, should boost intra-regional and inter-regional trade. However, to reach this objective, countries along the corridor will need to both improve the quality of their road infrastructure and reduce logistical inefficiencies. The following major bottlenecks to the free flow of trade and people were identified by stakeholders:

(i) **Movement of goods:**

(a) regulatory inconsistencies between national and regional legal frameworks and the limited recognition of ECOWAS' travel document in the sub-region;

(b) lack of actual enforcement by national Customs agencies of the WAEMU/ECOWAS's regulations;

(c) lack of implementation of the transit regime defined in the Convention "*Transit Routier Inter-États*" (TRIE)/Inter State Road Transit (ISRT) (1982) with multiple customs taxation of goods in transit within the customs;

(d) inefficient cooperation between port management, control agencies and private sector in the sub-region; and

(e) vested interests in the trucking industry such as the queuing system which limits competition.

(ii) **Movement of people:**

(a) a high number of authorized and unauthorized controls, checkpoints and road blocks;

(b) poor security and travel safety on major portions of the corridor; and

(c) delays at the main border-crossings because of inefficient border management by various agencies and poor border-crossing infrastructure.

Impact of international transit on corridor population

14. Road transport has long been identified as a major vector for the propagation of HIV/AIDS along the major transit corridors in Africa. While all countries in the sub-region have national HIV/AIDS programs, not all adequately target transport corridors and cross border issues. This means that the reported prevalence of HIV among truck drivers remains high. The governments along the corridor have recognized the importance of transit traffic as a vector for the propagation of HIV/AIDS, and have designed a corridor specific HIV/AIDS action plan to

mitigate the impact. Past experience with the implementation of a HIV/AIDS regional project financed by the World Bank⁴ on the Abidjan-Lagos corridor has proved that a regional approach to the issue can have a substantial impact on reducing the prevalence of the disease and raising awareness. The HIV/AIDS Project for Abidjan-Lagos Transport Corridor has achieved its objective of considerably increasing access of underserved vulnerable groups along the corridor to HIV/AIDS prevention, basic treatment, and support and care services. Access to services increased much beyond original targets, and prevention was reached through lower incidence of reported Sexually Transmitted Infection (STI) among drivers and sex workers.⁵

2. Rationale for Bank involvement

15. Although the ALTTFP will draw on the experience of implementing the HIV/AIDS project for Abidjan-Lagos corridor, it will primarily focus on transport, transit and trade facilitation issues while maintaining the successful regional monitoring arrangements and organizations, as well as addressing some remaining regional HIV/AIDS prevention and treatment issues. The main component, in terms of cost, will be road rehabilitation, but the main focus of attention will be the trade facilitation component.

16. The World Bank has acquired expertise in developing regional trade, transport and transit facilitation projects around the world and in Africa. For example, in Africa three such regional projects are currently under implementation: one in East Africa (East Africa Trade and Transport Facilitation Project (EATTFP)), one in Central Africa (Economic and Monetary Community of Central Africa Transport and Transit Facilitation Project (CEMACTTFP)) and the most recent one in West Africa covering Ghana, Burkina Faso and Mali (West Africa Transport and Transit Facilitation Project (WATTFP)). The Trade and Transport Facilitation in Southeast Europe (TTFSE) program covering eight countries was completed in 2007.

17. The project is expected to help put in place more efficient trade and transport systems and enforce regionally harmonized regulations in the sub-region through a corridor approach. The project would be a platform for policy dialogue on trade facilitation including customs modernization reforms and improved port efficiency; its progress will be monitored, and the comparative results across countries will be widely disseminated. This approach is proposed in recognition of the fact that national and regional-wide enforcement of ECOWAS rules and regulations has been so far disappointing. If this experience proves successful, the results may be scaled-up at national and regional levels by the ECOWAS member states.

18. The World Bank's support is consistent with the overall strategy of supporting regional road transport and transit facilitation program on the main ECOWAS/WAEMU endorsed transport corridors in West Africa. Through this project, the World Bank is part of a broader initiative: a number of multilateral and bilateral donors (such as the European Union (EU), the Millennium Challenge Corporation (MCC), African Development Bank (AfDB), West Africa Development Bank (WADB), Islamic Development Bank (IDB), ECOWAS Bank for Investment and Development (EBID), United States Agency for International Development (USAID)) in West Africa are preparing programs in support of regional integration, transport and trade

⁴ The project closed in December 2007.

⁵ Project Implementation Completion and Results Report (ICR), June 25, 2008.

facilitation on the corridor. The total donors' investment on the corridor amounts to about US\$1.3 billion. Table 2 of Annex 1 provides the details of donors' assistance.

19. Several Country Assistance Strategy (CAS) documents explicitly support regional integration, and trade and transport facilitation. Specifically, the Benin CAS includes support to transport and trade facilitation through the proposed regional project. The Ghana CAS lists cumbersome customs procedures as one of the main obstacles identified by the private sector. The Togo Interim Strategy Note puts this proposed regional project as a means to promote economic recovery and sustainable development.

20. The Board endorsed the Regional Integration Assistance Strategy (RIAS) for sub-Saharan Africa on March 11, 2008. The RIAS focuses on the creation of open, unified, regional economic spaces, as a means of creating an enabling environment to foster a competitive and efficient private sector in Africa. The proposed project directly supports three pillars of this strategy: (i) development of regional infrastructure to improve cross-border interconnectivity, by developing an integrated, efficient, cost-effective and adequate transport system for economic growth and trade facilitation; (ii) institutional cooperation and economic integration to increase trade and investment with regional and non-regional economies and facilitate intra-regional migration, by focusing on reduction of tariff and non-tariff barriers, regional business environments and development of regional financial markets; and (iii) coordinated interventions to provide regional public goods for improved regional environmental, health, and social conditions, by reducing the expansion of HIV/AIDS among vulnerable populations along the intra transport corridor.

21. The rationale for IDA's direct involvement in supporting the proposed project is the following: (i) it complements support to the corridor from the other development partners cited above; (ii) is consistent with the World Bank RIAS 2008 for sub-Saharan Africa as well as CAS documents; and (iii) is consistent with the Africa Action Plan, which supports regional integration and partnerships.

3. Higher level objectives to which the project contributes

22. The proposed project will contribute to facilitate trade and transport on the Abidjan-Lagos road corridor and to increase the competitiveness of the ports located along the corridor. Thus, the proposed project is consistent with the New Partnership for Africa's Development (NEPAD) formulated action plan to improve transport and transit facilities which states the following:

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

23. Secondly, the proposed project is consistent with the objectives of the RIAS for West Africa, as mentioned above.

24. Thirdly, the proposed project is consistent with the objectives of the Poverty Reduction Strategy Papers (PRSP) for the countries along the corridor. In the case of Benin, accelerated growth through regional integration, development of infrastructure, as well as balanced and sustainable regional development, are among the main objectives of the 2007 PRSP. One of the main objectives for the Togo 2008 PRSP is to consolidate economic recovery and promotion of sustainable development through regional integration. Promoting trade and road infrastructure connections on the ECOWAS corridors form part of Ghana's 2006-2009 Growth and Poverty Reduction Strategy (GPRS II).

25. Fourthly, the proposed project supports and complements the objectives of governments along the corridor, RECs, and other development partners, in the domain of regional integration and cooperation. It exemplifies tripartite (governments, Regional Economic Community (RECs), development partners) cooperation in resolving regional economic and integration issues.

B. PROJECT DESCRIPTION

1. Lending instrument and eligibility for Regional IDA envelope

26. The lending instrument most appropriate to meet the funding needs of the proposed project is an Adaptable Program Loan (APL). While the Abidjan-Lagos corridor includes five countries and the full assessment of its performance under the ECOWAS' RRTTFP objectives can be made through the participation of all member countries to the ALTTFP, the APL provides the flexibility to start with the ones that are ready for implementation. Thus the program has been broken down in two phases: the first phase will include the project in Ghana, Togo and Benin, and the second phase would include complementary projects in Côte d'Ivoire and Nigeria. This breakdown has been determined using the criterion of readiness and recognizing that some countries on the corridor may come forward sooner than others depending on their specific conditions and needs. In the case of Côte d'Ivoire, the late start-up of project preparation and the slow take-off of actual preparation activities were the cause of the country not meeting the minimum technical and fiduciary requirements for implementation as part of the first phase. For Nigeria, since the project activities target specifically technical assistance to customs and trade facilitation reforms, it was concluded during preparation that the policy dialogue required to bring these activities to readiness status would be more complex than the mostly infrastructure investments for the first phase countries. In particular, the envisioned reform of the Nigerian Customs Service that has recently experienced a high management turnover will require more extensive preparation in order to secure proper buy-in and support for rapid implementation, once Nigeria joins the program.

27. Nevertheless, the Accra Memorandum of Understanding on Transport and Transit Facilitation along the Abidjan-Lagos Corridor (Accra MOU) of September 2007 is the overall program's framework for policy dialogue on trade facilitation and regional integration to which all five countries and ECOWAS adhered. The program design includes the ports of Abidjan and Lagos as an integral part of the corridor's "global gateway" that plays an important role in increasing the regional competition. Moreover, the proposed reforms to address the identified bottlenecks along the road corridor would be complete only with the participation of Côte

d'Ivoire and Nigeria in the program. In this case, the APL will enable the program to start with the first three countries that are ready for implementation, while Côte d'Ivoire and Nigeria will follow, within about one year of commencement, in a second phase to complete the overall program.

28. The proposed program fully meets the eligibility criteria for funding under the IDA-15 regional envelope, for the following reasons: (i) it covers five contiguous economically interdependent countries; (ii) the expected trade efficiency gains cannot be fully achieved without the direct and integrated involvement of all the countries sharing the corridor; and (iii) the expected benefits can only be achieved through the coordinated implementation of an integrated set of infrastructure and facilitation measures in the countries along the corridor.

29. Furthermore, the proposed project focuses on the corridor which is one of the highest priority regional transport corridors in the sub-region. A well functioning corridor is essential for all three landlocked countries (Burkina Faso, Mali, and Niger) that it serves. Indeed, shippers from landlocked countries have a strong interest in higher port competition in order to benefit from enhanced quality of service and lower port charges; without a well-functioning Abidjan-Lagos corridor, port competition will be hampered, which will be detrimental to trade to/from landlocked countries. The Abidjan-Lagos corridor enables landlocked countries in ECOWAS to enhance their access to overseas markets.

30. Each of the proposed road sections is critically important for the sub-region's international trade.⁶ More specifically, the road section in Ghana supports the movement of trade traffic from Abidjan to Accra/Lomé and even to Ouagadougou (especially in case of incidents on the Ivorian route). The current road is extremely damaged and needs urgent rehabilitation to avoid delaying the important sub-regional traffic that travels this road. The Togo section, which is part of the coastal corridor that links Lomé to the Benin border, carries all the international trade between Ghana, Benin and Nigeria, but also from the port of Lomé to the hinterland countries – Burkina Faso, Niger and Mali. There is an urgent need to rehabilitate the road in poor condition that bears an important traffic of heavy trucks, reconstruct the existing damaged bridge and enlarge the access road to the border with Benin. The road section in Benin also carries heavy traffic from Tema port to Nigeria and traffic from Cotonou port to Lomé and Accra. The road section is at the exit of Cotonou; its rehabilitation and enlargement would reduce the congestion which is now a major bottleneck for the traffic moving through Cotonou on the coastal corridor.

31. Last but not least, the HIV/AIDS sub-component to be implemented by ALCO has been specifically designed to address regional concerns, in particular at border crossings and in ports, and to focus on road users that are rarely captured by national HIV/AIDS programs, such as international road transporters and the dense trading communities located at borders. The success of the Abidjan-Lagos HIV/AIDS regional operation that closed in 2007 proved the benefits of such an approach, but a gap analysis revealed that much remains to be done.

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

⁶ See Annex 4 and section C.4 for a more complete description of the road sections funded under the project.

2. Program objectives and phases

33. The objective of the program is to reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos coastal corridor. The total cost of the program is estimated at about US\$347 million. The regional program will cover five countries: Côte d'Ivoire, Ghana, Togo, Benin, and Nigeria, and will be tailored to countries' conditions. The program will include two phases: the first phase (under APL1, for an estimated cost of about US\$257.5 million) in Ghana, Togo and Benin; and the second phase (under APL2, for an estimated cost of about US\$89.5 million) in Côte d'Ivoire and Nigeria. Country-specific triggers for the launching of the second phase, estimated to start within one year from the first phase will be: for Côte d'Ivoire: (i) setting-up of an operational project coordination unit with staff and equipment; and (ii) availability of an agreed detailed design and related safeguards documents for the improvement of the road corridor between Abidjan and Noe; and for Nigeria: (i) issuance of a policy letter from the Federal Ministry of Finance outlining the country's commitment towards Customs reforms, satisfactory to the IDA; and (ii) meeting the fiduciary requirements of IDA on implementation readiness. Such country-specific triggers should allow the flexibility for each of the two countries in APL2 to start implementation when ready, if the time gap between them will prove to be large. Details on the possible components of APL 2 are provided in Annex 14.

3. Project development objective and key indicators

34. The objective of the proposed ALTTFP (APL 1) is to reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos corridor in Ghana, Togo and Benin.

35. The achievement of the regional project development objectives will be measured using the following key indicators: (i) port dwell time along the corridor,⁷ and (ii) border crossing time along the corridor⁸. The regional indicators will be collected and monitored by ALCO based on a methodology developed with the support of an Institutional Development Fund (IDF). The baseline data has been collected and processed (Annex 3). The methodologies for data collection, baseline data and target indicators, as well as arrangements for dissemination and follow-up were discussed at a regional validation workshop held in Abidjan on June 15-16, 2009.

4. Project components

36. The project objective would be achieved through the following **broad components common to the three countries (a more detailed description, country by country, is set out in Annex 4)**:

⁷ Lomé and Cotonou ports.

⁸ Noe (Côte d'Ivoire) - Elubo (Ghana); Aflao (Ghana) - Kodjoviakopé (Togo); Sanvee-Condji (Togo) - Hillacondji (Benin); and Krake (Benin) – Seme (Nigeria) borders.

(A) Trade Facilitation (US\$13.7 million, IDA financed) will include the sub-components listed below:

- (i) Facilitation of collection and sharing of relevant information and data among customs agencies along the Corridor.
- (ii) Establishment of a trade facilitation single window within the Recipients' ports of Lome and Cotonou, aimed at facilitating the handling of all transactions at the Recipients' ports in an efficient and speedy manner.
- (iii) Acquisition of equipment, materials, communication tools and technical advisory services required to: (a) establish a joint border posts along the Recipients' borders with the neighboring countries along the corridor; and (b) strengthen the capacity of the Recipients' border agencies to discharge their duties and responsibilities efficiently.
- (iv) Formulation and carrying out of training programs and activities aimed at enhancing the expertise and the abilities of relevant stakeholders involved in the implementation of the Project to discharge their responsibilities for the Project efficiently.
- (v) Streamlining of customs procedures, formulation of customs procedures manuals and dissemination of the same among the relevant stakeholders.
- (vi) Establishment of an adequate internal reporting system aimed at improving management control of customs agencies' operations.
- (vii) Strengthening of the operational capacity of the Recipients' National Road Transport and Transit Facilitation Committees.

(B) Improvement of the Road Corridor's Infrastructure (US\$ 234.3 million, of which IDA US\$ 205 million) will include the sub-components listed below:

- (i) Carrying out of technical design and detailed engineering studies for the road improvement and rehabilitation works to be carried out under the Project;
- (ii) Improvement of (a) about 110 km of road in Ghana on the Agona Junction – Elubo section along the corridor; (b) about 17 km in Benin on the Godomey – Pahou section along the corridor, and (c) about 8 km of road in Togo on the Aneho – Hillacondji section along the corridor, including enlargement of the Aneho bridge; and (d) supervision of the related civil works;
- (iii) Implementation of social and environmental mitigation measures required under this Component B of the Project; and
- (iv) Provision of technical assistance, material and equipment for road safety.

(C) Project Management and Coordination (US\$3.5 million, IDA financed) will include provision of technical advisory services and logistical support (including office equipment, materials, supplies and vehicles) required to sustain management and coordination of Project implementation activities including monitoring and evaluation of progress achieved in the execution of the Project.

(D) HIV/AIDS Programs and Corridor Performance Monitoring (US\$6 million, IDA financed) will include the sub-components listed below:

- (i) Formulation and execution of programs of activities aimed at reducing the impact of HIV/AIDS and preventing the spread of HIV infection among communities established and/or operating along the portion of the corridor located within the Recipients' territories.

(ii) (a) Collection and treatment of data required to measure and monitor performance in the areas of trade, transport and HIV/AIDS along the Corridor; and (b) wide dissemination of such data across the Recipients territories and beyond

37. The project implementation period is estimated to be six years. The project will be financed through IDA credits (from both national envelope and regional envelope) and governments' contribution in Benin and Ghana. Separate financing agreements have been negotiated with each country. The project in Togo will benefit from an IDA grant (from both national envelope and regional envelope) and government contribution. The IDA grant for Togo will also include the amount for component (D) above, which will be on-granted to ALCO for the execution of corridor performance monitoring and HIV/AIDS program. A project agreement will be signed between ALCO and IDA in relation to each credit/grant to specify the implementation arrangements of this component by ALCO.

Table 1: Total project cost⁹ broken down by main component and country (million US\$)

	Project activities components				Total (including taxes)	Of which Taxes	Financing sources	
	Trade Facilitation	Improvement of Corridor's Road Infra.	Project Management and Coordin.	HIV/AIDS and Corridor Perform.			IDA	Gov
Benin	6.5	78.0	1.5	0.0	86.0	13.0	75.0	11.0
Togo	4.5	27.0	0.5	6.0	38.0	5.0	33.0	5.0
Ghana	2.7	129.3	1.5	0.0	133.5	19.0	120.0	13.5
Total	13.7	234.3	3.5	6.0	257.5	37.0	228.0	29.5

Note: The project cost in Togo includes Component D to be executed by ALCO.

5. Lessons learned and reflected in the project design

38. The World Bank Independent Evaluation Group (IEG) report on multi-country operations¹⁰ noted the following critical points: (i) programs/projects that address issues where countries' interests are compatible have generally been more successful than those that have not; and (ii) the objectives have to match national and regional capacities to allow the regional programs to deal effectively with the complex coordination challenges at implementation. In the specific case of the proposed project, the interest of the countries broadly coincide: (i) all countries share the same interest in improving transport infrastructure along the corridor; and (ii) each individual country wants an increased trade and person flows to contribute to poverty reduction.

39. To varying degrees, regional transport facilitation projects can suffer from: (i) over complexity in design due to the number of countries and components involved; (ii) asymmetric distribution of benefits among the participating countries; (iii) overlapping and weak regional

⁹ Including taxes; total amounts are rounded, see Annex 4 for detailed cost

¹⁰ The Development Potential of Regional Programs: An Evaluation of World Bank Support of Multi-country Operations December 19, 2006.

institutions; (iv) cumbersome and overlapping internal oversight and processing procedures; (v) overly complex monitoring frameworks; (vi) preparation and implementation tempo that moves at the speed of the slowest country involved; (vii) limited attention to targeting of training, technical assistance (TA) and capacity building measures; and (viii) relatively weak ownership by implementing countries.

40. IDA's direct experience in financing regional transport projects is limited. However, there are/have been similar projects that have been successfully implemented with financial assistance from the IDA. Two examples are the TTFSE and the Greater Mekong Area Regional Integration Program. The major lessons learned from these two projects are: (i) the need to recognize the multi-sector and multi-agency dimensions of trade facilitation; (ii) the need for strong political will to drive the integration process forward (in the case of the TTFSE, accession to the EU); (iii) the need to directly involve key public and private stakeholders during project preparation to generate support; (iv) the need to set up efficient and sustainable monitoring tools to evaluate outputs and outcomes; and (v) the need to recognize that the full benefits of trade facilitation often take more time than the life of a project.

41. In the Africa Region there are at present three similar transport, trade and transit facilitation projects (WATTFP, CEMAC TTFP and EATTFP) that have been approved and are under implementation. The following lessons can already be drawn from the implementation of the EATTFP¹¹: (i) a simple project objective and design are critical in light of their inherent complexity due to the large number of stakeholders and countries involved; (ii) considering the high expectation that these types of projects generate, implementation readiness is key to ensure early project implementation "wins"; (iii) implementing agencies' capacity and ownership should be more fully assessed, and if need be strengthened, to ensure smooth implementation; (iv) adequate resources must be provided by both the clients and IDA to ensure the proper preparation and supervision of regional projects; and (v) project preparation and implementation will only move at the speed of the slowest country involved.

42. As a direct result of the experience gained in implementing similar projects, the proposed project incorporates the following key lessons: (i) simplification of project objectives, design and components; (ii) early and comprehensive preparation of engineering, social, environmental and institutional aspects to ensure quality at entry; (iii) extensive consultation with key stakeholders critical to increased ownership; (iv) donor coordination to push for institutional reforms; (v) development of a robust, sustainable monitoring and evaluation framework with a regional approach; and (vi) careful selection of the road segments to be financed, in order to ensure a maximum impact of the infrastructure improvements component.¹²

¹¹ Ref: Quality at Entry Report – EATTFP – Partial Risk Guarantee, World Bank Quality Assurance Group, Oct. 2006.

¹² Like in all the regional trade and transport facilitation projects in Africa, the road component does account for the bulk of the project cost, whereas the successful implementation of the trade facilitation "soft" component does depend more on a close policy dialogue; therefore the amount invested in trade facilitation is inevitably lower but with high expected impact.

6. Alternatives considered and reasons for rejection

43. A Specific Investment Loan (SIL) was initially considered whereby: (i) all the five countries would start implementation at the same time, and (ii) a comprehensive regional interconnectivity between customs agencies along the corridor would be established within four to five years of project implementation. However, that alternative was deemed not to be possible when it became clear that three countries (Ghana, Togo and Benin) were ready for the first year of implementation, while: (i) the preparation of the project in Côte d'Ivoire was only reaching preliminary stages due to the earlier civil unrest and the need to resolve lending arrears, and (ii) the project in Nigeria needed more time to strengthen the policy dialogue and commitment of the government to customs reform. The planned integration of the Côte d'Ivoire and Nigeria into the program is therefore estimated to be a year after the beginning of the first phase. Thus, the use of a SIL would have delayed the implementation start-up of the proposed project in the other three countries by at least one year. In addition, during the project preparation and as a result of a related regional study it became clear that achieving a real information-sharing and inter-connectivity system between Corridor countries at regional level is a medium-to long term objective that can only be initiated in the proposed project, starting at country level. As a result, the implementation of a regional customs inter-connectivity component was dropped.

44. A Nigeria-Benin-Niger (North-South) corridor approach was discussed and rejected because that project would not have been a follow-up of the former HIV/AIDS regional project on the whole Abidjan-Lagos corridor and the existing regional structures (e.g. ALCO) created for the corridor could not have been used.

45. A Public Private Partnership (PPP) for road financing was rejected mainly because the insufficient traffic on most segments of the corridor does not justify financially a large private sector investment. At the same time, a PPP would have added to the project complexity whereas one of the key lessons learned from other regional projects is to keep the project objectives, design and component simple and focused. However, the governments of Togo and Benin may explore possibilities of tolling selected road sections to be rehabilitated under the project, once the operation is completed.

C. IMPLEMENTATION

1. Partnership arrangements

46. The World Bank has been working in close coordination with other development partners in West Africa on transport and transit facilitation issues. The EU plans to finance the infrastructure for joint border-posts between all countries along the coastal corridor and implementation will start in late-2010. The Japan Policy and Human Resources Development (PHRD) for the preparation of the ALTFP, executed by ECOWAS, finances relevant studies¹³. The MCC in Benin finances port and customs efficiency improvements. The AfDB and the WADB have financed the technical, environmental and social studies and design for corridor road sections in Ghana and Togo, respectively. In addition, the Private Investment for Africa

¹³ Establishment of single window systems in the ports on Lagos, Cotonou, Lomé and Abidjan; information sharing and interconnectivity among Customs along the Corridor.

plans to become a partner to contribute to the introduction of a green channel fast track mechanism for compliant trade and transport operators on the corridor. An exhaustive list of donors' financing, at regional and country levels on the Abidjan-Lagos corridor is provided in Table 2 of Annex 1. The total donors' financing, including the proposed ALTTFP, amounts to over US\$1 billion. The proposed ALTTFP will pursue this coordination and concentrate on high impact measures currently not included in other donors' work. The main partner is the ECOWAS, whose RRTTFP of 2003 is being jointly supported by all donors.

2. Institutional and implementation arrangements

47. The detailed project institutional framework is attached in Annex 6. This annex also includes an organization flow chart which helps identifying responsibilities in relation to IDA funding. The overall regional project coordination will be ensured by ALCO, which has been delegated this responsibility by ECOWAS in line with ECOWAS' designated role over the regional and corridor projects in West Africa. Each country will implement their respective national investment components through agreed mechanisms at ministries' level, national coordinators and focal points for each project beneficiary. The corridor performance monitoring component will be carried-out by ALCO in accordance with the Accra MOU of September 2007 signed by the five countries and ECOWAS, and the MOU of July 2008 between ECOWAS and ALCO on the facilitation of Road Transport and Transit along the Abidjan-Lagos corridor. The Accra MOU and its annexes¹⁴ provide the general framework for project implementation, monitoring and reporting. The national coordinators in each country will report to ECOWAS through ALCO. ALCO will act as regional monitoring body regarding progress in the execution of the Accra MOU, and the project performance indicators. Annex 6 provides a framework for the project implementation and relationship between regional and national project management.

Regional Coordination

48. The existing structure of ALCO created under the former IDA funded HIV/AIDS regional project operates as a corridor monitoring and evaluation (M&E) unit under ECOWAS, for the ALTTFP.¹⁵ ALCO will thus provide a regional "umbrella" ensuring: (i) the interface and coordination between the national Project Coordination Units (PCUs), the national facilitation committees, and the regional facilitation committee within ECOWAS; (ii) the data collection and monitoring of local, national and regional project performance indicators, as well as reporting to the national facilitation committee, ECOWAS, and the IDA; (iii) the regional implementation of the HIV/AIDS Program component; and (iv) a forum of information sharing, awareness and solution-seeking on trade and transport issues along the corridor. Preparation and implementation of a regional communications program during the project life¹⁶ will be explored with the national and regional project beneficiaries. That will ensure an effective coordination and information sharing among the ALTTFP multiple national and regional stakeholders within and outside the public sector engaged in the reform efforts.

¹⁴ Annex 1: Border Post Business Hours; Annex 2: Official Controls Along the Corridor; Annex 3: Performance Indicators Monitoring and Reporting.

¹⁵ To that end, a MOU was signed between ECOWAS and ALCO providing for an agreement on project regional implementation, monitoring and evaluation.

¹⁶ Cost and financing to be determined.

National Coordination

49. The proposed project components will be implemented by project teams in several ministries and departments. **In Benin:** The national coordinator and his core team (a project accountant/financial specialist; and a procurement specialist responsible for all procurement activities to be carried out on behalf of the other government agencies) are staff of, and located within, the Ministry of Transport; the PCU has been built on an existing structure (*Cellule de Coordination du Programme Sectoriel des Transports – CC/PST*). At the same time, the main project beneficiaries have identified and nominated focal points with technical expertise as members of the extended implementation unit. The four beneficiaries and implementing agencies will support the PCU: General Directorate of Customs and Indirect Duties (DGDDI), Autonomous Port of Cotonou (PAC), and General Directorate of Land Transport (DGTT) for component A, and General Directorate of Public Works (DGTP) for component B.

50. **Togo:** The PCU including the national coordinator and his team (the financial manager/accountant; and a procurement specialist) are located within the Ministry of Cooperation, Development and Planning. At the same time, the main project beneficiaries for Customs, Autonomous Port of Lome (PAL), DGTP, Health and the National Facilitation Committee (NFC) have identified and nominated “focal points”.

51. **Ghana:** The Ministry of Roads and Highways (MRH) will have the overall responsibility for the implementation of the proposed project in Ghana. The two implementing agencies (Ghana Highway Authority (GHA), Customs, Excise and Preventive Service (CEPS)) will be responsible for the actual day to day implementation of their respective project sub-components. The following implementation framework has been put in place:

(i) **Inter-Ministerial Steering Committee (IMSC):** The IMSC includes high level officials from the MRH, Heads of Implementing Agencies, and Ministry of Finance and Economic Planning (MOFEP). They will have overall oversight for the implementation of the proposed project.

(ii) **Project Implementation Team (PIT):** The PIT will include MRH staff already holding sector related positions, and will be responsible for the overall coordination and monitoring of the fiduciary aspects of the proposed project.

(iii) **Agency Implementation Teams (AIT):** The two implementing agencies (GHA and CEPS) have established AITs with existing staff to ensure the effective and mainstreamed implementation of all aspects of the proposed project.

3. Monitoring and evaluation of outcomes/results

52. The project design includes an agreed set of Project Monitoring Indicators to effectively measure the outcome and results of the project both at the regional and national level. These indicators and project monitoring and evaluation arrangements are detailed in Annex 3. The indicators will be collected, monitored, reported and disseminated by/with the support of ALCO according to a methodology which is being designed with the support of an IDF grant from the

World Bank of US\$380,170 for the institutional strengthening of ALCO. The baseline data has been established throughout the preparation phase by ALCO.

4. Sustainability

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

54. First, as indicated above, the project will support the ECOWAS' RRTTFP of 2003, with several donors coordinating their efforts to improve the corridor performance over medium term. Second, the Accra MOU of 2007 on trade facilitation and regional integration among the Abidjan-Lagos Corridor member countries, signed by their respective governments and ECOWAS, is a key document ensuring the project sustainability. Third, the arrangements for corridor performance monitoring and implementation of trade facilitation measures from within the member countries are on-going under EU financing, and are also supported through the ALTTFP.¹⁷ It is thus expected that in a few years the National and Regional Facilitation Committees set up with EU and IDA support will have acquired enough expertise and leverage to become self-sustained and address related issues at national and regional levels. Finally, in terms of sustainability of road infrastructure, most of the road sections addressed by the project in each country will be subject to maintenance in accordance with the national transport strategies supported by specific road transport projects (e.g. by IDA in Ghana and by the EU in Benin). With the presence of second generation road maintenance funds in Ghana and Benin, funding to maintain the Corridor road infrastructure in these countries – including that funded under the proposed project - has been secured on a long term basis. In Togo, the recently defined National Transport Sector Strategy includes actions of management, improvement and maintenance of the National Transport Network – including the section funded under the proposed project – and the involvement of the international donors' community (EC, WADB, IDB, and AfDB) to support such actions. Draft legislation for the establishment of a second generation road fund in Togo is to be shortly submitted to the Cabinet for discussion.

5. Critical risks and possible controversial aspects

55. The overall proposed project risk is estimated as **high**, given the regional dimension, three country coverage and the high political commitment needed to achieve the trade and transport facilitation goals. If successful, the project would bring high benefits and rewards to governments and various stakeholders.

Governance issues

56. The facilitation of trade and fight against corruption require substantial efforts by several players. Customs administrations in particular, but also other border and control agencies in all of the Abidjan-Lagos corridor countries are perceived as corrupt institutions. The process of

¹⁷ The EU has supported the creation of NFCs and RFCs on the West Africa regional corridors; the ALTTFP will support capacity building of these organizations in each project country, and enable their meetings.

clearing goods through the corridor’s ports is very bureaucratic and prone to corruption, tariffs and duties are non-transparent, and customs and police staff is notorious for demanding and/or accepting bribes at border points and at the numerous unauthorized road check points. Smuggling is also often facilitated by the high frequency of corruption amongst customs and port officials. The project though focusing on trade facilitation will take some steps to help mitigate corruption risks by: (i) improving customs internal reporting system; (ii) improving transparency, simplification and harmonization of customs procedures with the aim of, *inter alia*, reducing the opportunities for bribe demands at border crossing points; and (iii) monitoring and disclosing publicly the number of illegal road blocks and bribe levels along the corridor. Transparency is often facilitated by improved communication, awareness and information sharing. To that end, a focused but extensive regional communications program, under preparation, will be completed by effectiveness and implemented during the project life¹⁸.

57. Detection and mitigation of the risks of corruption in the procurement and execution of the relatively large civil works contracts of the project is another challenge. The project proposes a procurement framework designed to reduce the risk of collusion by: (i) maximizing competition through contract size; (ii) thoroughly reviewing the quality of design and bidding documents; (iii) identifying the “red flags” in the bid evaluation that are patterns of manipulation of the bidding process, and building the capacity of the implementing agencies to identify those red flags in the evaluation process; and (iv) maximizing the use of post-qualification procedures.

58. The following preliminary risks and mitigation measures have been identified:

Table 2: Risks and Mitigation Measures

Risk	Rating	Mitigation Measure	Residual Rating
Regional/Corridor Risks			
<i>Regional stakeholders:</i> -Poor coordination between regional institutions	H	- Involve donors and ECOWAS early in the project - Use of existing corridor organization body and expertise as a monitoring and evaluation unit - Establish a communication strategy as a platform for high level policy discussions	S
<i>Donor:</i> -Delays in the EU financed construction of joint border posts (JBPs)	S	- Maintain close cooperation with the EU and ECOWAS - Complement EU financing to ensure actual operation of JBPs.	S
<i>Program:</i> - One or both projects under APL2 may not materialize	S	-Intensify the policy dialogue with Nigeria -Ensure proper and timely implementation of project preparation advances extended to both	M

¹⁸ The program implementation will be financed outside the project cost.

Risk	Rating	Mitigation Measure	Residual Rating
		countries	
Country and Operating Environment Risks			
- <i>National stakeholders:</i> - - Project complexity with multiple stakeholders	H	- Implementation design with limited number of agencies involved - Implementation of the supervision strategy - Project design kept simple and focused - Enhance communication and awareness among main country stakeholders	S
<i>Political:</i> - Vested interests (public and private) opposed to Customs reforms	H	- Governments committed to trade facilitation measures through the Accra MOU - Measure corridor performance and disseminate results	H
	H	- Strengthen the on-going dialogue with the governments and stakeholders to demonstrate the national and regional benefits and build a coalition of support	H
<i>Commitment:</i> -Unwillingness to allow regional regulations supersede national regulations	H	- Reforms to be limited to the corridor in a first phase - Pressure from ECOWAS, WAEMU and donors - Countries signed the regional MOU on trade facilitation in September 2007	H
<i>Institutional Capacity:</i> -Weak institutional capacity to implement the projects, to effectively monitor progress and embrace full accountability for results. -Lack of experience in IDA financed projects by the new client in Togo	S	-Capacity building support embedded in project design -Project preparation advances (PPF) and pre-financing of activities to improve capacity through training, consultants	S
	H	-Use existing expertise from prior projects	S
Implementation Risks			
<i>Project Governance</i> - Corrupt practices in customs hamper implementation of agencies' modernization and trade facilitation measures - Collusion and poor contract management may occur during procurement	H	-Tighter control over procedures and work processes to be developed through improved internal reporting system and enforcement of customs procedures -Wide advertising of future contracts, use of post-qualification in procurement of large contract	S
	S	-Build mechanisms for reporting, complaints,	M

Risk	Rating	Mitigation Measure	Residual Rating
and execution of large infrastructure contracts		and work site information during contract execution	
<i>Fiduciary (Procurement and FM)</i> - Procurement process may be delayed due to lack of capacity, bidding documents -Funds may not be used in an efficient, accountable and transparent way -Processing of withdrawal applications and audit submission may be slow -Generating quality IFRs and meeting financial Covenant deadlines may be challenging	S	-Full capacity assessments identified weaknesses and staffing needs, including training -Experienced procurement staff to be hired -Robust financial management arrangements incorporated into the project design to be established -Timelines for engaging acceptable auditors to be monitored during implementation. - Regular IDA supervision missions and reviews -Ongoing public procurement and financial management reforms	M
Overall Risk Rating	H		H

Risk Rating: H (High Risk); S (Substantial); M (Moderate Risk); L (Low Risk)

Credit/grant conditions and covenants

59. Effectiveness

- (i) Togo and Benin have adopted the Project Implementation Manual, in form and substance satisfactory to IDA.
- (ii) Implementation Agreements have been duly executed on behalf of Ghana and GHA, and Ghana and CEPS.
- (iii) The Subsidiary Agreement has been executed on behalf of Togo and the Abidjan-Lagos Corridor Organization.
- (iv) Standard effectiveness conditions for Ghana, Benin and Togo as per the General Conditions for Credits and Grants.
- (v) Suspension Events under each Financing Agreement: Failure of any of the other two Financing Agreements to become effective by September 30, 2010; suspension of any of the other two Financing Agreements.

60. Other covenants

- (i) Ghana, Togo and Benin shall maintain their respective PCUs throughout Project implementation with functions and responsibilities acceptable to IDA and with staff in adequate numbers and whose qualifications and experience shall be acceptable to the IDA.

- (ii) Ghana, Togo and Benin shall each appoint an external auditor on the basis of TOR and with qualifications and experience satisfactory to IDA not later than four months after the Effective Date.
- (iii) Ghana and Togo shall pay the amounts specified in their respective RAPs that are required to be paid as compensation to the Displaced Persons in accordance with the schedule and other provisions of the RAPs.
- (iv) Ghana, Togo and Benin shall each: (a) prepare and furnish to the Association for its review annual work plans, including budget, counterpart funds and other and financing sources, for activities proposed to be carried out during the following year; and (b) allocate such counterpart funding and carry out such plan as is approved by IDA.

D. APPRAISAL SUMMARY

1. Economic and financial analyses

61. **Target Population.** The beneficiaries of the proposed project will be transport operators, tradable sectors of the economy and ultimately, consumers and producers inside and outside the sub-region.

62. The following analysis was conducted and the details are described in Annex 9.

63. Expected impact of the project can be divided in three stages. In the short term, the project would result in: (i) reducing transit time; (ii) reducing transport unpredictability; (iii) reducing non-logistics costs, such as inventory and storage costs; and (iv) increasing the awareness of the prevention means among the transport communities on the corridor. In the medium term, the project would contribute to higher transport quality and lower transportation tariffs, as well as lower risk practices to avoid HIV/AIDS and other STI contamination. In the long term, the project would contribute to trade expansion, both for imports and exports, which positive impacts are expected to be much larger than adverse trade substitution effects for local economies.

64. The project focuses on the most important quantifiable benefits:

- (i) Traditional gains expected from road infrastructure improvements;
- (ii) Gains resulting from decreased delays are estimated for imports only because they represent the largest share of traffic flows; and
- (iii) Gains are estimated for containerized cargo and not for bulk or break bulk cargo because most trade facilitation measures are rather aimed at containerized cargo than bulk cargo.

65. For itemization purposes, the project has been summed up in three main activities (see Table 3).

Table 3: Main Activities

Main Activities	Step
Computerized single window.	Single window in Lomé, and Cotonou ports; IT interface between agencies;
Reduced transport time to cross borders.	Customs modernization; full rollout of IT at borders and revised border-crossing procedures
Road infrastructure improvements in Benin, Togo and Ghana.	Road rehabilitation works over the next 4 years ¹⁹

Economic impact of components A and B

66. **Costs:** The project costs considered for the economic evaluation amount to US\$218 million including taxes. It includes costs in two components: (i) Component A (trade facilitation development); and (ii) Component B (improvement of the road corridor).

67. **Benefits:** The overall project provides for an economic internal rate of return (EIRR) of above 12 percent, as follows: 27 percent for Component A; and 45 percent, 48 percent, and 20 percent for Component B in Ghana, Togo, and Benin, respectively.

Economic impact of component A

68. The project cost of Components A and D considered for the economic evaluation amounts to US\$27 million including taxes. Benefits would reach US\$40.66 million at the completion of the project. The derived net present value (NPV) is US\$4.73 million at a 12 percent discount rate and would provide an EIRR of 27 percent.

Economic impact of component B

Road rehabilitation works in Ghana

69. **Costs.** The project costs considered for the economic evaluation amount to US\$110.0 million.

70. **Benefits.** The derived NPV of this road is US\$122.629 million at 12 percent discount rate, with a traffic growth of 5.26 percent, and a scenario of no cost increase, and would provide an EIRR of 45.4 percent. The road infrastructure investments funded were subjected to a specific economic analysis using the Highway Design and Maintenance Model (HDM-4), based on data collected during project preparation and consultant's estimates.

Road rehabilitation works in Togo

¹⁹ In addition to the IDA financed project, the EC and ADB will also finance complementary projects for road works.

71. **Costs.** The project costs considered for the economic evaluation amount to US\$19.0 million.

72. **Benefits.** The derived NPV is US\$51.4 million at 12 percent discount rate, with a traffic growth rate defined below and a scenario of no cost increase, and would provide an EIRR of 48 percent. A detailed economic analysis using HDM-4 was done for the rehabilitation of the Aného – Hillacondji – Benin border road, based on data collected during project preparation and consultant’s estimates.

Road rehabilitation works in Benin

73. **Costs.** The project costs considered for the economic evaluation amount to US\$62.0 million.

74. **Benefits.** The derived NPV is US\$29.3 million at 12 percent discount rate, with a traffic growth rate defined below and a scenario of no cost increase, and would provide an EIRR of 20.5 percent. A detailed economic analysis using HDM-4 was done for the rehabilitation of the Godomey-Pahou road, based on data collected during project preparation and consultant’s estimates.

2. Technical

75. **Trade Facilitation and customs reforms.** The final design of the proposed Trade Facilitation Development component is based on extensive discussions with counterparts and ECOWAS as a result of two regional studies on: (i) Information Sharing and Interconnectivity among Customs, and (ii) Implementation of Single Window Systems in the Ports of Lagos, Cotonou, Lome and Abidjan.²⁰ The studies were discussed and validated at a regional workshop held in Lome in June, 2009.

76. **Road improvement works.** The proposed project’s civil works components aim at funding the rehabilitation and strengthening of key existing paved sections of the Corridor in Benin, Togo, and Ghana. From a technical point of view, the road works do not represent as such a major challenge in logistical, geotechnical and technical terms.

77. The rapidly increasing road construction costs in West Africa is a potential challenge during execution; to that end, particular attention is to be paid to the road construction costs as well as to contract management (selection of contractors, construction quality, delays, etc.).

78. Effective supervision monitoring mechanisms are being developed to ensure that the physical works are completed within the stipulated contractual time. Experienced consultants and contractors will be selected to carry out and supervise the construction activities to ensure a high and consistent construction quality and timely execution of the civil works.

79. **Other civil works.** The construction/improvement of rest stop areas and truck parking facilities do not represent a major challenge from a technical point of view. The required civil

²⁰ The studies covered the whole Corridor.

works construction expertise is widely available in the region, and – if necessary – can be globally addressed within the road scope of works.

80. Within its regional support to ECOWAS's Regional Transport and Transit Facilitation Program, the EU will finance the construction of several Joint Border Posts (JBP) in West Africa including along the Abidjan-Lagos Corridor. While the ALTTFP will provide complementary financing to the functioning of the JBPs, special attention is being paid to ensure that there is no duplication of infrastructure such as access roads and truck parking facilities at the borders between Benin and Togo, and Ghana and Côte d'Ivoire.

3. Fiduciary

81. Project Preparation Facility (PPF) advances have been extended by the WB to be refinanced out of the proposed IDA credit and grant in Benin and Togo²¹, to finance critical activities needed to complete project preparation and enable an early start of implementation.

82. Procurement would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 2006; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006. Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 shall apply to the project.

Ghana

83. **Financial assessment.** Under the proposed project there will be a single Designated Account managed and operated by the MRH using a central payment processing account. The rationale for this is to ensure that MRH has adequate oversight and control over the use of project funds and can effectively monitor budget implementation. As part of the arrangement the two main semi autonomous agencies, GHA and the CEPS, will each operate a Project Account with funds received from the Designated Account.

84. An assessment of the financial management arrangements at the MRH concludes that there are systems in place that satisfy the Bank's requirements under OP/BP10.02, and overall risk of financial management arrangements is rated as modest.

85. **Procurement assessment.** Public procurement in Ghana is governed by the Ghana Public Procurement Act of 2003. For national competitive bidding (NCB) for goods and works, Ghana may follow its own national procedures, with some exceptions that are noted in Annex 8 and reflected in the Financing Agreement with Ghana. The procurement activities will be carried out by the GHA and the CEPS, and will be coordinated by the MRH. An assessment of the procurement capacity of MRH, GHA, and CEPS in January 2009 showed that MRH has considerable experience with implementing World Bank-assisted projects. MRH has established a Procurement Team staffed with specialists knowledgeable of the World Bank's guidelines and experience in procurement to assure quality control. GHA also has the requisite experience,

²¹ PPF advances have also been provided to Côte d'Ivoire and Nigeria to speed-up preparation.

having implemented World Bank financed projects in the past six years; however, the existing procurement officers are likely to be overloaded with the addition of the proposed project, being already stretched to take procurement actions on time. CEPS has some experience, and even though the level of its procurement capacity is low, it has very few procurement activities to carry-out in this project. The overall rating for the procurement risk in Ghana is rated as modest.

Togo

86. **Financial assessment.** The inherent risk of the public financial management system in Togo is rated substantial for the following reasons: (i) the governance and transparency system at all country levels remains weak; (ii) public expenditure management has suffered from a distorted budget cycle, and by problems in expenditure execution; (iii) the control environment with an internal audit system is not fully effective and an external audit body is not established; (iv) there have been delays in executing public expenditures due to lack of accountability and capacity; (v) the Treasury management system is inadequate and not transparent.

87. A PCU has been established, and the accounting software has been acquired. Given the country inherent risk, the financial management staff's lack of experience in IDA-financed projects, and the lack of a FM manual the overall risk is rated as substantial. This risk will be mitigated by enhancing the control environment and by adopting a FM manual (which will be included as part of the PIM) satisfactory to the IDA.

88. **Procurement assessment.** Due to a long delay in adopting the Country Procurement Assessment Report (CPAR) of 2003, very few of the procurement reform actions have been implemented. To improve the efficiency and effectiveness of public procurement the government has taken several measures such as: (i) drafting of a new procurement law, to be adopted; (ii) adoption of the WAEMU procurement regulations; (iii) elaboration of detailed procurement procedures and implementation guidelines; and (iv) creation of a mechanism of public expenditure control. However the Public Expenditure Management and Fiduciary Assessment Review (PEMFAR) of 2008 confirmed that a credible and operational national procurement system does not yet exist. The National Tender Board is not used adequately, and single source or shopping are the most frequently used methods. The main risks for the proposed project are the lack of qualified procurement staff, the lack of standards bidding documents, the presumption of potential interference of political authorities in procurement process and the mobility of civil servants. The assessment showed that the experience of DGTP with Bank's procurement procedures is satisfactory; but that the PCU of DGDAT (*Direction Générale du Développement et de l'Aménagement du Territoire*) has no procurement experience and staff qualified to manage the project's procurement activities. The procurement risk in Togo is rated as substantial.

89. A procurement specialist of the PCU was recruited, with engineering background and international procurement experience, although not in World Bank financed projects. The agreed mitigation measures for the project are: preparation of a procurement section in the Project Administrative, Financial and Accounting Manual, and the preparation and implementation of a training plan.

Benin

90. **Financial assessment.** The inherent risk of the public financial management system in Benin is rated Substantial at the country level. Since May 2006, the government has taken strong measures to address these issues. A decree regulating internal audit has been adopted and the use of exceptional procedures has been strictly limited. The issue regarding delay in production of accounts is being resolved. Additional staff has been recruited and acceptable accounting software was deployed at local level at the end of 2009. Concerning external audits, discussions are in progress with the government to improve the working environment of the Chamber of Accounts.

91. The overall financial management risk for the project is rated as modest and appropriate measures have been envisaged to address the weaknesses identified. Actions outlined in the Financial Management Action Plan (Annex 7) will be undertaken by CC/PST (called "PCU" for the purposes of the project) to strengthen its financial management system.

92. **Procurement assessment.** A procurement code was adopted by Parliament procurement Regulations prepared, and a National Procurement Board established. The civil society is active in denunciation and the bidders use the recourse opportunities. Nevertheless, the use of single source and shopping are still the predominant procurement methods used in public procurement and there is a lack of standard bidding documents acceptable to IDA.

93. The procurement officer of the PCU will be responsible for procurement, and the Ministry of Transport will participate in project implementation. The procurement capacity assessment showed that the experience of the PCU with the World Bank's procurement procedures is satisfactory and that the qualifications of the procurement officer and the PCU staff are adequate to enable them to manage the project procurement activities. The procurement risk in Benin is rated as moderate.

ALCO

94. **Financial Assessment.** The assessment of the financial arrangements at ALCO concludes that the arrangements are satisfactory and overall FM risk is rated as modest. Appropriate measures have been envisaged to address the weaknesses identified. Actions outlined in the Financial Management Action Plan (Annex 7) are expected to be undertaken by ALCO to strengthen its financial management system.

95. **Procurement assessment.** The Executive Secretariat of ALCO will carry-out the procurement for some activities of the proposed project. The capacity assessment showed that the Executive Secretariat is well familiar with the World Bank's procurement procedures and has the required procurement capacity for the proposed project. ALCO has an implementation manual with a section on procurement. The procurement risk for ALCO is rated low.

4. Social

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

97. RAPs have been prepared and disclosed for Benin, Togo and Ghana road project components. The safeguards instruments address site specific adverse impacts of the project and enhance its social benefits. The number of project affected persons (PAPs) is as follows: (i) Benin: 101 households (404 persons); (ii) Togo 379 households, (1,920 persons); and (iii) Ghana 744 households (2,094 persons) (about US\$7.8 million). Adequate consultations, including focus group discussions, individual consultations, and public forums were carried out by the clients during the preparation of the RAPs. Annex 10 provides additional details, as well as the dates of publication in-country and at InfoShop.

98. **Poverty and Equity.** The main social contribution of the ALTTFP is the provision of basic trade and transit facilitation to enhance basic regional access and mobility, of goods and people that traverse the Abidjan-Lagos trade corridor. A sample of positive social and poverty alleviation focused outcomes of ALTTFP include but are not limited to the following: (i) job creation and income generating opportunities in rural and urban areas; (ii) provision of all weather transport access and services; (iii) development of infrastructure access to promote the growth of small towns and villages/settlements in the road corridor; (iv) connecting export and import products to markets; and (v) reducing transport costs for goods and people in landlocked countries and enhanced transit trade and mobility of goods and people – which eventually will contribute to achieving the MDGs.

99. **Gender Issues.** ALTTFP will benefit women and men, children and the elderly by responding to their mobility needs by providing them all with better access to basic social services (health, school, administration) and to markets. Particular attention will, however, be given to markets along the road at the borders, by providing safe and enhanced access to the market places, which will benefit rural women and children who are by far the majority involved in petty trade.

100. **Participation.** The design of the project has been participatory at several levels: at national level, at regional level, at local government level, regional organizations and at donor community level. The identification of project components including HIV/AIDS prevention, were based on consultations with national governments, local communities, key sector administrations such as police, customs and port authorities. Representatives of national governments and of regional organizations constitute the members of the project steering committee. Local populations traversed by the road corridor, will be provided income generating opportunities by giving them priority to various job positions in the road rehabilitation process.

101. **HIV/AIDS Prevention.** The response to HIV/AIDS has been high priority and is one of the project components. ALCO, the regional HIV/AIDS and transport organization initiated by the HIV/AIDS and Transport Project “Corridor Project”, implement the HIV/AIDS prevention component. An HIV/AIDS assessment along the road corridor has been carried out. The findings

have been used to feed in into the design of the HIV/AIDS component of the project. The component, addresses HIV/AIDS issues at different levels: (i) in the transport sector policies of the three project countries; (ii) at the institutional and human resources level within the transport sector of the project countries; and (iii) at project level in civil works contractors, employees and local communities along the road corridor.

5. Environment

102. The project triggers the Environmental Assessment (OP/BP 4.01) policy and has been assigned an Environmental Screening Category of “B”. This category is based on the focus and scope of the proposed civil works, which indicate limited adverse environmental and social impacts. Preliminary field assessments have revealed that the planned civil works (road improvement/rehabilitation and construction of JBPs) will not have significant negative impact during project implementation. In particular, the road improvement works will not require any road re-alignment or transverse any environmentally sensitive areas.

103. The potential adverse environmental and social impacts of the ALTTFP related to civil works of the road rehabilitation components will include: soil erosion, loss of strips of residential plots along road alignments, loss of residential houses, businesses, temporary structures, noise and dust. Environmental protection clauses will be incorporated in the contract documents, as well as social clauses including HIV/AIDS prevention. Compliance in the implementation of the clauses will be monitored by the sector environmental agencies in the three project countries.

104. Environmental assessment studies on the roads to be rehabilitated in Ghana, Togo and Benin have been prepared, reviewed, approved and disclosed both in-country and at the InfoShop. Annex 10 provides more details as well as for the in-country and Infoshop dates of publication.

6. Safeguard policies

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

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

7. Policy Exceptions and Readiness

105. No policy exceptions are planned. The proposed project meets all quality at entry criteria. The detailed design for the roads civil works in Ghana, Togo and Benin are finalized and the bidding documents are under preparation by the Project Coordination Units.

Annex 1: Country and Sector or Program Background

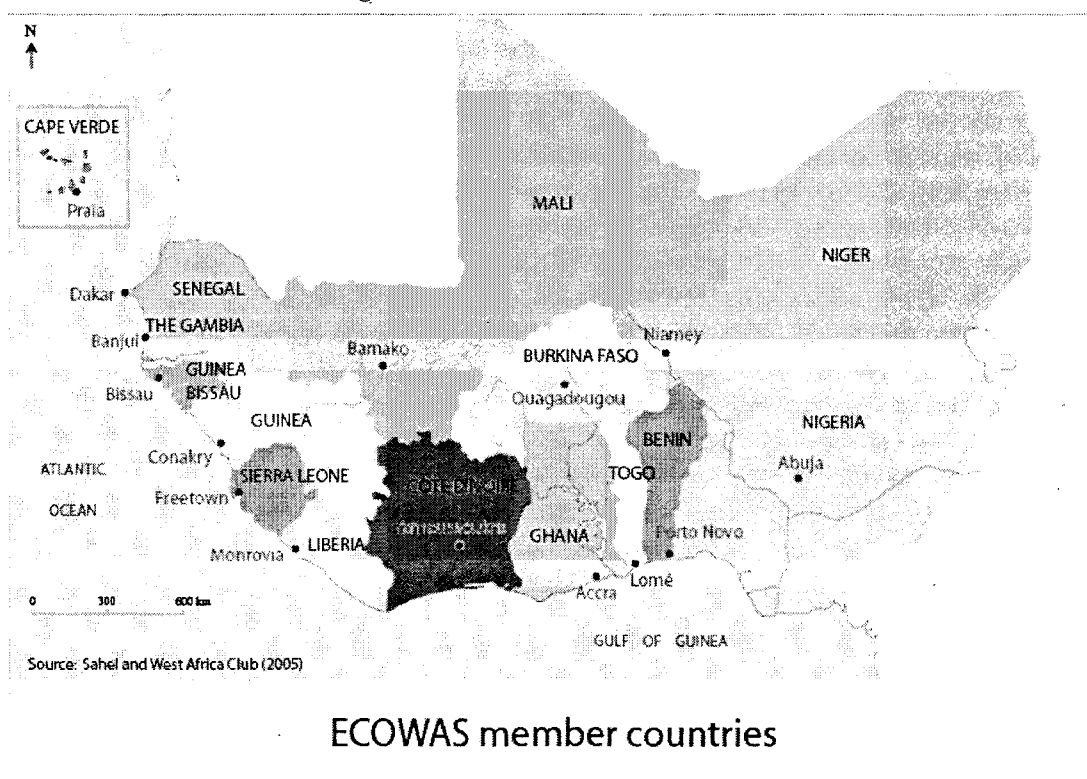
AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

1. Regional Context

Regional overview

1. West Africa is a diverse region due to geographic, demographic, cultural and historical reasons. Its population of about 260 million inhabitants in 2005 is unevenly distributed among countries, with Nigeria containing over half of the total, and three countries (Cape Verde, The Gambia and Guinea Bissau) having less than 1.5 percent of the total. The region covers an area of approximately 5 million sq km of which roughly one third is desert, one third semi-arid (Sahelian) with increasingly irregular rainfall patterns, and one third tropical humid along the coast. Population density is relatively low, except in the urbanized areas along the Atlantic coast. As a result, transport prices are high, which translates into an especially high cost of doing business in the sub-region.

Figure 1: ECOWAS Member Countries



2. The sub-region remains among the poorest in the world. About 60 percent of the population lives on less than a dollar per day, life expectancy is 46 years, and 111 infants out of 1,000 births die before their first birthday. According to the 2006 Human Development Index compiled by the United Nations Development Program (UNDP), five of the countries in the sub-region are among the lowest ranked in the world (Niger, Sierra Leone, Mali, Burkina Faso and

Guinea Bissau). In 2005, the 15 countries of the sub-region had a combined gross domestic product (GDP) of about US\$170.3 billion and a gross national income (GNI) of about US\$135 billion, which is approximately equivalent to Malaysia's, which had about ten times less inhabitants. The combined GDP of four out of the fifteen countries (Côte d'Ivoire, Ghana, Nigeria and Senegal) represented about 84 percent of the total GDP of the region.

Table 1: ECOWAS Countries' Basic Indicators

ECOWAS Countries at a glance*							
Country	Population (millions)	GDP (US\$ billions)	GNI per Capita (US\$)**	Surface (thousand km ²)	Density	UN HDI***	HIV/AIDS prevalence among adults 18-49 (percentage) ****
Benin	8.8	5.40	570	112.60	74.6	161	1.2
Burkina Faso	14.4	6.80	430	274.00	48.2	173	1.6
Cape Verde	0.5	1.40	2430	4.03	125.8	118	0.8
Côte d'Ivoire	18.9	19.60	910	322.50	56.4	166	3.9
Gambia, The	1.7	0.64	320	11.30	132.7	160	0.9
Ghana	23.0	15.20	590	238.50	92.7	136	1.9
Guinea	9.2	4.60	400	245.90	38.2	167	1.6
Guinea-Bissau	1.6	0.36	200	36.12	44.3	171	1.8
Liberia	3.6	0.73	150	111.40	29.6	176	1.7
Mali	12.0	6.90	500	1200.00	11.3	168	1.5
Niger	13.7	4.20	280	1300.00	10.8	174	0.8
Nigeria	144.7	166.00	930	923.80	142.3	154	3.1
Senegal	12.1	11.20	820	196.70	59.5	153	1.0
Sierra Leone	5.7	1.70	260	71.74	76.7	179	1.7
Togo	6.4	2.50	360	56.79	107.4	159	3.3
ECOWAS	276.3	247.3	652.23	5105.40	51.0	158	

* World Bank Development Indicators – 2007
**** UNAIDS Report - 2008

** World Bank Atlas Method

*** out of 177 countries

3. Economic performance in the region has been uneven over the last two decades. Only six countries, with one fifth of the total population, have been able to increase their income per capita during the two decades of the 1980s and 1990s. However, the devaluation of the CFA franc in 1994, led to improved economic growth for those countries in the CFA zone with stable government and sound macroeconomic policies. In recent years, several countries have made good progress towards macroeconomic stability and improved real economic growth. Six countries have a good or relatively good track record (Benin, Burkina Faso, Ghana, Cape Verde, Mali and Senegal) of economic reform and improved long term growth. However, unsettled political conditions in Côte d'Ivoire, Liberia, Guinea, Guinea Bissau and Sierra Leone, have prevented them from achieving economic and social progress in recent years.

4. The population of West Africa is increasing rapidly (at about 2.7 percent per annum), and it is expected that it will reach 320 million by 2015. Low real economic growth (about one percent) per capita over the last 20 years, has meant that West Africa has made slow progress to achieve the objectives of the Millennium Development Goals (MDGs). Unless the rate of real economic growth is substantially lifted over the next eight years; it is unlikely that West Africa will achieve several of the key MDGs.

Regional institutions and their role in transport and trade facilitation

5. **Economic Community of West African States (ECOWAS).** ECOWAS was created in 1975 and includes 15 countries – Benin, Burkina Faso, Cape Verde, Côte d’Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo. ECOWAS has a strong political and economic mandate to push regional integration. More specifically, its main long-term objectives are the establishment of an Economic Union, in the medium-term, the main objectives are: (i) the total removal of customs duties for intra-ECOWAS trade, (ii) the establishment of a common external tariff; (iii) the harmonization of economic and financial policies; and (iv) the creation of a single monetary zone.

6. To ensure that the transport sector played its role in the economic integration of the region, an “ECOWAS Transport Strategy” was adopted by ECOWAS in December 2008. The program is divided into two phases:

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

7. **The West African Economic and Monetary Union (WAEMU, or UEMOA in French)** was established in 1994 based on the pre-existing West Africa Monetary Union of the CFA franc zone. WAEMU has eight member states which include Benin, Burkina Faso, Côte d’Ivoire, Guinea Bissau, Mali, Niger, Senegal and Togo. Following the devaluation of the CFA Franc in 1994, emphasis has been put on sound macroeconomic management. A customs union was established in 2000 between WAEMU member states.

8. One of the mainstays of the WAEMU recent trade policy has been the implementation in 2000 of a CET and the elimination of customs duties for most goods originating from member's countries. WAEMU has endorsed the World Trade Organization (WTO) recommendations regarding the use of the transactional value as the basis for goods valuation and promotes its adoption by member states.

9. WAEMU adopted a new customs code in 2003 to harmonize customs regimes, regulation and procedures within the Union's territory. Its full application by member states awaits the

issuance of implementing regulations and enabling legislation. In the transport and facilitation sector, WAEMU has launched two initiatives covering trade facilitation issues: (i) a comprehensive ports operation improvement project which deals with port stakeholder's coordination, document simplification and customs software integration; and (ii) a facilitation program which addresses lack of harmonization of transport and transit regulation and the impediments to smooth traffic and border crossing.

Regional and international trade

10. The share of world trade by West Africa is about one percent and it attracts about 1.3 percent of the world's share of Foreign Direct Investment (FDI), mainly in the oil sector. Nevertheless, over the last two decades, international trade has gained in importance for most of the ECOWAS member countries. For example, in 1983 ECOWAS international trade accounted for about 20 percent of the region's GDP. This rose to about 39 percent of the region's GDP by 2003. Furthermore, there has been a clear diversification of trading partners, away from Europe and towards Asia. To ensure a greater integration of the West African economy with the world economy and major trade flows will require a substantial improvement in transport and communication infrastructure and services.

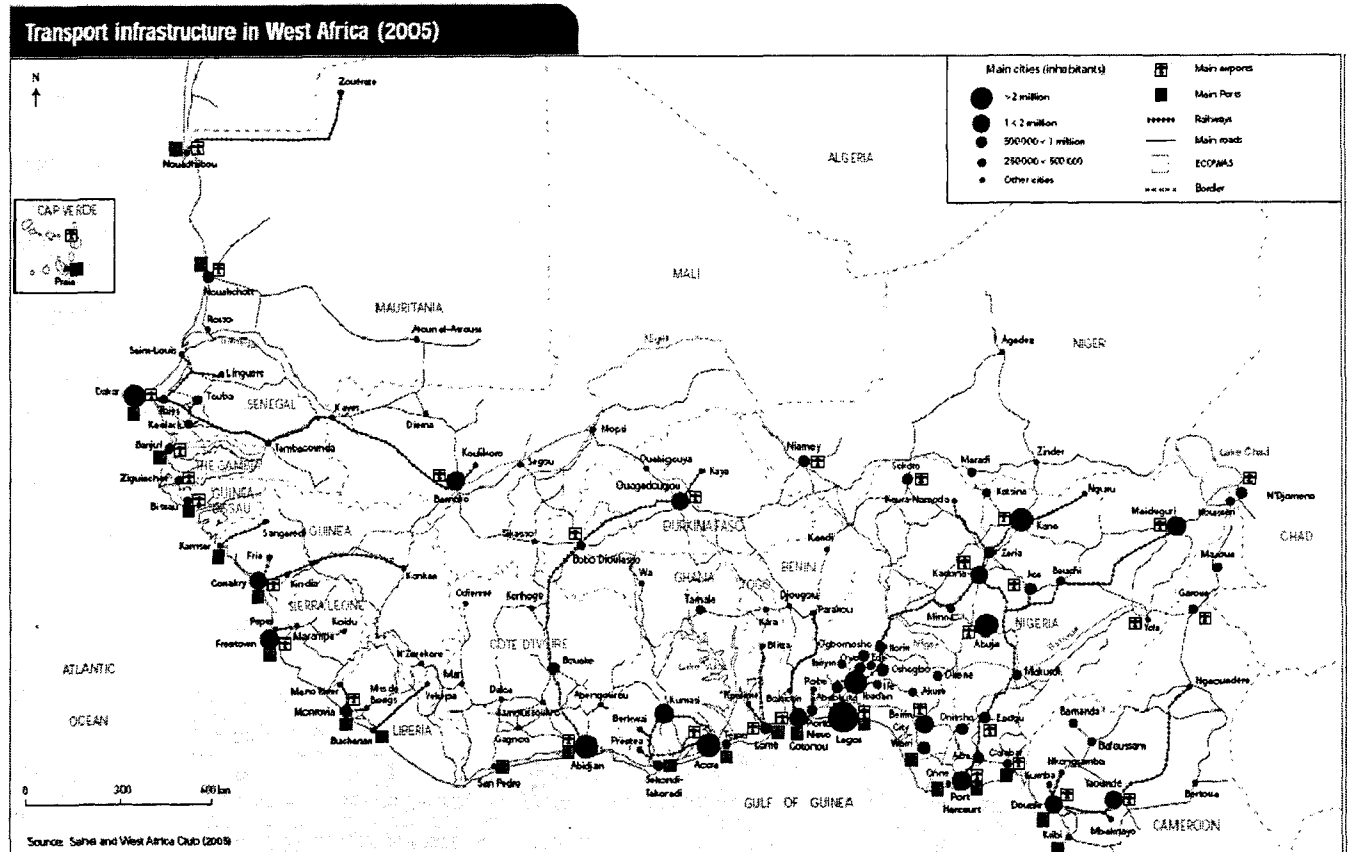
11. Regional integration, through increased trade among member countries remains a critical objective of ECOWAS and WAEMU. However, trade among ECOWAS member countries remains a small fraction of their total external trade. In 2004, the total amount of merchandise exported by member countries to other member countries was about US\$4.1 billion, equivalent to about 8.6 percent of their total exports and 9.1 percent of their total imports. The figure for total exports from ECOWAS countries is heavily biased by the importance of Nigeria's total exports (about 71 percent of the total), of which oil represent close to 98 percent. Nigeria's oil exports to other ECOWAS member countries also accounted for a large part of intra-regional trade (about 39 percent). Eliminating oil trade from total exports of member countries and from intra-regional trade among member countries would raise the ratio of intra-trade to total exports to 17 percent. On the other hand, eliminating oil trade from total imports by member countries and from internal trade among countries would reduce the ratio of intra-trade to total imports to a low 5.7 percent.

12. Intra-regional trade in the WAEMU amounted to about US\$1.14 billion out of total exports of US\$9.6 billion and total imports of US\$13 billion in 2004 (i.e. 11.9 percent of total exports and 8.7 percent of total imports). These percentages are only marginally higher than those for ECOWAS. Nonetheless trade liberalization and the harmonization of indirect taxes have resulted in growing trade among member countries. Since the establishment of the common external tariff in 1996, intra-zone trade increased at an annual rate of 10.6 percent up to 2001, eight percent compared to a growth rate of exports to other countries of 4.4 percent per annum on average. Since 2001, however, the growth rate in internal trade slowed down as a result of the crisis in Côte d'Ivoire. This may explain why a recent International Monetary Fund (IMF) study, (Regional Trade Arrangements in Africa, 2005), shows that the share of intra-regional trade in ECOWAS and WAEMU has not increased significantly over the past two decades. This is also primarily because of the similar range of export goods that WAEMU countries produce.

Transport sector in West Africa sub-region

13. The transport system in West Africa is still largely based on increasingly antiquated colonial era transport infrastructure which was developed with the primary objective of facilitating the extraction of agricultural commodities, timber, minerals, etc. out of the region and imports into the region. As a result of this, much of the road and rail transport infrastructure in the region still follows a south-north axis from the major seaports along the sea-coast to the interior. The transport sector in West Africa plays a key role in the economic development of the region, and accounts for about six percent of regional GDP. While this is true for the coastal countries, it is more so for the landlocked countries that depend on the transport and transit services of their neighboring countries to channel their export and to bring in their imports. These high transport and transit costs result in high prices to the consumer and loss of external competitiveness.

Figure 2: ECOWAS Transport Infrastructure



The Abidjan-Lagos Corridor

14. The 998.8 km coastal corridor links some of the largest and economically most dynamic cities in Africa (Lagos, Accra and Abidjan) and serves a population catchment area of over 35 million people. Traffic of people and goods along several segments of the corridor is the highest traffic in West and Central Africa with up to 10,000 people per day (per border-crossing) and several thousands of vehicles cross borders. The Abidjan-Lagos corridor has the potential to become a catalyst for economic growth and integration in the sub-region.

15. **Traffic types.** Traffic along the Abidjan-Lagos corridor is different from other corridors in West and Central Africa. Traffic at borders is mainly bilateral and predominantly based on passenger traffic. At least two-thirds of total traffic has an origin/destination from/to the neighboring country; traffic in transit from Abidjan to Lagos is limited to less than five trucks a day (ALCO report 2006). Moreover, almost one passenger out of two cross border at least once a week, of which most of them trade on the other side of the border. Therefore, easing border-crossings has a significant impact on economic development, poverty reduction and on Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) prevention.

16. It is also worth noting that the current Nigeria trade policy regime with numerous import bans and tariffs peaks generate opportunities for smuggling, corruption, a non-compliance culture and artificially increase traffic, especially at the Benin-Nigeria border. Officially, 13 percent of Cotonou port traffic originates from or is destined to Nigeria. However, unofficially, 75 percent of the containers and around the same amount of bulk products landing at the Port of Cotonou are estimated to be headed for Nigeria. Based on current traffic, and if we subtract official imports data for Benin, about 3.5 million tons of goods are smuggled into Nigeria.²²

Key Sector Developmental Issues

17. Transport on the major West African corridors is of very poor quality, inefficient and relatively costly compared to the service rendered. Transit costs are caused by a combination of factors, most of which are not directly related to road infrastructure, but to the way transit trade is organized and carried-out.

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

- (i) The Inter-State Transportation Convention (IST) identifies one hundred and two routes in the fifteen ECOWAS countries as Community road corridors. It sets forth regulation for axle load (11.5 tons), dimensions of vehicles, maximum number of passengers and minimum interval for technical inspection of vehicles

²² Based on original data collection, it is estimated that up to US\$4 billion of cargo enters Nigeria's market unofficially from the Port of Cotonou, which could represent up to 15 percent of Nigeria's total imports (Raballand and Mjekiqi 2008, Nigeria's Trade Policy Facilitates Unofficial Trade and Impacts Negatively Nigeria's Customs Efficiency and Economy, *memo*).

used for regional transport. The convention also establishes a framework for delivery of licenses to vehicles used for regional transport. The convention determines that waybills are to be used as evidence of the carriage contract. Third party liability insurance (ECOWAS Brown Card) is made compulsory aiming at facilitating payment of damages in case of accidents and harmonizing settlement of claims between countries of the Community.

- (ii) The Inter-State Road Transit Convention (ISRT), approved by the Heads of States of the ECOWAS in May 1982, deals with inter-State road transit between ECOWAS partners States and is aimed at facilitating the movement of goods and people in the region. Transit of goods is covered by the Inter-State Road Transit Declaration and the use of the ECOWAS Inter-State Road Transit Logbook. Goods must be transported in means of transport satisfying conditions set forth by the convention in terms of markings and sealing. Transit offices at border posts are not to carry out checks unless “irregularities” are suspected. In addition to the ISRT convention, a supplementary convention signed in 1990, sets up a bond guarantee mechanism for inter-state road transit. The objective of the guarantee is to ensure that customs in a transit country receive the equivalent of customs duties if transit goods are diverted in the transit country. According to the supplementary convention, the mechanism was to be managed by a group of national bodies, each body being designated by each member state.

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

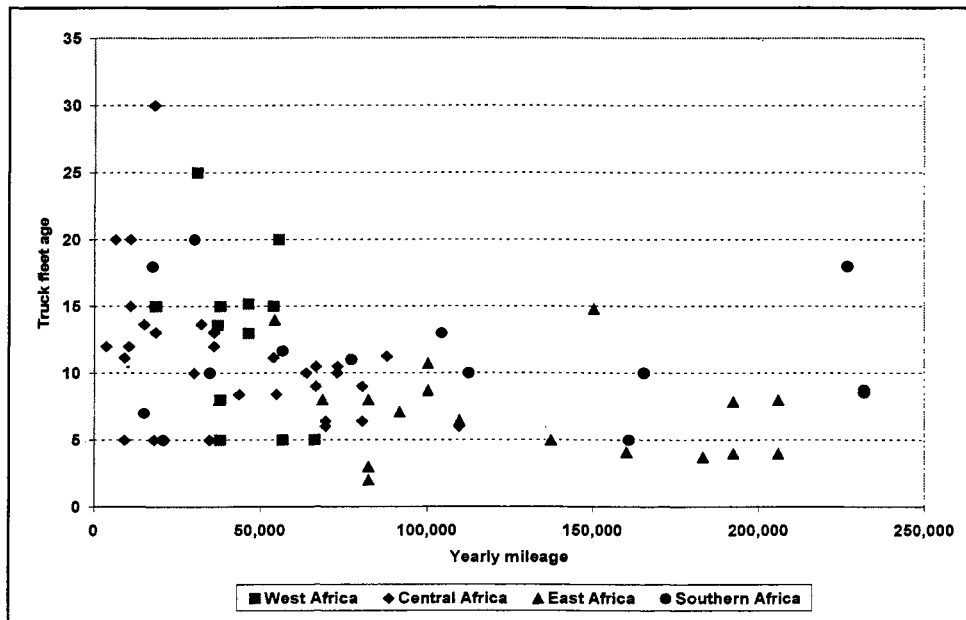
20. Due to the inefficiency of the transit procedure based on escorts, which implied large diversion of declared goods in transit to local markets, difficulties to manage bonds and unnecessary delays and costs, a new transit procedure was adopted in Ghana based on a comprehensive package of vehicle accreditation/importer registration, e-bond, online check-points, sealing systems and satellite tracking of transit cargo. After months of satellite tracking of transit cargo in operations, average transit time has been drastically reduced from five days to two days, and diversion of goods in transit to local markets seems to have dramatically decreased. Some of these solutions may look expensive for some countries of the sub-region. However, at the time when securing government revenues and reducing transit time is critical, the Ghanaian approach and solutions seem to bring some answers. Consequently, it seems worthwhile for customs agencies along the corridor to benefit from the lessons drawn from the Ghanaian experience on the ground.

21. **West Africa’s regulatory environment is based on bilateral transit treaties and quotas.** West Africa is characterized by strong market regulation (formal and informal) primarily

regulated by freight forwarders and shippers. This has resulted in low quality of transport services provision, small trucking companies and an obsolete trucking fleet.²³ Furthermore, bilateral treaties are in place between transit and landlocked countries. Although the constraints of such rule are more salient along the Abidjan-Lagos corridor because of limited traffic in transit, it is worth noting that freight forwarders have been put in a unique monopolistic position that allows them to control the market; they are *de facto* freight allocation bureaus which distribute loads between trucking companies with the active support of the main trucking company associations with subsequent rents. Trucking associations are then rapidly captured by some well connected individuals. The bilateral quota system strengthens the potential for corruption due to the fact that the various trucking associations are in charge of enforcing quotas “sells” market shares/freight to truckers/trucking companies ready to pay the highest bribe.

22. The low truck utilization rates in West and Central Africa imply that the profitability of the trucking operations comes from other factors. One of them is the low capital investment as operators purchase used, old trucks. To get a trucking load depends on the issuance of transport documents from freight forwarders. Consequently, if a shipper/transporter wishes to bypass the freight bureaus, transport documents are not issued and then the transporter/shipper takes a high risk vis-à-vis the controlling agencies.

Figure 3: The relationship between fleet age and yearly mileage by sub-region



Source: Teravaninthorn and Raballand (2008) based on trucking surveys.

23. It is worth noting that issues such as regulation of transport services, bilateral transit agreements with quotas for national vehicle fleet do not exist along the coastal corridor countries; therefore, competition between national fleets is much higher than along the North/South corridors in West Africa and it does not need to be tackled by the project.

²³ Teravaninthorn, Supee and Raballand, Gael (2008), Transport Prices and Costs in Africa, Washington: The World Bank.

Customs modernization plans

- (i) **Benin.** The “Access to Markets” project financed by the Millennium Challenge Account (MCA) for an amount of US\$169 million aims mainly at improving the port operations and infrastructure. MCA anticipates that the Project will reduce delays at the Port and increase the volume of imports and exports. In that context, a study assessing the customs efficiency in Benin revealed that the port does not have a viable information technology (IT) system to enable the operation of a long overdue single window system. MCA assistance to Benin customs amounts to about US\$4 million and includes (a) financing of inter-connectivity among customs agents; (b) roll-out of ASYCUDA ++ to all customs offices; (c) assistance on computerized management of transit; and (d) assistance on computerized management of warehouses. The DGDDI prepared a strategy for reform and modernization with the support of the World Customs Organization (WCO), which was presented to the Council of Ministers and approved in October 2008. The senior management of DGDDI has on its priority list to computerize the main customs offices in terms of revenue collection, namely the port and the airport in Cotonou and the border-posts of Krake and Hillacondji.
- (ii) **Togo.** Customs migrated to ASYCUDA ++ on January 1, 2008. However, risk analysis criteria are not yet fully operational. Customs adopted a modernization plan in May 2007, with the assistance of the WCO, for the period 2007-2011. The border-crossing posts of Sanvee Kondji (with Benin) and Kwadjoviakope (with Ghana) suffer from: (a) a lack of equipment for all border agencies; (b) inadequate infrastructure for border agencies and border users; (c) a congested customs control zone; (d) a lack of security for goods under customs control zone; and (e) a lack of data sharing between Benin and Ghana border agencies.
- (iii) **Ghana.** Due to the ineffectiveness of past transit procedure, difficulties to manage bonds and unnecessary delays and costs, a new transit procedure was adopted in 2006 based on a comprehensive package of vehicle accreditation/importer registration, e-bond, online check-points, sealing systems and satellite tracking of transit cargo. The initial evince is showing that new transit regime is reducing average transit times, and the diversion of goods in transit to local markets has dramatically decreased. The system is run by GCNET, a private-public partnership company that also operates the Single Window system in Ghana²⁴. Since securing government revenues and reducing transit time is critical, the Ghanaian approach may provide a more effective transit regime. Consequently, it seems worthwhile for customs agencies along the corridor to benefit from the lessons drawn from the Ghanaian experience on the ground.

24. Transport infrastructure along the corridor. In the case of the coastal corridor, several sections of the corridor need rehabilitation and strengthening. The crisis in Côte d’Ivoire has led for the time being to a major shift in transit patterns, resulting in much heavier usage by truckers of the corridor than in the past. This has led to the accelerated deterioration of part of the

²⁴ Luc de Wulf, “Ghana Transit Reform: A Road towards Best Practice”, 2008.

corridor and to higher transport costs. Furthermore, the large increase in transit cargo throughput in the ports of the sub-region and the massive influx of transit trucks has caused severe congestion issues and longer port clearance procedures resulting in considerable delays and higher costs.

25. **Port productivity.** The productivity of the major ports in the region does not compare favorably with other parts of the world. This is due to antiquated infrastructure, congestion, practices and lack of integration between various port operators. When import cargo arrives in containers, they are usually de-stuffed inside or near the port area. This results in a large share of port space occupied by freight that needs to be inspected by customs and trucks waiting to load cargo outside the port. As a result, port dwell time varies between ports but for domestic cargo, on average, it starts from less than a week in Lomé port to two-three weeks in Cotonou or Lagos ports.

26. Transit cargo suffers from and adds to port congestion as most transit cargo is inspected by customs. In light of the cost of loading/unloading cargo into containers, as well as the high cost of renting containers, shippers prefer to move cargo in break bulk form. This accommodates the informal sector operators whose obsolete trucks often cannot handle containers, but greatly increases the risk of smuggling, which in turn leads customs to exercise numerous controls on the road. The net effect is increased costs and transit delays. In addition, the contents of three 20 feet containers can be loaded on an open truck, as against two 20 feet containers, so that transporters have an additional incentive to avoid containerization, resulting in overloading. Overall, about 75 percent of goods arrive in containers at the six major ports along the West African coast, but less than 25 percent of goods are transported by container to landlocked countries or hinterland. Without increased transparency, which can be achieved through a community-based system, port productivity will remain low resulting in long cargo dwell time.

27. **Axle load control and economics of the trucking industry.** It is known that lax and inconsistent enforcement of axle loads is one of the primary causes of pavement failures on all of the major corridors in Africa. However, it is extremely difficult to reduce overload because in order to maximize truckload, and therefore revenues from a limited number of trips resulting from low vehicle utilization, operators need to overload their vehicles. Since the revenue of the transport operators is generated on a per ton basis and the marginal cost of overload is low, overloading does make perfect sense from a purely financial point of view.²⁵ This gives most stakeholders in the trucking business a strong vested interest in perpetuating overloading.²⁶ Within this context:

- (i) The driver is a direct beneficiary because he is paid cash for extra tons loaded but not declared. This may double or triple his salary (from FCFA 50,000 to FCFA 100,000 or even FCFA 150,000 per month).

²⁵ The willingness for all parties to overload trucks to maximize profits does not favor containers as they intrinsically (because of a fixed maximum capacity) prevent overloading. Transporting a container is therefore perceived as being not in the interest of the parties and that is also why containerization rate remains low in most parts of Africa.

²⁶ Despite the fact that Oyer (2007) was unable to estimate in details overloading, he found a strong positive correlation between vehicle operating costs for heavy trucks and cargo factor.

- (ii) The head of the trucking company knows about this practice but disregards as long as it does not have much of an impact on the truck.
- (iii) The middleman also has a direct interest because his commission is calculated on the load he intermediates for.
- (iv) The shipper also benefits because the load logged at the border will be the legal one, resulting in important savings on tariff duties.
- (v) Law enforcement agents (including customs agents) who overlook the obvious overload are adequately rewarded.

28. The only loser of this systematic overload is the economy of the country, either directly through lower import tax revenues or indirectly through rapid road pavement deterioration (Teravaninthorn and Raballand, 2008).

29. **Roadblocks.** Roadblocks and checkpoints are among the most numerous in West Africa along the Abidjan-Lagos corridor. On average, there are eight roadblocks every 100 km between Abidjan and Lagos (ALCO 2008). Roadblocks in West Africa, are mainly generated by: (i) the illegal traffic flows and smuggling (due to Nigeria's import bans); and (ii) a lack of enforcement of current legislation. Changes can occur if there is a strong political will, like it was demonstrated in Togo and Benin. Changes in Nigerian trade policy would have a substantial impact on both overloading and roadblocks. Furthermore, roadblocks costs are generally not among the most important cost factors in transport in West Africa, as shown in the recently published book "Transport Prices and Costs in Africa".

30. **Impact of international transit on population.** Road transport has been identified as a source of propagation of HIV/AIDS along transit corridors in Africa. While most countries have national programs to fight against HIV/AIDS, they do not adequately address transport corridors and they very often ignore problems at borders. The Abidjan-Lagos HIV/AIDS regional project pioneered such an approach with good results and high visibility among client countries. The regional approach and border targeting has been continued since the beginning of 2008 with financing from the Global Fund. The proposed project focuses on the HIV/AIDS prevention and mitigation by funding a targeted corridor specific action plan. The plan will be based on a gap analysis of critical needs carried-out by ALCO.

31. **National Road Transport and Transit Facilitation Committees.** At the recommendation of the fifty-third session held in Accra in January 2005, Decision A/DEC.9/01/05 of the West Africa Council of Ministers' session dated January 19, 2005 reorganized the institutional framework for the implementation of the facilitation program by reformatting or establishing three layers of organs: (i) national facilitation committees (NFC) with a revised composition; (ii) cross border corridor management committees; and (iii) a regional inter-state road transport and transit facilitation committee. Each corridor country has established or revised its NFC in the past year.

32. The national and regional transport facilitation committees are expected to ensure the implementation of the tasks assigned to them so as to ensure smooth flow of international transit. Countries and corridor level facilitation committees will be the primary forum to keep the civil

society on the facilitation of transport, transit and trade along the corridor. This includes dissemination and discussion of project performance indicators.

33. **Joint Border-Post (JBP).** NEPAD, ECOWAS and WAEMU all have the common objective of introducing the JBP concept in Africa to try to streamline border crossings, a major source of transport delays. A first JBP that was built in West Africa at the border between Burkina Faso and Togo (Cinkansé)²⁷ to serve as an example of this initiative for the four JBPs to be financed by the EU along the Abidjan-Lagos corridor starting with 2010. However, the pilot has not yet become operational. The EU financed program is estimated at about €57 million, to cover the construction and refurbishing of seven JBP in West Africa, of which four are along the Abidjan-Lagos corridor. Furthermore, at the interministerial meeting of June 2008 in Yamoussoukro where a series of resolutions relating to the JBPs were adopted by the ministers, it was agreed that: "*ECOWAS Commission will develop a funding strategy for future construction phases to finance the provision of the light equipment, infrastructure, training and operation/maintenance needed for the correct functioning of the sites.*"²⁸

34. The JBP between Nigeria and Benin (Seme-Krake) already exists – although it does not operate as such and needs rehabilitation. The EU will finance the rehabilitation of the buildings as well as the construction of the JBPs between Benin and Togo (Hillakondji-Sanvee-Condji), Togo and Ghana (Akuna-Noépé), and Ghana-Côte d'Ivoire (Elubo-Noé). Nevertheless, the EU financing does not include any of the internal furnishings of buildings nor the necessary training in operating sites or the legal and operational framework for the functioning of the JBPs.

35. **Corridor road safety.** While the Road Safety Millennium Development Goal (MDG) is to reduce traffic fatality rate by 50 percent in 2015, the WHO estimates the number of injured or disabled people in the world to be between 20 to 50 million per year. In addition, about 85 percent of road deaths occur in the developing and transitional countries of Africa, Asia, Latin America and the Middle East. In Africa, more than 500 people per day die in road crash, which is roughly 15 percent of the total road deaths all around the world. As a result, African countries have some of the highest road traffic injury mortality rates. Along the Abidjan-Lagos corridor and depending on the countries, that rate varies between 20 and 30 (per 100,000 inhabitants).

36. The economical impacts of a country's road related fatalities and heavily injured are severe, and road crash cost is estimated at roughly one percent of GNP which for the five countries along the Abidjan-Lagos corridor would represent roughly US\$1.05 billion, and this might be higher due to a suspected high level of underreporting.

37. Main road corridors are where a large number of road accidents occur mainly due to the high level of traffic and the high percentage of heavy traffic. Professional drivers have been found very often involved in road accidents. Accidents result from inadequate training, insufficient knowledge of road codes, inefficiency of controls, fatigue, overloading of trucks,

²⁷ Not yet fully operational.

²⁸ The ALTTFP will then finance provision for the training on JBP operation and establishment of the revised legislative framework and procedures manuals to complement the EC-funded Transport Facilitation Project and enable the actual functioning of JBPs.

excessive speeds, insufficient road signaling, poor road conditions, and lack of attention to pedestrians.

38. The road safety action plan that is to be developed for the proposed Abidjan-Lagos corridor will include specific measures such as:

- (i) Action on physical road safety improvements along the corridor including marking and signaling, construction of rest stop areas, etc.;
- (ii) Purchase of road safety material and equipment;
- (iii) Traffic management; and
- (iv) Technical assistance.

Table 2: Donors Programs on the Abidjan-Lagos Corridor

Donors	Total Committed Amount	Programs/Projects Description
Regional Programs		
EC (European Commission)	US\$84 million	<i>Regional Road Transport & Transit Facilitation Program</i> - Technical studies and establishment of joint border-crossing points between Abidjan and Lagos
United States Agency for International Development (USAID)	US\$0.35 million	- West Africa Trade Hub
DFID	US\$8.25 millions (3-5 years)	- Assistance to ECOWAS for institutional capacity building in transport facilitation
Total	US\$92.6 million ²⁹	
Country Programs		
Nigeria		
World Bank	US\$7.5million	<i>ALTTFP</i>
Total	US\$7.5 million	
Benin		
MCA-Benin (Millennium Challenge Corporation – Benin)	US\$170 millions (of which US\$4 millions customs component)	<i>Equipment purchase and infrastructure improvement in the Port of Cotonou + studies</i>
EC (European Commission)	US\$54 million	<i>Rehabilitation works of the road section Godomey-Adomey/Calavi (10,5 kms)</i>
	US\$34 million	<i>Road maintenance fund budgetary support including Kraké – Sémé road maintenance and Cotonou North bypass</i>
	US\$72 million	<i>Support to the Transport Sector Strategy and Parakou-Bérobouay Road Improvement</i>
World Bank	US\$75 million	<i>ALTTFP</i>
Republic of China	US\$20 million	<i>Construction of a Roundabout/Fly Over in</i>

²⁹ Exchange rate as of 11/12/08

Donors	Total Committed Amount	Programs/Projects Description
		<i>Godomey</i>
Total	US\$425 million	
Togo		
EC (European Commission)	US\$2.6 million (EDF 9 th) US\$16 million (EDF 10 th)	Road studies and infrastructure investment (- Possible financing of part of the ring road: Port of Lome – RN1, depending on study results and available funds)
AFD (Agence Française de Développement)	n/a	- Future possible contribution in the port sector - Equipment financing of the port
Consortium of IDB, BOAD (Banque Ouest Africaine de Développement), BIDC (Banque d'Investissement et de Développement de la CEDEAO) (Islamic Development Bank)	US\$12.15 million	<i>Rehabilitation of the road Aflao-Rond Point du Port</i>
BOAD	US\$11.52 million	<i>Rehabilitation of the road Aflao-Rond Point du Port</i>
BIDC	US\$6.2 million	<i>Rehabilitation of the road Aflao-Rond Point du Port</i>
BAD (Banque Africaine de Développement)	US\$40.21 million	<i>Rehabilitation of the road Rond Point du Port - Avepozo-</i>
World Bank	US\$33 million	<i>ALTTFP- Rehabilitation of the road Aneho-Sanvee Condji</i>
Total	US\$122 million	
Ghana		
World Bank	US\$80 million US\$120 million	<i>WATTFP (Ghana component)</i> <i>ALTTFP</i>
USTDA	US\$0.7 million	<i>Port</i> (Revision of the Tema and Takoradi ports master plans; Revision of the feasibility study of the “third port”).
AfDB	US\$47.32 million Additional credit of US\$62.87 million	<i>Road Works-</i> Construction of Akatsi-Agbozume Road; Construction of Agbozume - Aflao Road and Akatsi Bypass
Millennium Challenge Corporation (MCC)	US\$101 million	<i>Roads Works-</i> Rehabilitation of Tetteh Quarshie – Mallam Junction Road (N1): works in progress
KfW	US\$19.8 million	<i>Road Works -</i> Improvement of the Sogakope-Akatsi road in progress
JICA	US\$22 million US\$32.68 million	<i>Road Works -</i> Improvement of the Yamoransa – Winneba road in progress; Improvement of the Winneba – Kosoia road in progress.
Total	US\$486.4 million	
Côte d’Ivoire		

Donors	Total Committed Amount	Programs/Projects Description
World Bank	US\$70 million	<i>ALTFP</i>
ALCO		
Global Fund	US\$45.61	
All country programs + Regional programs		
Total	US\$1,250 million	

Annex 2: Major Related Projects Financed by the Bank and/or other Agencies
AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

Projects financed by the World Bank			
Sector Issue	Project	Latest Supervision (ISR) Ratings (Bank-Financed projects Only)	
		Implementation Progress (IP)	Development Objective (DO)
AFTTR	P083751 - West and Central Africa Air Transport Safety & Security Project	MS	S
AFTTR	P079749 - West Africa Trade and Transport Facilitation Project	S	S
AFTTR	P115259 – Central African Economic and Monetary Community (CEMAC) Transport and Transit Facilitation Project	MS	S
Projects financed by other agencies			
Agency	Project		
European Union	Transport facilitation Project and Indicative Regional Programme [<i>Projet de Facilitation des Transports et Programme Indicatif Régional (PIR 9ème FED)</i>]		
USAID	West Africa Trade Hub		
DFID	Assistance to ECOWAS on institutional capacity strengthening in transport facilitation matters		

S: Satisfactory; MS: Moderately Satisfactory

Annex 3: Results Framework and Monitoring

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

Table 1: Results Framework for the First phase of the ALTTFP (APL1)

PDO	Project Outcome Indicators	Use of Project Outcome Information
Reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos corridor in Ghana, Togo and Benin.	(i) Reduced port dwell time along the corridor in Cotonou and Lomé (ii) Reduced border crossing time of trucks/merchandise along the corridor at Elubo-Noé, Hillacondji-Sanvée-Condji, Kondjoviakopé-Aflao, and Krake-Seme	Assess the physical and non-physical barriers along the corridor.
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
Component A - Trade Facilitation: (i) Increased cooperation among agencies and operators in Lomé and Cotonou ports (ii) Reduced roadblocks along the corridor	(i) Computerized port single window established and functional in Cotonou and Lomé ports. (ii) Number of roadblocks per 100 kilometers ³⁰ reduced in each project country	Assess the extent of trade and transport facilitation
Component B - Improvement of the Corridor's Road Infrastructure: Improved quality of the road network	(i) Roads in good and fair condition as a share of the corridor length (percentage)* (ii) Roads rehabilitated (km) – non-rural*	Assess road condition, safety and performance along the corridor.
Component D –HIV/AIDS Programs Reduced impact of HIV/AIDS on the transport communities along the corridor	(i) Percentage of truckers familiar with at least two means of HIV/AIDS prevention (ii) Percentage of truckers reporting use of condoms with a non-regular partner, during latest intercourse	Assess impact of HIV/AIDS
	Direct project beneficiaries (number) of which female (%)*	Assess the gradual benefits of the corridor improvements to the affected population

*Bank wide Core Sector Indicator

³⁰The ratio of number of roadblocks to number of official checkpoints (as specified in Accra MoU of 2007) should be lower than 2.

Table 2: Results Framework for the second phase of the ALTTFP (APL2)

PDO	Project Outcome Indicators	Use of Project Outcome Information
Reduce trade and transport barriers in the port and on the roads along the Abidjan-Lagos corridor in Côte d' Ivoire and Nigeria.	(i) Reduced port dwell time in Abidjan and Lagos (ii) Reduced border crossing time of trucks/merchandise along the corridor at Elubo-Noé and Krake-Seme	Assess the physical and non-physical barriers along the corridor.
Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
Component A - Trade Facilitation: (i) Increased cooperation among agencies and operators in Abidjan and Lagos ports (ii) Reduced road blocks	(i) Computerized port single window established and functional in Abidjan and Lagos ports (ii) Number of roadblocks per 100 kilometers between Abidjan-Noé and Seme-Lagos ³¹ reduced	Assess the extent of trade and transport facilitation.
Component B - Improvement of the Corridor's Road Infrastructure: Improved quality of the road network	(i) Roads in good and fair condition as a share of the corridor length (percentage)* (ii) Roads rehabilitated (km) – non-rural *	Assess road condition, safety and performance along the corridor.
	Direct project beneficiaries (number) of which female (%)*	Assess the gradual benefits of the corridor improvements to the affected population

*Bank wide Core Sector Indicator

Table 3: Results Framework for the ALTTF Program

PDO	Project Outcome Indicators	Use of Project Outcome Information
Reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos corridor	(i) Reduced port dwell time ³² along the corridor (ii) Reduced border crossing time of trucks/merchandise along the corridor ³³	Assess the physical and non-physical barriers along the corridor.

³¹The ratio of number of roadblocks to number of official checkpoints (as specified in Accra MoU of 2007) should be lower than 2.

³² Lagos, Lomé, Cotonou and Abidjan port dwell time.

³³ Border crossing time at Krake-Sémé, Hillacondji-Sanvéé-Condji, Kondjoviakopé-Aflao, and Eloba-Noé borders

Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
Component A - Trade Facilitation: (i) Increased cooperation among agencies and operators in Lagos, Lomé Cotonou and Abidjan ports (ii) Reduced road blocks along the corridor	(i) Computerized port single window established and functional ³⁴ (ii) Number of roadblocks per 100 kilometers along the corridor ³⁵ reduced	Assess the extent of trade and transport facilitation.
Component B - Improvement of the Corridor's Road Infrastructure: Improved quality of the road network	(i) Roads in good and fair condition as a share of the corridor length (percentage)* (ii) Roads rehabilitated (km) – non-rural*	Assess road condition, safety and performance along the corridor.
Component D –HIV/AIDS Programs Reduced impact of HIV/AIDS on the transport communities along the corridor	(i) Percentage of truckers familiar with at least two means of HIV/AIDS prevention (ii) Percentage of truckers reporting use of condoms with a non-regular partner during latest intercourse	Assess impact of HIV/AIDS
	Direct project beneficiaries (number) of which female (%)*	Assess the gradual benefits of the corridor improvements to the affected population

*Bank wide Core Sector Indicator

³⁴ In Lagos, Lomé, Cotonou and Abidjan ports.

³⁵The ratio of number of roadblocks to number of official checkpoints (as specified in Accra MoU of 2007) should be lower than 2.

Table 4: Logical Chain Framework for the first phase of the ALTTFP (APLI)

Component	Activities	Outputs	Intermediate Outcomes/Indicators	Outcomes/Indicators
1. A: Trade Facilitation	<ul style="list-style-type: none"> - Establishment of a single window in Lomé and Cotonou - Implementation of national customs modernization plans including ASYCUDA training - Establishment of IT interconnectivity between customs HQ and borders - Training - Policy dialogue 	<ul style="list-style-type: none"> - Single window is established and operational in Lomé and Cotonou - Customs procedures are improved and streamlined 	<p>Increased cooperation among agencies and operators in Lomé and Cotonou ports</p> <ul style="list-style-type: none"> - Computerized single window is established and functional <p>Reduced roadblocks</p> <ul style="list-style-type: none"> - Number of road blocks per 100 km reduced in each project country 	<p>Reduced transport time</p> <ul style="list-style-type: none"> - Lomé port dwell time decreases by 20% - Cotonou port dwell time decreases by 20% - Border crossing time decreases by 20%
2. B: Improvement of Corridor's Road Infrastructure	<ul style="list-style-type: none"> - Rehabilitation of road section 	<ul style="list-style-type: none"> - Roads in good and fair condition - Roads are rehabilitated 	<p>Improved quality of the road network</p> <ul style="list-style-type: none"> - Percentage of road in good and fair (IRI<6) condition on the corridor increased - number of kilometers of roads rehabilitated 	
3. D: HIV/AIDS Programs	<ul style="list-style-type: none"> - Advocacy towards ministries of transport and targeted trade/transport companies for the development of internal HIV/AIDS programs - Organization of peer-to-peer sensitization activities for workers of transport companies in the prevention of HIV/AIDS - Implementation of action plans for behavior change communication (BCC) participatory prevention activities & voluntary counseling and testing (VCT) in the port areas along the corridor. 	<ul style="list-style-type: none"> - The ports focal units are equipped with audio-visual materials for the projections of films on STI/HIV/AIDS prevention - 1,000 posters, 5,000 advice-sheets, 500 image boxes, 5,000 leaflets, 4,000 caps and 4,000 t-shirts produced and distributed - 500 peer educators in transport companies are trained and operational at the ports - 5,000,000 condoms are distributed - 2,000 educational talks and 50 social mobilizations conducted each month by the peer educators in each country. 	<p>Reduced impact of HIV/AIDS on the transport communities along the corridor</p> <ul style="list-style-type: none"> - Percentage of truckers familiar with at least two means of HIV/AIDS prevention increased by 10% - Percentage of truckers reporting use of condoms with latest intercourse increased by 5% 	

Table 5: Arrangements for results monitoring for the first phase of the ALTTFP (APL1)

Project Outcome Indicators	Baseline (as of March 2009)	Target Values						Data Collection and Reporting		
		YR1	YR2	YR3	YR4	YR5	YR6	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
Lomé port dwell time: <i>Time cargo/ container remains in the terminal from the moment it is unloaded from the ship to the moment of exiting the port</i>	3 days	3	3	2 ½	2 ½	2	2 days	Monthly ALCO report	- Data from Port Autonome de Lomé (PAL) - Surveys of a representative number of transport companies and freight forwarders	ALCO/PAL
Cotonou port dwell time: <i>Time cargo/ container remains in the terminal from the moment it is unloaded from the ship to the moment of exiting the port</i>	8 days	8	8	7 ½	7 ½	7	6.5 days	Monthly ALCO report	- Data from Port Autonome de Cotonou (PAC) - Surveys of a representative number of transport companies and freight forwarders	ALCO/PAC
Border crossing time at Elubo-Noé border: <i>Time between truck arrival at border post and exiting the border post</i>	Elubo: 24 hours	24 h	22 h	21h	20 h	20 h	19 hours	Annual progress report	Field surveys	ALCO
Border crossing time at Hillaondji- Sanvee Condji border: <i>Time between truck arrival at border post and exiting the border post</i>	Hillaondji: 24 hours	24 h	22 h	21h	20 h	20 h	19 hours	Annual progress report	Field surveys	ALCO
Border crossing time at Kodjoviakope- Aflao border: <i>Time between truck arrival at border post and exiting the border post</i>	Kodjovia- kope: 24 hours	24 h	22 h	21 h	20 h	20 h	19 hours	Annual progress report	Field surveys	ALCO
Border crossing time at Kraké-Seme border: <i>Time between truck arrival at border post and exiting the border post</i>	Kraké: 48 hours	48 h	46 h	44h	42 h	40 h	38 hours	Annual progress report	Field surveys	ALCO

Intermediate Outcome Indicators	Baseline	Target Values						Data Collection and Reporting			Responsibility for Data Collection
		YR1	YR2	YR3	YR4	YR5	YR6	Frequency of Reports	Data Collection Instruments		
Component A: Computerized single window is established and functions	Lomé: No Cotonou: No	N/A	N/A	N/A	N/A	N/A	Lomé: Yes Cotonou: Yes	Annual progress report	Supervision missions and project progress reports	-National Coordinators -ALCO	
Reduced number of roadblocks per 100 kilometers along the Abidjan-Lagos corridor: <i>Number of fixed/official checkpoints</i>	Ghana: 18 Togo: 6 Benin: 7						Gh: 3 Tg: 3 Bn: 3	ALCO annual report	- Surveys of a representative number of transport companies and freight forwarders - Trip surveys	ALCO	
Component B: Percentage of roads in good and fair condition (IRI<6) as a share of the corridor length ³⁶ increased: <i>At time of measurement, road condition is classified as good/fair/poor depending on the road surface and the level of roughness</i>	71% of which: GH: 45% TG: 3% BN: 12%	71% of which: GH: 45% TG: 3% BN: 12%	74% of which: GH: 45% TG: 4% BN: 13%	75% of which: GH: 46% TG: 4% BN: 13%	77% of which: GH: 48% TG: 4% BN: 13%	77% of which: GH: 48% TG: 4% BN: 13%		Progress project reports by each country and ALCO annual report	Data from road surveys collected by road agencies in the corridor countries	ALCO / National Ministries of Public Works / Road agencies	
Kilometers of roads rehabilitated increased	0	27 km of which: GH: 15 TG: 4 BN: 8	80 km of which: GH: 55 TG: 8 BN: 17	110 km of which: GH: 85 TG: 8 BN: 17	135 km of which: GH: 110 TG: 8 BN: 17	135 km of which: GH: 110 TG: 8 BN: 17	90%	Annual progress report	Supervision missions and project progress reports	-PCU/Nat Coord. -ALCO	
Component D: Percentage of truckers familiar with at least two means of HIV/AIDS prevention increased	80%	83%	83%	88%	89%	90%		ALCO Quarterly report	-Data from center registers -Three surveys (baseline, mid-term and completion)	ALCO	
Percentage of truckers reporting use of condoms with a non-regular partner during latest intercourse increased	72%	75%	76%	78%	80%	81%		ALCO annual report	-Data from center registers -Three surveys (baseline, mid-term and completion)	ALCO	

³⁶ The length of the Abidjan-Lagos Corridor is of 998.8 km, according to recent GPS measurements by the ALCO team and endorsed by ECOWAS.

Intermediate Outcome Indicators	Baseline	Target Values						Data Collection and Reporting		
		YR1	YR2	YR3	YR4	YR5	YR6	Frequency of Reports	Data Collection Instruments	Responsibility for Data Collection
<p>Direct project beneficiaries (number) of which female (%)</p> <p><i>It refers to the total population in the corridor catchment area covered by APL I. Women are estimated to account for 55% of the total population given their greater presence at border trading points and along the road corridor.</i></p>	0	0	3 million	6 million	9 million	13 million	15 million (55%)	ALCO annual report	Estimate based on project progress	ALCO

Annex 4: Detailed Project Description

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

GHANA (US\$133.5million) - Costs include taxes

1. Component A: Trade Facilitation –US\$2.7million

- (i) *Support customs knowledge-sharing activities in the sub-region (US\$0.5 million):* organization of workshops and meetings of experience sharing/training among customs agencies of the corridor to jointly benefit from the lessons drawn from the establishment of the new transit system and procedures in Ghana, including cargo tracking/vehicle and importer accreditation/networking between border-posts and CEPS HQ. It includes the information sharing with neighboring Côte d'Ivoire and Togo, along the coastal corridor;
- (ii) *Complementary support³⁷ for the establishment of a joint border post (JBP) with Côte d'Ivoire and improvement of the Aflao border with Togo (provisional amount of US\$2 million).* It may include equipment, utilities, and/or support on joint regulations and procedures, as needed;
- (iii) *Support to the activities of the NFC (US\$0.2 million)*

2. Component B: Improvement Corridor's Road Infrastructure –US\$ 129.3 million

- (i) *Execution of civil works for road improvement. The Elubo – Agona Junction road (110 km; US\$ 112 million - of which GOG counterpart funding of US\$5.5 million) including:* (i) realignment of the road (22 km); (ii) rehabilitation overlay in asphalt concrete (AC) (71 km); (iii) reconstruction (17 km); and (iv) environmental and social mitigation measures;
- (ii) *Cash compensation for social mitigation measures (US\$7.8 million) - to be financed by GOG;*
- (iii) *Supervision of works (US\$6.5 million);*
- (iv) *Design and execution of one rest stop along the Aflao-Elubo corridor (US\$1.1 million);*
- (v) *Execution of a road safety study along the Aflao-Elubo corridor and implementation of related critical safety measures (US\$1.9 million).* This will include treatment of hazardous spots, roadside transit stops for buses, signs and markings along the Elubo-Agona Junction road section.

³⁷ To the EU financed program.

3. Component C: Project Management and Coordination (US\$1.5 million)

- (i) *Operating costs for the project (US\$ 1.0 million);*
- (ii) *Project audit (US\$ 0.1 million);*
- (iii) *Capacity-building through training, seminars, workshops and equipment for the project implementation team (US\$0.4 million).*

Table 1: Summary of Project Costs for Ghana

Component	Total Estimated Cost (net of tax)	Tax	Total Estimated Cost (incl. tax)
A - TRADE FACILITATION			
A.1. Customs knowledge-sharing activities	0.43	0.08	0.50
A.2. Complementary support for the establishment of JBPs	1.70	0.30	2.00
A.3. Support to the National Facilitation Committee	0.17	0.03	0.20
Subtotal	2.30	0.40	2.70
B - IMPROVEMENT OF ROAD CORRIDOR			
B.1. Execution of civil works for road improvement (including environmental & social mitigation measures)	95.20	16.80	112.00
B.2. Supervision of works	5.53	0.97	6.50
B.3. Cash compensation for social mitigation measures	7.80	0.00	7.80
B.4. Design and execution of one rest stop along the corridor	0.93	0.17	1.10
B.5. Execution of a road safety study along the corridor and implementation of related critical safety measures	1.61	0.29	1.90
Subtotal	111.07	18.23	129.30
C - NATIONAL PROJECT MANAGEMENT AND COORDINATION			
C.1. Operating costs MRH, GHA, CEPS	0.85	0.15	1.00
C.2. Project audit	0.09	0.02	0.10
C.3 Training and capacity building	0.34	0.06	0.40
Subtotal	1.28	0.23	1.50
TOTAL	114.65	18.86	133.50

TOGO (US\$38 million) - Costs include taxes

4. Component A: Trade Facilitation – US\$4.4 million

- (i) *Support Togo customs modernization plan (US\$1.8 million)*
 - (a) Training (US\$0.6 million)
 - i. of customs personnel to the use of ASYCUDA, according to profile (central services, internal control, office managers, inspectors) and support to the elaboration of a procedures manual for module users;

- ii. of customs officers to the international conventions, in particular the tools developed at the revised Kyoto convention in order to encourage the ongoing reflections on the reform;
 - iii. of inspection teams and of member of the selectivity commission to risk analysis in order to have quantified studies on the fraud statistics and insure that the conception of the selection criteria are optimal;
 - iv. creation of an e-learning center of the World Customs Organization at the headquarters (this will be efficient if ASYCUDA is centralized);
 - v. of the customs commissioners after the status reform and the closing of the UBD.
- (b) Internal reporting system (US\$0.5 million)
 - i. Support to an application allowing the production of reports on performance indicators of services (activities, delays, efficiency of controls).
 - (c) Equipment (US\$0.15 million)
 - i. Support to the installation of an electronic messaging system
 - (d) Customs procedures (US\$0.5 million)
 - i. Finance the elaboration of a customs procedures manual (US\$ 0.4 million): (i) Draft the customs procedures manual introducing simplified and modern customs procedures and techniques; (ii) train customs agents to use the manual in daily routine work; and (iii) disseminate the customs manual to traders, brokers and border users;
 - ii. Support to an independent study on the management of stores and areas under customs (US\$ 0.1 million);
 - (e) Communication (US\$ 0.1 million)
 - i. Support to the communication politics of Customs (presentation of measures, workshops with the freight forwarders);
- (ii) *Support the establishment of a single window in Lomé port (US\$0.6 million³⁸)*
 - (a) Support the establishment of a single window company gathering port stakeholders;
 - (b) Support the review and upgrading of the legal framework related to the activities of port agencies;
 - (iii) *Support interconnectivity between customs headquarters and the offices at the borders with Ghana and Benin along the corridor (US\$0.6 million)*
 - (a) Procure equipment at the border;
 - (b) Provide training;
 - (iv) *Support to the National Facilitation Committee (US\$0.25 million)*
 - (a) Facilitate regional meetings of the NFCs;
 - (b) Facilitate the monitoring of the Accra MoU annexes signed in September 2007;
 - (c) Support training and sensitization seminars to raise legal awareness among road users;
 - (d) Support booklets and dissemination material;
 - (e) Disseminate the customs manual to traders, customs brokers and border users;

³⁸ The amount may be revised, or reallocated, following the completion of the current study, all the more so as the technical solution seems to have already been decided in 2006 with the publication of the invitation to tender.

- (v) *Additional support to the implementation of Joint Border Posts facilities (US\$1.2 million)* - includes financing for the supply of equipment, technical assistance for a better management of flows and the implementation of joint procedures, as needed to complement the EU financing of JBP.

5. Component B: Improvement of Corridor's Road Infrastructure (US\$ 27 million)

- (i) *Execution of civil works for road improvement (US\$24.3 million – of which GOT counterpart funding US\$4.6 million)*
 - (a) The Aného – Hillacondji road improvement (about 8 km; US\$15.1 million);
 - (b) The Aného bridge enlargement (US\$7.1 million);
 - (c) Environmental and social mitigation works (US\$2.1 million).
- (ii) *Works supervision (US\$2.25 million):* this is the amount for the supervision of the two works projects mentioned above;
- (iii) *Mitigation costs for expropriation and cash compensation (US\$0.4 million):* to be financed by GoT;
- (iv) *Institutional support to DGTP (US\$0.1 million): training and equipment.*

6. Component C : Project Management and Coordination (US\$0.6 million)³⁹

- (i) *Reinforcement* of capacities by training, participation to regional meetings;
- (ii) *Supply* of equipment for the institutions responsible for the implementation of the project;
- (iii) *Finance* of audits and operating costs of the implementation unit.

7. Component D: HIV/AIDS Programs and Corridor Performance Monitoring – executed by ALCO (US\$6 million)

- (i) *Formulation and execution of programs* of activities aimed at reducing the impact of HIV/AIDS and preventing the spread of HIV infection among communities established and/or operating along the portion of the corridor located within the Recipients' territories (US\$1.4 million) through: (a) support to targeted companies/NGOs in the development of internal HIV/AIDS programs; (b) peer-to-peer sensitization activities for workers of transport companies in the prevention of HIV/AIDS; and (c) implementation of action plans for BCC participatory prevention activities and VCT in the port areas along the corridor.
- (ii) (a) *Collection and treatment of data* required to measure and monitor performance in the areas of trade, transport and HIV/AIDS along the Corridor; and (b) *wide dissemination* of such data across the Recipients territories and beyond (US\$4.6 million).

³⁹ This amount includes the PPF of US\$195,000.

Table 2: Summary of Project Costs for Togo

Component	Total Estimated Cost (net of tax)	Tax	Total Estimated Cost (incl. tax)
A - TRADE FACILITATION			
A.1. Customs Service Modernization Plan	1.50	0.27	1.77
A.2. Single window in Lomé port	0.50	0.09	0.59
A.3. Regional Customs information sharing	0.50	0.09	0.59
A.4. Support to the National Facilitation Committee	0.20	0.04	0.24
A.5. Complementary support to the financing of the JBP facilities	1.00	0.18	1.18
Subtotal	3.70	0.67	4.37
B - IMPROVEMENT OF THE CORRIDOR'S ROAD INFRASTRUCTURE			
B.1. Execution of civil works (including environmental and social mitigation works)	20.59	3.70	24.30
B.2. Work Supervision	1.90	0.34	2.24
B.3. Mitigation costs for expropriation & compensation	0.34	0.06	0.40
B.4. Institutional Support DGTP	0.10	0.02	0.12
Subtotal	22.94	4.13	27.07
C - PROJECT MANAGEMENT AND COORDINATION			
C.1. Support to project management at national level	0.50	0.09	0.59
Subtotal	0.50	0.09	0.59
TOTAL NATIONAL	27.14	4.90	32.04
D – HIV/AIDS PROGRAMS AND CORRIDOR PERFORMANCE MONITORING			
D.1. Activities to reduce the impact of HIV/AIDS among corridor communities	1.40	0.00	1.40
D.2. Monitoring of corridor performance and implementation of Accra MOU	4.60	0.00	4.60
Subtotal	6.00	0.00	6.00
TOTAL	33.14	4.90	38.04

BENIN (US\$86 million) – Costs include taxes

8. Component A: Trade Facilitation -US\$6.5 million

- (i) *Support to Benin's customs modernization plan (US\$1.8 million)*
 - (a) Finance technical assistance to strengthen internal reporting, thanks to an application allowing the automated production of reports on performance and activities of services, and of auxiliary professions (consignee, customs brokers), in order to strengthen customs governance;
 - (b) Finance equipment (computers and generators for border posts) and technical assistance to:

- i. Support interconnectivity between the border posts of Krake, Hilla-Condji and their respective regional directorates, the Customs at the Port of Cotonou and customs HQ;
 - ii. Support connectivity of warehouse services, storage and clearance areas, including container terminals;
 - iii. Support the installation of an electronic messaging system;
 - (c) Finance training on:
 - i. Risk analysis of statistical data extracted from ASYCUDA and from operational information;
 - ii. Use of ASYCUDA according to profile (HQ services, internal inspection services, clearance officers, inspectors, IT technician) and elaboration of manual of use;
 - (d) Support seminars to auxiliary customs professions, importers and exporters on the simplification of procedures;
- (ii) *Complementary support*⁴⁰ *for the improvement of border crossing infrastructure and management at the JBP of Kraké with Nigeria and for the establishment of JBP at Hilla-Condji with Togo (provisional amount of US\$1.8 million). It may include equipment and utilities, and/or support on joint regulations and procedures, as needed;*
- (iii) *Complementary support to the establishment of a single window in Cotonou port (US\$ 2.6 Million)*⁴¹
- (a) Support the establishment of a “single window” committee gathering the major port stakeholders;
 - (b) Finance the Integrated management system of the Port of Cotonou (SIGPAC) for the invoice, overhaul, and merchandise module;
 - (c) Finance the physical grouping of cash register of the PAC and of Customs;
 - (d) Finance the information system SIGUCE for the required IT interfaces between port stakeholders;
 - (e) Support the review and upgrading of the legal and institutional framework related to activities of the port agencies;
- (iv) *Support the action plan of the National Facilitation Committee (NFC) in Benin (US\$ 0.4 million)*
- (a) Facilitate regional meetings of the NFCs;
 - (b) Follow-up on the execution of Accra MOU annexes in Benin;
 - (c) Support training and sensitization seminars to raise legal awareness among road users;
 - (d) Support booklets and dissemination material.

⁴⁰ To the EU financed program.

⁴¹ Subject to the outcome of the MCA financed single window concept study under preparation

- 9. Component B: Improvement Corridor’s Road Infrastructure (Godomey – Pahou – 17 km - about US\$ 78 million)**
- (i) *Feasibility studies (US\$0.9 million)⁴² – including the technical-economical, environmental and social assessment studies, the detailed design studies and the preparation of the bidding documents;*
 - (ii) *Execution of civil works for road improvement (US\$71.5 million of which GOB counterpart funding of US\$10.6 million):(a) the Godomey - Pahou road (about 17 km) including the improvement of the road to a 2x2 lanes within the current right-of-way and pedestrian refuges in the central part of the road; (b) relocation of networks (about US\$ 5.5 million); and (iii) environmental and social mitigation measures – US\$ 4 million – this does not include the cash compensation related to the resettlement action plan;*
 - (iii) *Godomey–Pahou Supervision of Works including Technical Assistance to the selection of the Works Contractor – US\$4.7 million;*
 - (iv) *Resettlement Action Plan -cash compensation to be financed by GoB- US\$0.4 million;*
 - (v) *Road safety material, equipment, and TA (US\$0.6 million): (i) speed control equipment; and (ii) road control and sensitization.*
- 10. Component C : Project Management and Coordination (about US\$1.5 million)⁴³**
- (i) *Reinforcement of capacities through training, participation in regional meetings of project beneficiaries;*
 - (ii) *Supply of equipment for the institutions responsible for the implementation of the project;*
 - (iii) *Finance of audits and operating costs of the implementation unit.*

Table 3: Summary of Project Costs for Benin

Component	Total Estimated Cost (net of tax)	Tax	Total Estimated Cost (incl. tax)
A - TRADE FACILITATION			
A.1. Customs Service Modernization Plan	1.50	0.27	1.77
A.2. Improvement of border crossing infrastructure	1.50	0.27	1.77
A.3. Establishment of a single window in Cotonou port	2.20	0.40	2.60
A.4. Support to the National Facilitation Committee	0.30	0.05	0.35
Subtotal	5.50	1.00	6.49
B - IMPROVEMENT OF CORRIDOR’S ROAD INFRASTRUCTURE			
B.1. Feasibility studies	0.80	0.14	0.94
B.2. Execution of civil works for road improvement (including: relocation of networks; and environmental &	60.60	10.900	71.51

⁴² Financed by the PPF

⁴³ Partially financed by the PPF

Component	Total	Tax	Total
social mitigation measures			
B.3. Construction Supervision Godomey – Pahou	4.00	0.72	4.72
B.6. Resettlement action plan (cash compensation)	0.34	0.06	0.40
B.7. Road safety and maintenance material and equipment	0.50	0.09	0.59
Subtotal	66.24	11.91	78.15
C - PROJECT MANAGEMENT AND COORDINATION			
C.1. National project management	1.30	0.23	1.53
Subtotal	1.30	0.23	1.53
TOTAL	73.04	13.13	86.18

Annex 5: Project Costs

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

Table 1: Summary of Project Costs by Component and Country (APL1)

	Project activities components				Total (including taxes)	<i>Of which Taxes</i>	Financing sources	
	Trade Facilitation	Improvement of Corridor's Road Infra.	Project Management and Coordination	HIV/AIDS and Corridor Performance			IDA	Gov
Benin	6.5	78.0	1.5	0.0	86.0	13	75.0	11.0
Togo	4.5	27.0	0.5	6.0	38.0	5	33.0	5.0
Ghana	2.7	129.3	1.5	0.0	133.5	19	120.0	13.5
Total	13.7	234.3	3.5	6.0	257.5	37	228.0	29.5

Table 2: Governments Contribution (figures are rounded)

	Resettlement Cash Compensation (Government)	Counterpart funding of roads Civil Works Contracts	Total
Benin	0.4	10.6	11.0
Togo	0.4	4.6	5.0
Ghana	7.8	5.5	13.5
Total	8.6	20.7	29.5

Annex 6: Implementation Arrangements

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

Regional Coordination

1. The project will help implement an efficient transit regime and enforce regional harmonized regulations in the sub-region. To that end, a comprehensive set of transit and transport procedural reforms would be applied and tested along the coastal corridor. The results of such actions will be measured and monitored through a system of local, national and regional performance indicators to be shared and made public in the member countries. If successful, the results can be scaled-up at national and regional levels by the Economic Community of West African States (ECOWAS) member states. This “corridor approach” is proposed in recognition of the fact that national and regional-wide enforcement of ECOWAS rules and regulations has been so far disappointing.

2. A Japan Policy and Human Resources Development (PHRD) Grant of US\$930,000 was extended to ECOWAS via the WB in November 2007 and was completed on December 1, 2009. The PHRD Grant is the grant was executed by the Department of Transport and Communication (DTC) of ECOWAS. It financed two regional studies on: (i) implementation of single window systems in the ports of Lagos, Cotonou, Lomé and Abidjan; and (ii) information sharing and interconnectivity among customs in the five corridor countries. The studies were finalized in June, 2009, and produced estimated costs and activities for the single window and customs information sharing sub-components to be financed by the ALTTFP in each corridor country.

3. The existing structure of ALCO created under the former IDA funded HIV/AIDS regional project operates as a corridor monitoring and evaluation (M&E) unit under ECOWAS, for the ALTTFP. ALCO will thus provide a regional “umbrella” ensuring: (i) the interface and coordination between the national Project Coordination Units (PCUs), the national facilitation committees, and the regional facilitation committee within ECOWAS; (ii) the data collection and monitoring of local, national and regional project performance indicators, as well as reporting to the national facilitation committee, ECOWAS, and the IDA; (iii) the regional implementation of the HIV/AIDS Program component; and (iv) a forum of information sharing, awareness and solution-seeking on trade and transport issues along the corridor. Preparation and implementation of a regional communications program during the project life will be explored with the national and regional project beneficiaries. That will ensure an effective coordination and information sharing among the ALTTFP multiple national and regional stakeholders within and outside the public sector engaged in the reform efforts.

4. The project performance indicators and their monitoring, as well as the HIV/AIDS sub-component will be carried-out at regional level by ALCO, as stipulated in the Memorandum signed between ECOWAS and ALCO in July 2008. The three annexes to the Accra MOU on Transport and Transit Facilitation along the Abidjan-Lagos Road corridor were finalized with inputs from member countries and entered into force on September 12, 2008. The actions on border post business hours (Annex 1 to MOU), official controls along the corridor (Annex 2 to MOU), and on corridor performance indicators (Annex 3 to MOU) will be monitored by ALCO

during project implementation. The regional monitoring activities by ALCO will be financed through the grant to Togo, for the implementation period of six years.

5. The IDA grant for Togo will thus include the amount of US\$6 million for the execution of Component D; that amount will be on-granted by Togo to ALCO under a subsidiary agreement to be concluded between the Togolese Government and ALCO; conclusion of this subsidiary agreement is a condition of effectiveness of the Togo Financing. In addition, a project agreement will be signed between ALCO and IDA in relation to each of the three countries' financings, to specify the implementation arrangements of Component D (which span all three countries) by ALCO.

National Coordination

6. **Ghana.** The Ministry of Roads and Highways (MRH) will have the overall responsibility for the implementation of the proposed project in Ghana. The two implementing agencies (Ghana Highway Authority (GHA) and Customs, Excise and Preventive Service (CEPS)) will be responsible for the actual day to day implementation of their respective project sub-components. The following implementation framework has been put in place for the proposed project.

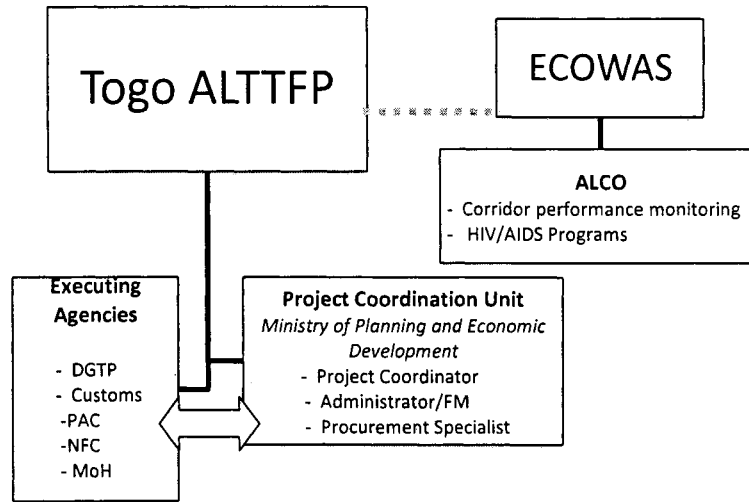
- (i) *Inter-Ministerial Steering Committee (IMSC):* The IMSC includes high level officials from MRH, Heads of Implementing Agencies, and Ministry MOFEP. They will have overall oversight for the implementation of the proposed project.
- (ii) *Project Implementation Team (PIT)⁴⁴:* The PIT will include MRH staff already holding sector related positions, and coordinators, financial directors and safeguards experts from the implementing agencies. The PIT will be responsible for the overall coordination and monitoring of the fiduciary aspects of the proposed project.
- (iii) *Agency Implementation Teams (AIT):* The two implementing agencies (GHA and CEPS) have established AITs with existing staff to ensure the effective and mainstreamed implementation of all aspects of the proposed project.

7. For purposes of the Project, Ghana will on-grant the proceeds of its financing allocated to GHA and CEPS, respectively, under Implementation Agreements to be entered into between government and each of these implementing agencies; conclusion of these agreements is a condition of effectiveness.

8. **Togo:** The Project Coordination Unit is located within the Ministry of Cooperation, Development and Planning. At the same time, the main project beneficiaries have identified and nominated "focal points". The National Coordinator will coordinate with these "focal points".

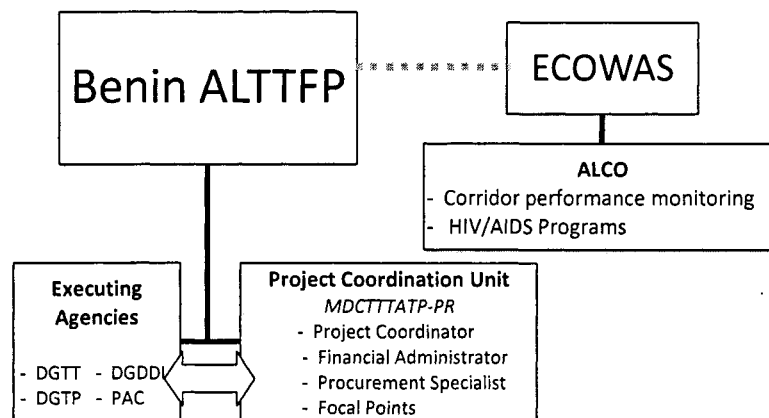
⁴⁴ The PCU in Ghana is called Project Implementation Team (PIT)

Figure 1: Togo Implementation Framework



9. **Benin:** The national coordinator and his core team (a project accountant/financial specialist; and a procurement specialist responsible for all procurement activities to be carried out on behalf of the other government agencies) are staff of, and located within, the Ministry of Transport; the PCU has been built on an existing structure (*Cellule de Coordination du Programme Sectoriel des Transports – CC/PST*). At the same time, the main project beneficiaries have identified and nominated focal points with technical expertise as members of the extended implementation unit. The four beneficiaries and implementing agencies will support the Project Coordination Unit (PCU): General Directorate of Customs and Indirect Duties (DGDDI), Autonomous Port of Cotonou (PAC), and General Directorate of Land Transport (DGTT) for component A, and General Directorate of Public Works (DGTP) for component B.

Figure 2: Benin Implementation Framework



Annex 6b: Supervision Strategy Outline

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

1. The supervision strategy for the proposed ALTTFP is based on: (i) lessons learned from the implementation of past and ongoing regional projects in the transport sector in Africa, which identified weaknesses in World Bank's supervision strategy; (ii) the draft supervision strategy of AFTTR; and (iii) the ALTTFP specific design, complexity, challenges and risks. The strategy aims at ensuring an effective and timely implementation of the mitigation measures designed to deter the chances of corruption and fraud and ensure the achievement of the project's development objective. Given that some of the reforms proposed are highly political in nature (e.g. customs reforms, implementation of regionally harmonized procedures at the future joint border posts) and the issues at stake go beyond the project scope, the IDA's regional and country management will coordinate the policy actions (Table 1).

2. **Procurement activities.** The total cost of the project is US\$ 257.5 million, of which IDA will fund US\$ 228 million. Three major road works contracts are planned for Ghana, Togo and Benin, at an estimated cost of about US\$ 112, 24 and 72 million respectively. A number of technical assistance and consultant services will be selected competitively to support road works supervision, and customs reform and modernization. All procurement will be handled at country level by the respective PCUs.

3. **Arrangements for improved Governance in Customs and for the Prevention of Fraud and Corruption in Procurement.** The main features of the governance activities include:

- improving customs internal reporting system;
- improving transparency, simplification and harmonization of customs procedures with the aim of, *inter alia*, reducing the opportunities for bribe demands at border crossing points;
- monitoring and disclosing publicly the number of illegal road blocks and bribe levels along the corridor;
- strengthening core processes in procurement and financial management, including capacity development and reforms to improve each country's procurement, contract and financial management practices;
- maximizing competition through contract size;
- thoroughly reviewing the quality of design and bidding documents;
- identifying the "red flags" in the bid evaluation that are patterns of manipulation of the bidding process;
- building the capacity of the implementing agencies to identify "red flags" in the evaluation process.

4. **Supervision strategy.** The project supervision strategy will be based on: (i) enhanced continued country specific implementation focus; (ii) especially during the first two years of implementation prioritization of implementation activities on the most critical ones and the ones with the longest implementation lead; (iii) focused technical, financial and procurement reviews

both by Bank task teams and Bank-hired consultants; (iv) close and constant focus on high risk areas such as quality and speed of procurement; and (v) close and continuous follow-up on issues highlighted during supervision missions. In order to put in place a Continuous Seamless Supervision Strategy, especially during the first two years of project implementation, the supervision effort will focus on efficiently and effectively implementing the bulk of procurement activities.

5. **Team composition.** The supervision team will consist of one Task Team Leader (TTL) with a co-TTL. One of the two positions is expected to be field-based while the other position is expected to be headquarters based. This will enable a more effective, continuous and reinforcing supervision effort. In addition to a core two person TTL/co-TTL arrangement, country based staff in each country will participate as full team members and be responsible for the implementation of project specific activities in their own countries and in their areas of expertise. In order to fully cover the wide range of activities in this project, there will be several specialized team members, both staff and consultant, covering all four countries. At least one of the supervision team members will have a good knowledge of customs and trade issues (Customs specialist or trade facilitation economist); one will be dedicated to regional coordination and monitoring aspects; and a highway engineer will be dedicated to the supervision of the Component B on road infrastructure improvements and the civil works contracts. The Environmental and Social specialists following the project will closely monitor the execution of the mitigation measures and RAPs and conduct field visits to that effect. The project will be assigned one overall Procurement and financial management (FM) specialist to coordinate the entire multi-country project on fiduciary aspects. This will ensure consistency and responsiveness. The Sector Leaders based in the field will provide support by becoming more directly involved in the policy dialogue with the four client countries at high level to ensure the achievement of outcomes, as well as interacting with other development partners and stakeholders, as needed.

6. **Frequency of supervision effort.** There will be at least one annual formal full supervision mission covering all four countries, several limited supervision missions, and regular video-conferences. This is to create a more continuous interaction with the various countries and implementing agencies implementing the project. The country based staff will monitor implementation progress on a continuous basis and will have at least once a month quick implementation reviews of the critical activities. The World Bank-hired consultants will closely monitor progress made in implementing both the civil works and facilitation activities funded under the project, and will conduct field visits as needed, but at least once a year. The supervision task team will develop, together with the project teams in each country, lists of actions required to ensure a good implementation of the road works and the environment and social safeguards in the field.

7. **Supervision budget.** To ensure a strong continuous supervision effort, especially during the first two full years of implementation, an estimated US\$350,000 per year supervision budget would be required to cover World Bank staff, consultants and travel expenses. Assuming that project implementation is proceeding in a satisfactory manner, the supervision budget for the third year onwards of project implementation should be about US\$300,000.

8. **Supervision strategy and expected outcome.** The main supervision activities to be covered by the IDA project team and the clients are provided in the Table 1 below:

Table 1 Supervision Activities to be Covered by IDA Project Team and Clients

Client's role	IDA's role	Expected outcome
<i>Regional aspects</i>		
- Countries to communicate with ECOWAS and IDA on the progress of national projects along the corridor - Countries to facilitate easy access to data by ALCO --ECOWAS and ALCO to monitor corridor performance and sensitize governments and other stakeholders on results	- Involve donors and ECOWAS early in the project - Use of existing corridor organization body and expertise as regional monitoring unit - Complement EU financing to ensure actual operation of JBPs.	- Close coordination between donors and ECOWAS to ensure complementarity of projects - Effective monitoring of corridor performance and wide dissemination - Decision makers are fully aware of regional issues during project implementation
<i>Policy dialogue</i>		
- Ensure an appropriate level of communication platform on trade policy and customs reform	- Develop a communication strategy as a platform for high level policy discussions - regional and country management coordinate the policy actions	- High level discussion on trade policy and customs reform
<i>Governance aspects</i>		
- Implement internal reporting system and enforce streamlined procedures - Training in identification of "red flags"	- Close monitoring of implementation of internal reporting system. - Dialogue with customs administration on use of internal reporting system - Close supervision of the procurement process	- Improved open and transparent customs procedures; control of customs management over the staff activities, availability of customs indicators and performance - Clients are trained and are using red flags in the evaluation process
<i>Technical and quality aspects</i>		
- Client engineers to oversee the work of contractors. - Supervision consultants to assist client in overseeing work of contractors.	- Assess contractors' capacity; assess supervision capacity by client staff. - Visual inspection of 100% works - Detailed investigation of the percentage of civil works carried out annually	- Contractors fully deployed on time and have the required capacity - Satisfactory implementation of contracts - Construction quality fully meets design specification
<i>Procurement</i>		
- Country specific clearances to be followed for all procurement activities - Use of Banks' Standard Bidding documents for ICB and updated NCB model documents - Training for PCU staff on Bank procurement procedures - Use of post-qualification in bidding process	- All identified civil works will be subject to prior review as per the agreed threshold for prior review contracts - Annual post-review of procurement activities	- Bank/country procurement guidelines followed - Open and transparent competitive procurement achieved - Database on contractors' performance to be maintained and update regularly
<i>Financial Management</i>		
- Efficient control mechanisms are put in place - Maintain a commitment/payments register, tracking all contracts. - Annual audits of project in each	- Focus on the adequacy of the financial reporting arrangements, including timeliness and completeness of financial reports, as the basis for disbursements from the Credit/Grant	- Compliance with all FM covenants - Audit comments taken into consideration - Financial progress closely following physical progress

Client's role	IDA's role	Expected outcome
countries	<ul style="list-style-type: none"> - Reviews of audit reports, FM reports and follow-up actions taken on such reports - Participate in site visits as needed to review internal control procedures and practices 	
<i>Social safeguards</i>		
<ul style="list-style-type: none"> - Execution of the mitigation measures and RAPs - Country specific clearances are to be respected. - Supervision to be carried out by environmental specialist of the client government 	<ul style="list-style-type: none"> - Supervision to be carried out by the Bank staff as part of supervision missions. - Close check and implementation verification of RAP 	<ul style="list-style-type: none"> - 100% of required regulatory clearances are obtained - 100% compliance with Bank's social and environmental safeguards - 100% implementation of the RAPs in each country - 100% resolution of any complaints submitted
<i>Environmental safeguards</i>		
<ul style="list-style-type: none"> - Evaluation of mitigation measures in place to be carried out annually - Country specific clearances are to be respected. - Regular monitoring and supervision to be carried out 	<ul style="list-style-type: none"> - Supervision to be carried out by the Bank staff as part of supervision missions. - Close check and implementation verification of environmental mitigation measures 	<ul style="list-style-type: none"> - 100% of required regulatory clearances are obtained - 100% compliance with the project's environmental and social safeguard policy

Annex 7: Financial Management and Disbursement Arrangements

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

Introduction

1. In line with the guidelines as stated in the Financial Management Practices Manual issued by the Financial Management Sector Board on November 3, 2005, a financial management assessment was conducted on the implementing agencies under the ALTTFP. The objective of the assessment was to determine whether the implementing entities for the proposed project covering Ghana, Togo and Benin have acceptable financial management arrangements.

Overview of Program and Implementation Arrangements

2. The overall regional project coordination will be ensured by ECOWAS, through ALCO as executing agency, in line with its designated role over the regional and corridor projects in West Africa. Each country will implement their respective national investment components through agreed mechanisms at ministries' level, national coordinators and focal points for each project beneficiary. In line with the implementation arrangements each country will be responsible under its respective Financing Agreement, for reporting separately on its level of implementation and financial reporting. The implementation arrangements are summarized in the main text of the PAD and in Annex 6. This section summarizes the financial management implementation arrangements on a country-by-country basis.

Ghana

3. The primary executing agency for the project will be the Ministry of Roads and Highways (MRH), which will coordinate activities of the two implementing agencies (IAs), namely the Ghana Highways Authority (GHA) and Customs, Excise and Preventive Services (CEPS). To ensure proper coordination and effective financial management (FM) arrangements throughout implementation Heads of Accounts of the IAs have formed a Finance Management Team (FMT) headed by the Director of Finance (MRH).

Togo

4. A Project Coordination Unit (PCU) within the Ministry of Cooperation, Development and Planning was established to coordinate the project activities in Togo. The PCU will have the overall responsibility for project fiduciary management while the partner institutions in the sectoral ministries have designated focal points and will be responsible for the physical implementation of the project.

Benin

5. The existing Project Coordination Unit (PCU/CC-PST) will be responsible for the overall project implementation and coordination including fiduciary control and responsibility.

Country Issues

Ghana

6. Ghana's fiduciary environment for utilizing both budgetary funds and donor funds is considered adequate. The June 2007, External Review of Public Financial Management (ERPFM) noted that the government continues to make encouraging progress in implementing its wide ranging program of strengthening public financial management (PFM) through adoption of the Short-Term and Medium-Term Action Plan. Budget formulation has been improved by revising the budget timetable to enable earlier tabling of the estimates and thus the passage of the Appropriations Bill prior to the start of the new financial year, to facilitate a more orderly implementation of spending plans. There is now increased consultation with stakeholders in budget formulation, more comprehensive information in budget documents, and encouragement of Ministries, Departments and Agencies (MDAs) to undertake procurement planning for use as basis for financial planning and budgeting.

7. Recent PFM review notes the government's continuing efforts to improve the commitment control system, to strengthen cash management, and to facilitate payments through decentralized treasuries. In sum, as part of the overall public sector reforms, the Government of Ghana (GOG) aims at strengthening central government structures and institutions by introducing programs to make them more efficient and effective through legislation and other reforms aimed at ensuring transparency by strengthening state oversight institutions.

Togo

8. Overall inherent risk of the public financial management system in Togo is rated as substantial. The environment is characterized by weak governance and transparency systems at all levels. Other challenges include: (i) challenges in governance, (ii) public expenditure management has suffered from a distorted budget cycle, and by problems in budget execution; (iii) the control environment with an internal audit system is not fully effective and an external public audit body is not established; (iv) there have been delays in executing public expenditures due to lack of accountability and capacity; (v) the Treasury management system is inadequate and not transparent. However following the completion of the PEMFAR in 2006 there have been some improvements. The December 2008 Economic Recovery and Governance Grant mission noticed that significant progresses have been made in: (i) budget preparation, (ii) budget credibility, (iii) budget implementation and control. Weakness remains in budget monitoring and reporting and external control oversight.

Benin

9. The 2008 PEFA⁴⁵ (Public Expenditure and Financial Accountability) assessment noted that key PFM risks remain in the following areas, namely: weak accounting recording and reporting system. Public accounts are generally incomplete and delayed; inadequate control

⁴⁵ The recent has just been completed on November 2007.

mechanism, ex-post controls are uncoordinated and include several units working independently, external audits are delayed and surge in the use of expenses following exceptional procedures.

10. The government has taken strong measures to address these issues. A decree regulating internal audit has been adopted and the use of exceptional procedures has been strictly limited. The issue regarding delay in production of accounts is being resolved. Additional staff has been recruited and the accounting software deployed at local level is expected to come up to a normal situation by the end of 2009. Concerning external audits, discussions are in progress with the government to improve the working environment of the Chamber of Accounts.

Ghana

FM Risk Assessment and Mitigation Measures

11. The table below shows the results of the risk assessment and identifies the key risks in achieving the project objectives together with risk mitigating recommendations on how the project management should address these risks.

Table 1: Risk Assessment and Key Risks - Ghana

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
Country Level Weaknesses in the effective use of public funds, weak oversight regarding transparency and accountability.	S	Strengthening the role of the MMDAs in FM capacity building through ongoing reforms in the public financial management. This has resulted in a set of new legislation to guide public financial management practices.	M
Entity Level MRH may have challenges in effectively monitoring the activities of CEPS, since it is not part of MRH.	M	To address and minimize this risk, the project has set up a PIT, PT and FMT to support implementation.	L
Project Level Coordinating the implementation arrangement between different agencies.	M	A Project Implementation Team including financial management staff has been set up to act as coordinating unit.	M
Overall Inherent Risk	S		M
Budgeting Risk of cost overruns and adverse variations in expenditure due to delays preparing procurement plans, based on realistic costing as a basis for annual work plans.	M	Budget execution to be monitored through quarterly reports and IFRs by both the PIT and IDA. In addition the FMT will monitor budget execution and implementation to help control any adverse variations and delays in budget execution.	M

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
Accounting Accounting and reporting challenges due to the project having different IAs where expenditure will be initiated and incurred.	M	The use of a central accounting and reporting function at the MRH will help in streamlining the preparation of accounts and other reports.	M
Internal Controls Possible weaknesses in governance and anti-corruption systems particularly in procurement and contract management.	M	The MRH has a functioning Internal Audit Department. Regular IDA supervision missions and reviews will help ascertain level of compliance and identify any possible GAC weaknesses.	M
Funds Flow Delays in processing withdrawal applications. Delays in payment processing due to verification by MRH of expenditure incurred by IAs.	L	This risk is minimized through the use of a central payment processing unit at MRH. Also, staff in MRH, GHA and CEPS have satisfactorily managed IDA projects and are familiar with processes for disbursement.	L
Financial Reporting Challenges in complying with timelines for Financial Covenants such as submission of financial reports including external audits.	S	The Director of Finance (MRH) working with the PIT will be responsible for overall FM monitoring and reporting. The MRH's central accounting software will be used for the reporting.	S
Auditing The risk that audits will not be submitted on time to ensure compliance with the Financial Covenants.	M	The timelines for engaging acceptable auditors will be monitored during implementation.	M
Overall Risk Rating	M		M

H – High S – Substantial M – Modest L – Low

12. In conclusion, the overall FM residual risk for the project is modest. The significance of this rating is that it will help to determine the resources to be deployed for the monitoring effort of the FM operations, i.e. supervision plan.

Strengths and Weaknesses of FM Arrangements

13. In Ghana, the project financial management is strengthened primarily by the involvement and experience of the accounting staff of departments under the MRH in earlier and ongoing IDA funded projects. The staff is familiar with IDA financial management and procurement procedures and this will help ensure smooth implementation.

14. The most likely weakness in financial management will be challenges in collaboration and coordination between CEPS and MRH since the project will be relying on MRH for processing of all payments transactions. In addition, since transaction initiation, authorizations

and approval will be primarily at the implementing agency level there is the need for strong internal controls and oversight to prevent any possible lapses or potential fraud and corruption.

No.	Activity/Action	Target Completion	Responsibility
1.	Adoption of the revised Project Implementation Manual (PIM) outlining policies and procedures for implementation.	February 12, 2010	PIT/MRH
2.	Preparation of Terms of Reference for the external auditor that is satisfactory to IDA.	Agreed upon at negotiations	PIT guided by the MRH (Director of Finance)
3.	Engagement of acceptable external auditors	Four months after effectiveness	Director of Finance (MRH)

Togo

15. The PCU has been established, and accounting software has been acquired. The overall FM risk is rated as substantial. An acceptable financial management system is being set up under the Project Preparation Facility (PPF). The table below presents a summary of the key risks.

Table 3: Risk Assessment and Key Risks - Togo

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
Country Level Slow pace of public financial management reforms.	H	Since the Public Expenditure Management and Fiduciary Assessment Review (PEMFAR) were completed in June 2006, progress has been made on fiscal and accounting reforms. Weakness remains in budget monitoring, reporting and external control oversight.	S
Entity Level A long suspension of the collaboration between Togo and DPs has affected implementation capacity of the Agency.	H	The PCU and other stakeholders will be trained on World Bank procedures during implementation.	H
Project Level Insufficient knowledge and experience with IDA. FM procedures may delay the project implementation.	S	PCU members and other stake holder to be trained on World Bank policies and procedures. IDA supervision to help identify and address weaknesses.	S
Overall Inherent Risk	H		S
Budgeting Budget preparation process may be delayed as different stakeholders are involved in the project implementation. Budget may be based on unrealistic procurement plans and costing	S	The Accountant of the PCU will provide support in preparing realistic budget consistent with their disbursement plans.	M
Accounting Weak accounting systems to	S	As part of the setting up of PCU a specific	S

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
adequately report on fund use.		computerized accounting system has been acquired. Training will be provided to all project staff by the software provider and the consultant in charge of the preparation of the project FM manual.	
Internal Controls National internal control entity recently established does not have adequate capacity to cover project activities. The PIU does not have its own internal audit unit.	S	The FM manual will outline approval and authorization procedures with clear segregation of duties. Internal control environment will be reviewed during FM supervision mission.	S
Funds Flow Delays in the replenishment due to challenges to generate and manage documentation of expenditure in a timely manner.	S	FM performance of the PCU will be regularly monitored to make sure that Withdrawal Applications (WA) are properly processed. Government has planned to make a provision for its contribution in the annual budget	M
Delays in mobilization of counterpart funds to meet government's obligations towards the project	S		M
Financial Reporting Challenges in generating quality IFRs and delays in meeting Financial Covenant deadlines.	S	Training will be provided to the accounts staff in the PCU.	S
Auditing Delays in the submission of the audit report. Unqualified audit firm may be recruited	M	Audit firm will be recruited in line with World Bank's guidelines including reviewing the TOR to ensure quality audits	M
Overall Risk Rating	S		S

H – High

S – Substantial

M – Modest

L – Low

Strengths and Weaknesses of FM Arrangements

16. The financial management strengths in Togo consist in the recruitment of a qualified accountant and the acquisition of a sound project accounting software. The main weakness is the lack of prior experience in managing IDA funded projects, and lack of administrative, accounting, and financial procedures in place. This weakness will be mitigated through capacity building and training of project staff, and development of an administrative, accounting and financial procedures manual financed by the PPF.

Table 4: Time Bound Action Plan to Address the Weaknesses - Togo

No.	Activity/Action	Target Completion	Responsibility
1.	Prepare and adopt PIM, including financial and accounting procedures, acceptable to the IDA	Prior to effectiveness	DPD/ National Coordinator
2.	Prepare TOR for the external auditor, satisfactory to IDA.	Agreed upon at negotiations	DPD/ National Coordinator
3.	Recruitment of acceptable external auditors	Four months after effectiveness	DPD/ National Coordinator
4.	Provision of counterpart funding in the budget	Each year as needed	DPD/National Coordinator

Benin

17. The assessment of the financial arrangements at CC/PST concludes that the arrangements are satisfactory and overall FM risk is rated modest. A summary of the possible risk identified is presented in the table below.

Table 5: Risk Assessment and Key Risks - Benin

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
Country Level Weak governance and anti corruption institutions.	S	The government has taken strong measures for fighting against corruption. Issues relating to internal control, reporting and auditing reforms are ongoing.	S
Entity Level While basic legal and institutional framework is in place, governance risks are due to political interference.	S	The Financing Agreement/PAD and procedures manual may provide an appropriate framework for the Project implementation.	M
Project Level Lack of experience in managing IDA projects.	S	The PCU was built on the existing CC/PST that executed IDA-financed projects. Training will be provided to strengthen the FM staff capacity	M
Overall Inherent Risk	S		M
Budgeting Non adherence to budget guidelines. Delayed budget availability may occur due to unrealistic costing of procurement plans.	M	Budget will be prepared and implemented as per Financial and Accounting Manual. Procurement plans will be properly prepared from work programs and realistic costing.	M
Accounting The existing accounting software needs to be customized in order to process and generate reliable financial management information.	M	The process to review and customize the software has been completed satisfactorily.	L
Internal Controls Internal audit department not		Training and strengthening of internal audit	

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
familiar with IDA procedures.	M	department of the Ministry of Transport.	M
Funds Flow Delays in funds flow since CC/PST is not familiar with the IDA disbursement procedures.	S	The PCU is implementing a PPF. Training of accounts staff in IDA processes and procedures	M
Delays in mobilization of counterpart funds to meet government's obligations towards the project	S	Government has planned to make a provision for its contribution in the annual budget	M
Financial Reporting Delays in the submission of acceptable IFRs. Delay in preparation of annual financial statements.	S	Training of accounts staff in IDA processes and procedures. Format and content to be discussed during negotiation.	M
Auditing Delays in the submission of acceptable audit report. Recruitment of acceptable audit firms.	M	Audit firm to be recruited in line with World Bank's guidelines including reviewing the TOR to ensure quality audits.	M
Overall Risk Rating	S		M

H – High S – Substantial M – Modest L – Low

Strengths and Weaknesses of FM Arrangements

18. The strength of the CC/PST (PCU) in Benin is the availability of qualified accounting staff. A potential weakness on implementation is the lack of prior experience in managing IDA funded projects. This weakness will be mitigated through capacity building and training of project staff.

Table 6: Time Bound Action Plan to Mitigate Risk and Weaknesses - Benin

No.	Activity/Action	Target Completion	Responsibility
1.	Prepare and adopt PIM, including accounting and financial procedures, acceptable to the IDA.	Prior to effectiveness	National Coordinator (CC/PST)
2.	Prepare TOR for the external auditor, satisfactory to IDA	Agreed upon at negotiations	National Coordinator (CC/PST)
3.	Recruitment of acceptable external auditors	Four months after effectiveness	National Coordinator (CC/PST)
4.	Provision of counterpart funds in country budget	Each year as needed	National Coordinator (CC/PST)

ALCO

19. ALCO, located in Cotonou, Benin, will be responsible for the implementation of the HIV/AIDS program in all countries, and the corridor performance monitoring.

20. The assessment of the financial arrangements at ALCO concludes that the arrangements are satisfactory and overall FM risk is rated modest. A summary of the risks identified is presented in the table below.

Table 7: Risk Assessment and Key Risks - ALCO

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
Country Level Weak governance and delays due to the implication of several countries	S	The involvement of qualified NGOs in each country Coordination with participating countries through the national coordinators and NFCs	M
Entity Level Despite basic legal and institutional framework in place, GAC risks due to political interference.	S	The procedures manual may provide an appropriate framework for the Project implementation.	S
Project Level Involvement of several NGOs.	S	Appropriate FM arrangements will be put in contracts with these NGOs and their follow up will be monitor by a dedicated accountant and controlled by ALCO internal auditor.	M
Overall Inherent Risk	S		M
Budgeting Delays in budget preparation and execution due to the involvement of several NGOs	M	Budget will be prepared and implemented as per Financial and Accounting Manual.	M
Accounting Delays in submission of supporting documents by NGOs selected over the region,	S	A qualified accountant will be appointed to reinforce ALCO FM team. He will be in charge to ensure the timely submission of monthly financial report by all selected NGOs.	M
Internal Controls Internal audit function exists but not familiar with IDA procedures.	M	Training and strengthening of internal audit service of ALCO	M
The activities carried out by the NGOs in the region might not meet the goals of the project.	S	The internal auditor will put in the annual work plan the audit of about 80% of the activities of the NGOs including the selection criteria of these NGOs which must be well qualified.	M
Funds Flow Delays in funds flow since ALCO has not its headquarters in Togo (which will be the recipient of the grant related to component D). Report-based disbursement may not be well understood by the project staff	S	IDA will move the funds directly in bank account in a commercial bank to be opened by ALCO in Benin. The designated account will be opened in a commercial bank largely represented in the sub-region to facilitate funds flows. Delays will be largely reduced because of the regional aspect and the integrated system of this bank.	M

Risk	Risk Rating	Risk Mitigating Measures/Remarks	Residual Risk Rating
Funds may be diverted or used for non project eligible purposes especially regarding NGOs involved	M	Appropriate training will be provided to the ALCO key staff involved in the project prior the effectiveness. Funds will move from ALCO to NGOs based on financial and technical reports since ALCO is familiar with that practice under previous project carried out satisfactorily.	M
	S	The acceptable control environment combined with the capacity building activities planned for the internal auditor will contribute to mitigate the risk of having ineligible expenditures.	M
Financial Reporting Delays in the submission of acceptable IFRs and annual financial statements	M	Training of accounts staffing IDA processes and procedures. Format and content discussed during negotiation.	M
Auditing Delays in the submission of acceptable audit report.	M	Unqualified report and no delay noted regarding previous IDA projects. Bank FMS and Procurement staff to be involved in the processes of engaging external auditors in order to maintain this trend.	M
Overall Risk Rating	S		M

H – High

S – Substantial

M – Modest

L – Low

Strengths and weaknesses

21. The strengths of ALCO secretariat include: (i) management of projects with NGOs within the region, (ii) the existence of computerized accounting and (iii) financial management information system in place. A potential weakness on implementation is the lack of availability of the qualified accounting staff. This weakness will be mitigated by the appointment of a qualified and experienced accountant, familiar with the IDA procedures, who will reinforce the FM capacity within the ALCO.

Table 8: Time Bound Action Plan to Address the Weaknesses - ALCO

	Action	When	By whom
1.	Recruitment of a qualified additional accountant dedicated to the project	Anticipated within four months after effectiveness	Executive Secretariat of ALCO
2.	Recruitment of an external auditor acceptable to IDA	Anticipated within four months after effectiveness	Executive Secretariat of ALCO

Ghana: Summary Financial Management Assessment

Budgeting Arrangements

22. The MRH, GHA and CEPS as government agencies follow the budget preparation guidelines as per the Financial Administration Act, 2003 (Act 654), the Financial Administration

Regulation, 2004 (LI1802) and also the annual budget guidelines issued by the Ministry of Finance and Economic Planning (MOFEP). The budget for the project will be prepared by the Policy and Planning Directorate of the MRH in conjunction with GHA and CEPS. The assessment indicates that budgeting processes at the MDA level are satisfactory and can be relied upon to reflect the various components to be implemented by the different agencies.

Accounting Arrangements

23. The Director of Finance at the MRH will be responsible for overall fiduciary aspects of the project. The director, a staff of the Controller and Accountant General's department, is a qualified chartered accountant and involved in donor funded operations. Currently accounting and financial reporting is done using a combination of manual processing and spreadsheets. This may pose a challenge during implementation and to address this weakness, the MRH with funding from IDA has initiated the process for installing suitable software that will be used by all departments and agencies involved in the project.

Internal Control and Internal Auditing

24. Since the MRH, GHA and CEPS are government agencies, the project internal controls will to a large extent rely on the government established accounting and internal control guidelines as documented in the respective Internal Audit Manuals of the ministries. The MRH, GHA and CEPS have functioning internal audit units which help to ensure a sound control environment for transaction processing and enforcing compliance. The assessment indicates that the internal audit and control environment at MRH is adequate for the project implementation.

Funds Flow

25. The proposed arrangement is to use a single Designated Account (denominated in US dollars) managed and operated by MRH who will prepare and submit acceptable withdrawal applications. Requesting and reporting on the use of fund will be report based. Such reporting will include details of current expenditure, projected expenditure based on at least quarter forecast activities.

26. This arrangement to use a central account is important to ensure that the MRH has oversight responsibility over all the transfers and payments related to the implementation of project activities. However, in order to facilitate payment of some small expenditure, GHA and CEPs will operate "Project Accounts" on an imprest system in GH Cedi. The ceiling for the imprest will not exceed US\$0.2 million (or the cedi equivalent) and will be monitored and reported on by the Director of Finance at MRH. The procedures and modalities for operating the designated account and the types of expenditure to be paid out of project accounts will be outlined in the PIM.

27. Ghana is expected to participate with a counterpart funding of US\$13 million that was confirmed at negotiations. A provision has been made in the country budget for 2010.

Financial Reporting Arrangements

28. The Director of Finance at MRH is responsible for generating quarterly Interim Unaudited Financial Reports (IFRs). IFRs for the project are expected to be submitted not later than 45 days after the end of each quarter. The financial reports will be designed to provide relevant and timely information to the project management, IAs, and various stakeholders monitoring the project's performance. The IFRs will be used to determine the level of replenishment of the Designated Account based on cash flow needs for each subsequent quarter.

Auditing Arrangements

29. The Auditor General (Ghana Audit Service) is primarily responsible for the auditing of all government and donor funded projects. Under the Project, The Director of Finance at the MRH working with the Ghana Audit Service is responsible for ensuring that the project activities are audited on time and the audit report submitted to IDA as per the financing covenants stated in the Financing Agreement. To ensure compliance, it has been agreed that external auditor must be contracted not later than four months after project effectiveness.

Conclusion of the assessment

30. The financial management arrangement for the Ghana component as assessed concludes that the project's financial management arrangements meet the minimum requirement under OP.BP 10.02.

Togo - Summary Financial Management Assessment

Budgeting Arrangements

31. As part of the effectiveness conditions, Togo will develop an acceptable Project Implementation Manual (PIM); including a Financial and Accounting Manual (FAM). This manual will detail the budget preparation policies and procedures. Satisfactory planning and budgeting procedures will be clearly defined in the PIM.

Accounting Arrangements

32. Under the PPF the PCU has recruited a project accountant who will be responsible for the project financial management. The accounting policies procedure and other issues such as accounts classification and chart of accounts will be outline in the Financial and Accounting Manual, which will be reviewed and cleared by IDA prior to adoption by the PCU.

Internal Control and Internal Auditing

33. There is no internal auditor recruited within the project. With the segregation of duties and responsibilities, the project internal control environment is adequate. However the newly established General Inspection of Finances has the right to carry out any internal control or internal audit function as needed. Further details on the control environment will be included in the FAM.

Funds Flow

34. In line with IDA procedure a dedicated Designated Account (DA) will be opened and managed by the PCU. Based on the risk assessment, transaction based disbursement procedures will be used for the project in Togo. Various disbursement methods will be available for use under the project, i.e. direct method, reimbursement method, special commitment method and the advances method. The advances method will be applied for the replenishment of the DA. Further instructions on disbursement and details on the operation of the DA will be outlined in the disbursement letter.

35. The government counterpart funding will finance any compensation for relocation of populations, and public staff wages. A provision has been made in the country annual budget for 2010.

Financial Reporting Arrangements

36. The PCU will be responsible for coordinating and submitting the IFRs required to be produced under the project and submit copies to the Bank as per the financial covenants in the Finance Agreement within 45 days following end of each calendar quarter. The content, format and frequency of these reports were agreed upon during negotiation.

Auditing Arrangements

37. An independent external auditor will be engaged to audit the financial statements of the project. The terms of reference (TOR) for the engagement of external auditor were agreed with IDA during negotiations. A dated covenant requires Togo to appoint the auditor not later than four months after effectiveness.

Conclusion of the assessment

38. The financial management arrangements for the Togo Component meet minimum requirements under OP/BP 10.02.

Benin: Summary Financial Management Assessment

Budgeting Arrangements

39. The project budget will be prepared by the PCU with input from the respective implementing entities and will be adopted before the beginning of the year. Details of budgeting procedure will be provided in the PIM which will have a section on financial and accounting procedures.

Accounting Arrangements

40. Accounting and control procedures are documented in the Administrative, Accounting and Financial Manual (AAFM). Currently there are limitations with the existing accounting software and the system is expected to be customized to suit reporting under the project.

Internal Control and Internal Auditing

41. The Ministry of Transport's Inspector General will carry out the internal auditor function with TOR acceptable to IDA. The internal controls put in place will ensure the continuing adequacy of the conformity with the project's procedures and other due process.

Funds Flow

42. The *Caisse Autonome d'Amortissement* (CAA) will be the assigned recipient representative for receiving IDA funding. Withdrawal requests will be prepared by CC/PST, signed by designated signatories. Funds will flow from the Credit Account through the Transit Account open in the Central Bank, and then released to the Designated Account in a commercial bank to be managed by the CC/PST (PCU). Based on the risk assessment, transaction based disbursement procedure will be used for the project. Various disbursement methods will be at the disposal of the project. These methods are direct method, reimbursement method, special commitment method and advances method which be used for the replenishment of Designated Account.

43. Benin is expected to participate with a counterpart funding that was confirmed at negotiations. An appropriate provision has been made in the country annual budget for 2010.

Financial Reporting Arrangements

44. The Financial Accountant of CC/PST will be responsible for preparing and submitting the quarterly IFRs and send copy to the Bank as per the deadline of within 45 days after the end of each calendar quarter as required in the Financing Agreement. The content, format and frequency of these reports were agreed upon during negotiation.

Auditing Arrangements

45. An independent external auditor will be engaged to audit the financial statements of the project. The TOR for the engagement of the external auditors were reviewed and cleared by IDA at negotiations. A dated covenant requires Benin to appoint the auditor not later than four months after effectiveness.

Conclusion of the assessment

46. The conclusion of the assessment is that the financial management arrangements put in place by the CC/PST meet the World Bank's minimum financial management requirements under OP/BP10.02. The overall financial management residual risk for the project in Benin is rated as modest.

ALCO: Summary Financial Management Assessment

Budgeting Arrangements

47. The budget will be adopted before the beginning of the calendar year. Details of budgeting procedure will be provided in the PIM which will have a section on financial and accounting procedures.

Accounting Arrangements

48. Accounting and control procedures are documented in the AAFM.

Internal Control and Internal Auditing

49. The internal auditor of ALCO will carry out the internal auditor function. The internal controls put in place will ensure the continuing adequacy of the conformity with the project's procedures and other due process. The internal auditor will include in the annual work plan the audit of about 80 percent of the activities of the NGOs including the selection criteria of these nongovernmental organizations (NGOs) which must be well qualified.

Funds Flow

50. The Republic of Togo will be the recipient of IDA grant under the Financing Agreement. The amount of the Grant allocated to Component D of the project in Togo, to be executed by ALCO, will be transferred directly into the Designated Account to be opened by ALCO in a commercial bank in Benin (ALCO's headquarters). Based on the risk assessment, transaction based disbursement procedures would be used during the first year of the project. It is expected that afterwards ALCO would shift to the report-based disbursement procedures for transferring funds to the Designated Account. Various disbursement methods - direct method, reimbursement method, special commitment method and advances method - will be used for the replenishment of Designated Account.

Financial Reporting Arrangements

51. The Financial Accountant of ALCO will be responsible for preparing and submitting the bi-annual IFRs and send copy to the IDA as per the deadline of 45 days after the end of each six months. The NGO recruited will submit financial and technical reports to ALCO on a monthly basis. The content and format of these reports was agreed upon during negotiation.

Auditing Arrangements

52. An independent external auditor will be selected to audit the financial statements of the project. The TOR for the external auditors were reviewed and cleared by IDA at negotiations.

Conclusion of the assessment

53. The conclusion of the assessment is that the financial management arrangements put in place by ALCO meet the Bank's minimum financial management requirements under OP/BP10.02. The overall financial management residual risk for ALCO is rated as modest.

Financial Management Supervision Plan

54. In line with the risk based supervision regional guidelines and overall financial management residual risk attributed to the project in the respective participating countries the proposed supervision intensity for the project is as summarized as follows:

Table 11: Proposed Supervision Intensity

Country	Overall Inherent Risk	Overall Control Risk	Overall FM Residual Risk Rating	Supervision Intensity (on site visit)
Ghana	M	M	M	Once a year
Togo	S	S	S	Twice a year
Benin	M	M	M	Once a year
ALCO	M	M	M	Once a year

Disbursement Arrangements (All Countries)

55. **Disbursement arrangements and use of funds.** Proceeds of the financing will follow the standard Bank procedures for Investment Lending, for use by each Recipient for eligible expenditures as defined in project financing agreements. Disbursement arrangements have been designed in consultation with each Recipient after taking into consideration the assessments of its financial management and procurement arrangements, the procurement plan, cash flow needs of the operation and its prior disbursement experience. Additional instructions for disbursements will be provided in Disbursement Letters to be issued for this project for each respective country.

56. **Disbursement methods.** The Credits/Grant will be disbursed through various disbursement methods, including advances, reimbursements, direct payments and special commitments. Advances will be disbursed into a single Designated Account(s) (DA) for each Recipient, each to be managed by the respective project coordination unit at the participating Ministry or Agency.

57. The Financing for Togo will have an additional DA for ALCO regarding Component D of the project. The Designated Accounts, segregated from counterpart financing, will be denominated in US Dollars for the operation in Ghana, and in CFAF for the CFAF zone countries. Considering the cash flow requirements and project design, a flexible ceiling for each DA will be provided to the operation, equivalent to four months' financing requirements based on funding forecasts for two quarters as provided in quarterly interim financial reports or

approved Annual Work Plans prepared for each PCU. Direct payments method of disbursements will be applied for all payments made for contracts in excess of US\$1 million or equivalent.

58. Reporting on use of Financing. Supporting documentation will be requested along with withdrawal applications as specified in the disbursement letter. This will comprise summary reports, viz., Statements of Expenditure for payments made by each Recipient from the Designated Account and requests for reimbursements for eligible expenditure. Copies of original documents or records shall be requested only for certain categories of expenditures above financial thresholds specified in the Disbursement Letters.

59. These disbursement arrangements may be reviewed and revised at a later date during project implementation. Any such revisions will be documented in amendments to the Disbursement Letters.

Use of SOEs (all countries)

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

Financing Categories

61. The following tables specify the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing (“Category”), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

Table 12: Categories of Eligible Expenditures - Ghana

Category	Amount of the Credit Allocated (expressed in US\$)	Percentage of Expenditures to be Financed (inclusive of taxes)
(1) Goods, works, services and training for CEPS	2,500,000	100%
(2) Goods, works and services for GHA	115,800,000	100%
(3) Goods, services, training and operating costs for MRH	1,700,000	100%
Total Amount	120,000,000	

Table 13: Categories of Eligible Expenditures - Togo

Category	Amount of the Grant Allocated (expressed in US\$)	Percentage of Expenditures to be Financed (inclusive of taxes)
(1) Works for road improvement	19,700,000	100%
(2) Other works, goods, consulting services, training, operating costs	7,100,000	100%

(3) Reimbursement of the advance (PPF)	195,000	To be refinanced
(4) HIV/AIDS Program & Corridor Perf.	6,000,000	100%
Total Amount	33,000,000	

Table 14: Categories of Eligible Expenditures - Benin

Category	Amount of the Credit Allocated (expressed in US\$)	Percentage of Expenditures to be Financed (inclusive of taxes)
(1) Works for road improvement	61,400,000	100%
(2) Other works, goods, consulting services, trainings, operating costs	12,660,000	100%
(3) Reimbursement of the advance (PPF)	940,000	To be refinanced
Total Amount	75,000,000	

Annex 8: Procurement Arrangements

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

A. GENERAL

I. Applicable procurement policies and procedures

1. Procurement would be carried out in accordance with the World Bank's "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004, revised October 2006; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, revised October 2006. Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 shall apply to the project, and the provisions stipulated in the Financing Agreements with the three countries. The various items under different expenditure categories are described in general below. For each contract to be financed by the credits to Ghana and Benin and the grant to Togo, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time frame are agreed between the Recipients and the Bank in the respective Procurement Plan for each country and for ALCO.⁴⁶ The Procurement Plans will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

2. Procurement would be carried out using the Bank's Standard Bidding Documents (SBD) for all International Competitive Bidding (ICB) for goods and works and for Standard Request for Proposal (RFP) for the selection of consultants through competitive procedures. For National Competitive Bidding (NCB) for goods and works and the selection of consultants through methods other than Quality and Cost-Based Selection (QCBS), Ghana may follow its national procedures that are governed by the Ghana Public Procurement Act 663 of 2003, with the exceptions that are specified under "Ghana" below. Benin, Togo, and ALCO will develop standard documents based on the Bank's SBDs for NCB for goods and works and the Bank's RFP for the selection of consultants through methods other than QCBS, with modifications that will be submitted to the IDA for prior approval.

Advertising

3. **All countries:** In order to get the broadest possible interest from eligible bidders, a General Procurement Notice (GPN) will be prepared by each country and published in the UN Development Business (UNDB) online, Development Gateway's Market (dgMarket), and in national newspapers of wide circulation to advertise for major consulting assignments (above US\$200,000 equivalent) and ICB in accordance with advertising provisions in the following guidelines: "*Guidelines: Procurement under IBRD Loans and IDA Credits*" dated May 2004 revised October 2006; and "*Guidelines: Selection and Employment of Consultants by World*

⁴⁶ The financing for the project activities to be carried out by the Abidjan-Lagos Corridor Organization (ALCO) would be included in the grant agreement with Togo. ALCO is a regional organization located in Benin.

Bank Borrowers” dated May 2004, revised October 2006. The Borrowers will keep a roster of the responses received from the potential bidders interested in the contracts.

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

5. For ICB and requests for proposal that involve QCBS, the contract awards shall be published in UNDB online and in *dgMarket* within two weeks of receiving IDA’s “no objection” to the recommendation of contract award. For Goods, the information to publish shall specified: (i) name of each bidder who submitted a bid; (ii) bid prices as read out at bid opening; (iii) name and evaluated prices of each bid that was evaluated; (iv) name of bidders whose bids were rejected and the reasons for their rejection; and (v) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded. For Consultants, the following information must be published : (i) names of all consultants who submitted proposals; (ii) technical points assigned to each consultant; (iii) evaluated prices of each consultant; (iv) final point ranking of the consultants; and (v) name of the winning consultant and the price, duration, and summary scope of the contract. The same information will be sent to all consultants who have submitted proposals.

II. Procurement Methods

6. The different types of procurement activities and total costs of contracts in the respective countries are as follows:

Methods Common to All Three Countries and ALCO

7. **Training, Workshops, Study Tours, and Conferences** will be carried out on the basis of approved annual training plans. A training plan specifying the nature of the proposed training or workshop, number of trainees/participants, duration, staff months, timing and estimated cost will be submitted to IDA for review and approval prior to initiating the training. The appropriate methods of selection will be derived from the detailed schedule. After the training has been provided, the beneficiaries will be required to submit a brief report listing the skills that they have acquired and showing how these skills will contribute to enhance their performance and contribute to the attainment of the project objectives.

8. **Operating Costs financed by the project** are incremental expenses related to the implementation of the project, including office supplies, operation and maintenance of vehicles, maintenance of building and equipment, communication, office rental, utilities, consumables, transport and accommodation, and travel costs and per diem, bank charges, insurance cost, travel, supervision and advertising, salaries of contractual staff but excluding salaries for members of the Recipient’s civil service.. The procedures for managing these expenditures will be governed by the Borrower’s own administrative procedures, acceptable to the IDA.

Ghana

9. Procurement of Works. Works procured by Ghana under the project consist mainly of road rehabilitation and other road improvements, at an estimated total cost of US\$119 million.⁴⁷ Contracts for works estimated to cost US\$5 million equivalent or more per contract shall be procured through ICB. Contracts estimated to cost less than US\$5 million equivalent may be procured through NCB. Contracts estimated to cost less than US\$100,000 equivalent per contract may be procured using shopping procedures in accordance with Para. 3.5 of the Procurement Guidelines.⁴⁸ Direct contracting may be used in exceptional circumstances with the prior approval of the Association, in accordance with paragraphs 3.6 and 3.7 of the Procurement Guidelines. Contracts for works or non consulting services estimated to cost US\$5 million equivalent or more are subject to prior review by the Association. The first two NCB works contracts and all works contracts procured under direct contracting will also be subject to prior review. All other works contracts are subject to post review.

10. For NCB for goods and works, Ghana may follow its own national procedures that are governed by the Ghana Public Procurement Act 663 of 2003, with the following exceptions: (i) foreign bidders shall be allowed to participate in National Competitive Bidding procedures without restriction of any kind; (ii) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (iii) no domestic preference shall be given for domestic bidders and for works; and (iv) in accordance with paragraph 1.14(v) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the Credit shall provide that: (a) the bidders, suppliers, contractors and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association; and (b) the deliberate and material violation by the bidder, supplier, contractor or subcontractor of such provision may account to an obstructive practice as defined in paragraph 1.14(a)(v) of the Procurement Guidelines.

11. **Procurement of Goods.** Goods procured by Ghana under the project would include road safety equipment, office equipment, software, communication and dissemination equipment, and vehicles, for an estimated total cost of about US\$2 million. Contracts for goods estimated to cost US\$500,000 equivalent or more per contract shall be procured through ICB. Goods orders shall be grouped into larger contracts wherever possible to achieve greater economy. Contracts estimated to cost less than US\$500,000 may be procured through NCB. Contracts estimated to cost less than US\$100,000 equivalent per contract may be procured using shopping procedures in accordance with Para. 3.5 of the Procurement Guidelines. Direct contracting may be used in exceptional circumstances with the prior approval of the Association, in accordance with paragraphs 3.6 and 3.7 of the Procurement Guidelines. Contracts for goods estimated to cost

⁴⁷ See Annex 4 for a description of project activities by country and component.

⁴⁸ Shopping consists of the comparison of at least three price quotations in response to a written request. Additional information on how to do prudent shopping is contained in the *Guidance on Shopping* available at the Bank's external web site for procurement under Procurement Policies and Procedures.

US\$500,000 equivalent or more are subject to prior review by the Association, as well as the first two NCB goods or non consulting services contracts and all goods procured under direct contracting. All other contracts are subject to post review. See the preceding paragraph for the procurement of goods through NCB.

12. **Selection of Consultants.** Consulting services for Ghana would consist of the design for road rehabilitation and improvements, supervision of road rehabilitation, environmental and social studies and monitoring, and audits, at an estimated total cost of US\$7.2 million. Consulting firms will be selected through the following methods:

- (i) Quality and Cost Based Selection (QCBS);
- (ii) Selection based on the Consultant's Qualification (CQS) for contracts with an estimated cost of less than US\$100,000 equivalent;
- (iii) Least Cost Selection (LCS) for standard tasks such as insurances and financial audits;
- (iv) Single Source Selection (SSS) on an exceptional basis and with prior agreement of the Bank, in accordance with paragraphs 3.10 to 3.12 of Consultant Guidelines.

13. All consultants' contracts with an estimated cost per contract of US\$100,000 or more, and the first two consultants' contracts procured under CQS will be subject to prior review by the Bank. Individual Consultant (IC) will be selected in accordance with paragraph 5.1 to 5.4 of Bank Guidelines. Single source selection for IC may be used only with prior agreement of the Bank. Short lists of consultants for Ghana for services estimated to cost less than US\$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Togo and ALCO⁴⁹

14. **Procurement of Works.** Works procured by Togo under the project essentially consist of road rehabilitation and other small works improvements totaling about US\$26 million. Contracts for works estimated to cost US\$3 million equivalent or more per contract shall be procured through ICB. Contracts estimated to cost less than US\$3 million equivalent may be procured through NCB. Contracts estimated to cost less than US\$50,000 equivalent per contract may be procured using shopping procedures in accordance with Para. 3.5 of the Procurement Guidelines. Direct contracting may be used in exceptional circumstances with the prior approval of the Bank, in accordance with Paragraphs 3.6 and 3.7 of the Procurement Guidelines. Contracts for works or non consulting services estimated to cost US\$3 million equivalent or more are subject to prior review by the IDA. All other contracts are subject to post review, except for the first two NCB and first two Shopping contracts.

15. **Procurement of Goods.** Goods procured by Togo and ALCO under the project would include office equipments, furniture, software, equipment for communication and dissemination,

⁴⁹ ALCO would implement a portion of the project, as specified in Annex 4, under a Project Agreement with IDA. These activities would be included in the grant agreement with Togo.

and vehicles, with an estimated total value of US\$3 million. Contracts for goods estimated to cost US\$300,000 equivalent or more per contract shall be procured through ICB. Limited International Bidding (LIB) may be used as permitted by the Procurement Guidelines. Contracts estimated to cost less than US\$300,000 may be procured through NCB. Contracts estimated to cost less than US\$50,000 equivalent per contract may be procured using shopping procedures in accordance with Para. 3.5 of the Procurement Guidelines. Direct contracting may be used in exceptional circumstances with the prior approval of the IDA, in accordance with paragraphs 3.6 and 3.7 of the Procurement Guidelines. Goods orders shall be grouped into larger contracts wherever possible to achieve greater economy. Contracts for goods estimated to cost US\$300,000 equivalent or more are subject to prior review by the Bank. All contracts procured under direct contracting would be subject to prior review. All other contracts are subject to post review, except for the first two NCB and first two Shopping contracts.

16. **Selection of Consultants.** Consulting services for Togo and ALCO would include the design of road improvements, supervision of road rehabilitation, environmental and social studies and monitoring, introduction of trade facilitation measures, and audits, at an estimated total cost of US\$6 million. Each contract for consulting services estimated to cost the equivalent of \$200,000 or more procured on the basis of Quality and Cost-based Selection or Least-Cost Selection would be subject to prior review. All other consulting contracts would be subject to post review. Short lists of consultants for Togo for services estimated to cost less than US\$200,000 may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Benin

17. **Procurement of Works and Goods.** Works procured by Benin under the project essentially consist of road rehabilitation and other small works improvements totaling US\$74 million. Goods procured by Benin under the project would include road security equipment, office equipments, furniture, software, and vehicles, with an estimated total value of about US\$4 million. The methods to be used and their thresholds, as well as the thresholds for the prior of contracts in Benin are the same as those for Togo and ALCO specified above.

18. **Selection of Consultants.** Consulting services for Benin would include the design of road improvements, supervision of road rehabilitation, environmental and social studies and monitoring, introduction of trade facilitation measures, and audits, at an estimated total cost of US\$8 million. The methods and the thresholds for prior review would be the same as for Togo. Short lists of consultants for Benin for services estimated to cost less than US\$200,000 may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

B. ASSESSMENT OF THE CAPACITY OF THE AGENCIES TO IMPLEMENT PROCUREMENT

19. The project procurement officer in the implementing agency or agencies in each of the four countries and ALCO⁵⁰ will be responsible for the coordination of all procurement activities, including the following: (i) preparation and updating the procurement plans (ii) preparation, finalization and launching of the requests for proposal and bidding documents; (iii) drafting of minutes of opening of the bids/proposal and preparation of the evaluation reports; (iv) submitting of procurement documents (TORs, RFP, bidding documents, evaluation reports, contracts, etc.) to the Bank when prior review is required; (v) preparing the contracts, and overseeing the payments to contractors; and (vi) drafting of procurement progress report.

20. The capacity assessments are described below.⁵¹ The ratings refer to the current situation, as assessed, that is before the agreed mitigating measures have been implemented.

Country	Overall Procurement Risk
Ghana	Moderate
Togo	Substantial
Benin	Moderate
ALCO (Regional Agency)	Low

Ghana

21. The procurement activities will be carried out by the Ghana Highway Authority (GHA) and the Ghana Customs, Excise and Preventive Service (CEPS), and will be coordinated by the Ministry of Roads and Highways (MRH) through a Procurement Team. Under Ghana's Public Procurement Law, MRH, GHA, and CEPS are autonomous procurement entities and have the legal mandate to undertake procurement. It has been agreed that GHA will do the procurement and contract management for the intervening stations/rest stops on behalf CEPS because of its greater experience in the procurement of civil works.

22. An assessment of the procurement capacity of MRH, GHA, and CEPS was carried out during the preparation of two other road projects funded by the Bank, i.e. the West Africa Transport and Transit Facilitation Project (WATTFP) in March 2008 and the Transport Sector Project (TSP) in January 2009. Therefore, the current review only assessed whether there have been any significant changes since the last two capacity reviews and whether the quality of the procurement documents that have recently been submitted by the three agencies for IDA's prior review have been satisfactory.

23. The assessment reviewed the organizational structure for implementing the project and the interaction between the implementing agencies and their staff responsible for procurement and relevant central unit for administration and finance and found that the existing structure for procurement of the above entities responds to the requirements of the Ghana's Public Procurement Law.

⁵⁰ See Annex 6 for a description of the institutional arrangements.

⁵¹ The detailed procurement capacity assessment for each country is available in the Bank's project files.

24. The review found that the Implementing Agencies and the Ministry: (i) are already implementing the West Africa Transport and Transit Facilitation Project; (ii) have entity tender committees and review boards in their permanent organization; (iii) have adequate internal technical and administrative controls and anti-corruption procedures; and (iv) have satisfactory appeals mechanisms for bidders. An assessment of the capacity of each agency to do the procurement for the project under the Bank's Guidelines and procedures is given below.

25. The results of the capacity assessment have shown that the procurement risk for GHA is moderate, for CEPS substantial, and for MRH moderate, giving an overall risk rating for Ghana as moderate.

Ghana Highway Authority

26. The review of GHA found that it has implemented World Bank financed projects for several years – e.g. in the last six years under the Road Sector Development Project, the West Africa Transit and Transport Facilitation Project (WATTFP), and recently the Transport Sector Project (TSP) - and has gained significant experience to handle procurement under the project. In GHA the departments of Planning; Contracting; and Stores, Plant and Equipment have responsibilities for the conduct of procurement for services, works and goods. Procurement responsibilities are assigned to the departments, and individuals in the departments are in turn assigned cases to handle. As the work load is expected to increase with the start of the proposed project and other commitments, the quality in the delivery of efficient procurement for goods, services and works, under the Bank's Guidelines is likely to be affected.

27. The corporate responsibility for roads has relatively high procurement content, covering the entire spectrum of procurement categories. The main procurement risk is that the limited number of staff with procurement responsibility may not be able to deal with the volume of work, resulting in delays in the delivery of expected outputs according to the procurement plans. The risk rating is moderate.

28. To reduce the risk of being unable to cope with the volume, it is anticipated that GHA: (i) appoint a dedicated focal person with very good knowledge in procurement, to support the Project Manager with the portion of the project implemented by GHA; (ii) select at least three staff, one from each of the three departments, who would be interested in becoming proficient in procurement; (iii) arrange for these staff members to undergo training in procurement of services, goods and works at GIMPA (Ghana), ESAMI (Tanzania), or another procurement training centre; (iv) assign these staff members to procurement functions upon completion of their training; and (v) encourage the departmental and regional officers to work together for a more effective and timely management procurement in GHA.

CEPS

29. Like the other implementing agencies in Ghana, the procurement functions of CEPS are governed by the 2003 Public Procurement Act 663. It is a member of Revenue Agencies Governing Board and, as an Implementing Agency, comes under the umbrella of MOFEP and does not have well established lines of communication with MRH. However, CEPS is already

participating in the implementation of another regional road project, WATTFP, in collaboration with MRH.

30. The main risk is the sustainability of the procurement capacity, which may not be available to conduct procurement when required. The procurement risk in CEPS is therefore rated as substantial.

31. To address this situation, it is recommended that CEPS: (i) appoint a dedicated focal person with very good knowledge in procurement, to manage the aspects of the project for which CEPS is the implementing agency; and (ii) train younger members of staff, with interest in procurement of services, goods and works, using World Bank guidelines, at the regional procurement training centers at GIMPA (Ghana) or ESAMI (Tanzania). It is expected that these staff members will work as a team to provide effective, timely and focused procurement support to CEPS under competent procurement leadership

Ministry of Roads and Highways (MRH)

32. MRH has experience in handling procurement in Bank projects for many years. A Procurement Team is being set up for the proposed project to coordinate the work of the two implementing agencies (GHA and CEPS) and provide quality control for all procurement related activities. More specifically, it will: (i) coordinate the procurement process for the services, goods and works component; (ii) make sure that the agreed implementation schedules are followed; (iii) review all technical and financial reports received by the agencies from consultants and contractors working under the project; (iv) provide overall management of the financial accounts of the project; (v) arrange for annual independent technical audits of the works under the project and for procurement audits of all facets of the Ghanaian component of the project; and (vi) prepare and distribute aggregated reports every six months.

33. The Procurement Team will be composed of selected procurement focal persons drawn from the Ministries and their Agencies with sound knowledge of the Bank's guidelines and experience in procurement of goods, works and services. The Director of Procurement of MRH will coordinate the activities of the Procurement Team. The Director will be the contact person for all Bank related procurement matters and will ensure that all contracts are awarded and signed by the responsible officials. The terms of reference of the Procurement Team are detailed out in the PIM. The procurement risk for MRH is rated as moderate.

34. To enhance the capacity of the Procurement Team and the other procurement focal officers, it was agreed that MRH will work with GIMPA to develop an appropriate training program, which will involve Bank procurement specialists. The program will aim at preparing staff selected from MRH and MOFEP and their agencies, in the medium to long term, to effectively manage goods, works and services procurement in all donor-funded projects.

35. The assessment identified the stages of procurement processing at which delays have frequently occurred. For services delays occurred in: (i) the preparation of request for proposals (RFPs) (ii) advertising and evaluating / assessing EOIs for shortlists, (iii) evaluating technical proposals, and (iv) awarding contracts. For goods and works the delays occurred in: (i) the

preparation of bidding documents, (ii) bid evaluations, and (iii) awarding of contracts. Two other areas that contribute to delays are (a) lack of relevant procurement delivery capacity, and (b) the assumption that implementation of the procurement plans would follow the logic of the sequential steps, whereas it is significantly affected by the competing demands of time for implementation of other activities.

Table 1: Mitigating measures to reduce the procurement risk – Ghana

No.	Risk Areas in procurement processing	Major sources of delays	Mitigation Actions	By Whom	By When
Consulting Services					
1	Preparation of RFPs	Preparation and approval of TORs and estimation of cost of services	A Procurement Team (PT) has been set up within MRH headed by Director of Procurement and composed of procurement specialists from IAs to conduct and manage procurement activities, including finalization of RFPs based on inputs from relevant agencies	PT	Documented in PIM
2	Advertising and evaluating / assessing EOIs for shortlists,	Evaluating EOIs for shortlists and getting internal approvals	Focused training on shortlist evaluation process will be organized. Efforts will be made to reduce approval times. Further, the critical approval time will be reflected in the timelines of the procurement plans.	IAs	On-going
3	Evaluation of technical proposals,	Meetings and getting internal approvals at the level of Entity Committee, or Central, Ministerial and Regional Review Boards as applicable, and also at the Bank	Close monitoring of procurement plans on a monthly basis both by the PIT and the Bank; develop plans based on an understanding of: (i) estimated cost of the services and, therefore, appropriate level to direct approval requests, and (ii) the meetings schedules of the appropriate authorities. The plans will reflect the actual time it takes to prepare and evaluate proposals based on country specific systems	PT	On-going
4	Awarding contracts	Interactions with Entity Committees and Review Boards, Bank review of No-Objection request, and possible interference from higher authorities	PT to closely monitor and exercise quality control on all aspects of the procurement process, including evaluation, selection and award. <i>On the Bank side</i> , the team to monitor progress of activities on a regular basis and maintain a monthly evaluation framework. All delays and irregularities will be documented by the Public Procurement Authority for discussions at a higher level.	Relevant Agencies; Public Procurement Authority, Bank	On-going

No.	Delay Risk Areas in the procurement processing steps	Major source of the delays	Mitigation Actions	By Whom	By When
Goods and Works					
1	Preparation of bidding documents	Getting required technical inputs into bidding documents and getting approvals	A P T will be set up within MRH headed by Director, Procurement and consisting of procurement specialists from IAs to conduct and manage procurement activities, including finalization of bidding documents based on inputs from relevant agencies	PT	Documented in PIM
2	Bid evaluations	Meetings and Internal Approvals at the level of Entity Committee, and Central, Ministerial and Regional Review Boards as applicable	Close monitoring of procurement plans on a monthly basis both by the PIT and the IDA; develop plans based on an understanding of: (i) estimated cost of the goods and works and, therefore, appropriate level to direct approval requests, and (ii) the meetings schedules of the appropriate authorities. The plans will reflect the actual time it takes to prepare and evaluate proposals based on country specific systems	PT	On-going
3	Awarding contracts	Interactions with Entity Committees and Review Boards	Efforts will be put in place to reduce approval times; PT to closely monitor and exercise quality control on all aspects of the procurement process, including evaluation, selection and award. On the IDA side, the team to monitor progress of activities on a regular basis and maintain a monthly evaluation framework. All delays and irregularities will be documented by the Public Procurement Authority for discussions at a higher level.	Relevant Agencies; Public Procurement Authority; IDA	On-going
Overall					
1	Lack of adequate procurement capacity	Inability to respond in a timely manner	Focused training specific to the areas of weakness; a training program will be developed to respond to specific gaps identified in needs assessment	MRH, relevant Agencies	Anticipated by effectiveness (not a condition of effectiveness); and to be maintained thereafter
2	Competing demands on staff	Limited staff with specialized knowledge in Bank procurement	Better and more efficient scheduling of workload deliverables; strengthening the procurement team through training and mentoring	All implementing and beneficiary agencies	On-going

Togo

36. A Country Procurement Assessment Report (CPAR) for Togo was prepared in October 2003 and was adopted by the government in March 2008. The CPAR includes an action plan to modernize the regulatory and institutional framework to (i) improve the management of public contracts, (ii) modernize public procurement procedures, (iii) strengthen the capacity for procurement, (iv) establish an independent control system, and (v) adopt anti-corruption measures. In addition, the plan provides for the gradual empowerment of the decentralized procurement entities; the definition of a strategic framework for capacity building in procurement; and the updating of tools such as standard bidding documents and manual for procurement procedures to ensure effective use of the procurement code.

37. Due to the delay in adoption of the CPAR, the only action that has so far been completed is the creation of the National Committee of Coordination and Monitoring (*Comité National de Coordination et de Suivi (CNCS)*). CNCS has recruited a consultant to evaluate the national procurement system on basis of OECD/DAC indicators, and to prepare a new procurement law and procurement code with legal and institutional procurement framework in line with the procurement guidelines of the West Africa Economic and Monetary Union (WAEMU). The Government is in the process of adopting a new procurement law. However the PEMFAR of 2008 confirmed that a credible and operational national procurement system does not yet exist. The National Tender Board is not used adequately, and single source or shopping are the most frequently used methods.

38. Procurement activities for the project in Togo will be carried out by the Procurement Specialist of the Project Coordination Unit (PCU). The Procurement Specialist was nominated; he is an engineer who will work full time on the project. He will work closely with the focal point in DGTP who will prepare the bidding documents related to DGTP procurements activities under the project.

39. All project procurement prior review documents should be submitted to IDA through the PCU. The procurement officer will oversee and manage the project procurement activities and ensure that these activities are proceeding in a timely manner and according to the project objectives.

40. The Bank's Procurement Specialist based in the Togo Country Office assessed the capacity of DGTP and the PCU of DGDAT. The assessment covered the organizational structure for implementing the project and the interaction between the procurement officer of the PCU and the other implementation Agencies and the Ministry concerned, *Ministère du Développement, de la Coopération et de l'Aménagement du Territoire* (MDCAT). The assessment showed that the experience of DGTP with World Bank's procurement procedures is satisfactory; but that the PCU staff has no experience in World Bank's procurement procedures.

41. The following risks for carrying out procurement activities for the proposed project were identified: (i) lack of procurement capacity at the PCU, (ii) lack of acceptable procurement code,

(iii) lack of recourse entities, and (iii) lack of standard bidding documents. Accordingly, the risk for procurement in Togo is rated substantial.

42. The following mitigating measures to reduce the procurement risk for Togo were have been agreed on:

Table 2: Mitigating measures to reduce procurement risk - Togo

Action	Completion	Responsibility
Preparation of a training plan on procurement for the PCU	Anticipated before effectiveness (not an effectiveness condition)	PCU
Preparation of a procurement section in the PIM	To be documented in the PIM	PCU

Benin

43. A CPAR for Benin was prepared in April 1999, and an action plan for the reform of the procurement system was prepared in November 2002. The action plan aims at modernizing the regulatory and institutional framework, specifically to: (i) improve the management of public contracts; (ii) modernize public procurement procedures; (iii) strengthen capacities; (iv) establish an independent control system; and (v) adopt anti-corruption measures. In addition, the plan provides for the gradual empowerment of the decentralized procurement entities; the definition of a strategic framework for capacity building in procurement; and the updating of tools such as standard bidding documents and manual for procurement procedures to ensure effective use of the procurement code.

44. Implementation of the new institutional framework has resulted in the creation of: (i) the National Commission of Public Procurement Regulation, an entity that is independent of procurement transactions and comprises representations from public and private sectors and civil society; it is responsible for policy, audit of public procurement and deals with complaints from bidders; (ii) the National Directorate for Public Procurement (DNMP) responsible for controlling the quality of procurement transactions; and (iii) Public Procurement Units (CPMP) at the ministerial level. The government is harmonizing the legal and institutional procurement framework with the WAEMU Procurement Directives that was adopted by its Council of Ministers in December 2005. To that end, a new procurement law has been sent to Parliament for adoption.

45. Procurement activities for the project will be carried out in Benin by the Public Works Department (*Direction Générale des Travaux Publics (DGTP)*) through the existing PCU (*Cellule de Coordination du Programme Sectoriel des Transports (CC/PST)*). The nominated procurement specialist will work full time on the project. He will work closely with the Procurement Unit (*Cellule de Passation des Marchés Publics*) of the Ministry of Transport.

46. All project procurement prior review documents should be submitted to IDA through the PCU. The procurement officer will oversee and manage the project procurement activities and

ensure that these activities are proceeding in a timely manner and according to the project objectives.

47. IDA has assessed the capacity of DGTP to execute procurement activities under the project, as well as the organizational structure for the project implementation and the interaction between the staff of the PCU, who will be responsible for procurement, and the Ministry of Transport, which is participating in the project. The assessment showed that the experience of CC/PST (PCU) with the World Bank's procurement procedures is satisfactory and that the qualifications of the procurement officer and the PCU staff are adequate to enable them to manage the project procurement activities. In April 2008, the procurement officer of CC/PST and one procurement staff of the Ministry's procurement unit received training on the World Bank's procurement procedures at ISADE.

48. The following risks for carrying out procurement activities for the proposed project were identified: (i) delay in procurement reviews by the National Directorate for Public Procurement (DNMP); and (ii) lack of standard bidding documents. Accordingly, the risk for procurement in Benin is rated moderate.

49. The following mitigating measures to reduce the procurement risk for Benin were agreed upon:

Table 3: Mitigating measures to reduce procurement risk - Benin

Task	Completion	Responsibility
Learning-by-doing procurement training on World Bank procurement procedures	Completed	CC/PST
Preparation of the procurement section of the PIM	To be documented in the PIM	CC/PST

ALCO

50. The Executive Secretariat of ALCO will implement some activities of the proposed project. A procurement capacity assessment was conducted in April 2009 by the IDA project team, to review the organizational structure for procurement implementation in ALCO.

51. The assessment showed that ALCO's Executive Secretariat is well familiar with the World Bank's procurement procedures and has the required procurement capacity for the proposed project. ALCO has successfully implemented a World Bank supported project that closed on December 31, 2007. ALCO has a procurement services staffed with three procurement officers, one of whom is a former procurement specialist on the Bank-assisted project and will be responsible of the procurement activities under the proposed project. Payments to suppliers, contractors and consultants have been made in a timely manner.

52. ALCO has an implementation manual with a section on procurement. The manual is considered satisfactory by the IDA and will be used for procurement activities under the proposed project. The procurement risk is rated low.

C. PROCUREMENT PLAN

53. The three countries and ALCO have developed separate draft procurement plans which provide the procurement methods for each contract. The plans cover the first 18 months of program implementation. These plans *were* agreed between the three countries and the IDA on September 7, 2009 for Ghana, September 30, 2009 for Togo, and Oct 6, 2009 for Benin and will be available at the respective implementing agency or agencies in the respective country. They will also be available in the project's database and in the World Bank's external website. The procurement plans will be updated in agreement with the IDA at least annually or as required to reflect the annual implementation needs and improvements in institutional capacity.

Prior Review Thresholds for Works

Procurement method	Prior Review Threshold (in US\$)		
	Benin	Ghana	Togo and ALCO
ICB and LIB (if applicable)	3,000,000	5,000,000	3,000,000
NCB	The first two contracts	The first two contracts	The first two contracts
Shopping	The first two contracts	None	The first two contracts
Direct Contracting	All contracts	All contracts	All contracts

Prior Review Threshold for Goods

Procurement method	Prior Review Threshold (in US\$)		
	Benin	Ghana	Togo and ALCO
ICB and LIB (if applicable)	300,000	500,000	300,000
NCB	The first two contracts	The first two contracts	The first two contracts
Shopping	The first two contracts	None	The first two contracts
Direct Contracting	All contracts	All contracts	All contracts

Prior Review Threshold for Consulting Services

Procurement method	Prior Review Threshold (in US\$)		
	Benin	Ghana	Togo and ALCO
QCBS, LCS	200,000	100,000	200,000
CQS	none	The first two contracts	none
Individual consultants	none	100,000	none
Single Source for IC		All contracts	

Note: Prior review is also required for all Terms of Reference.

D. FREQUENCY OF PROCUREMENT SUPERVISION

54. In addition to the prior review to be carried out from World Bank offices, the results of the capacity assessment of the project coordination units call for one supervision mission per country every six months and at least one annual Post Procurement Review by the IDA per country, the sampling for the post review being at least one out of five contracts. Every six months the implementing agencies shall prepare and submit to the IDA review a project procurement management report with details on implementation.

E. DETAILS OF THE PROCUREMENT ARRANGEMENTS

55. Goods, Works, and Non-Consulting Services

(i) List of contract packages to be procured:

Ref. No.	Description	Estimated Amount (US\$)	Procurement Method	Pre qualification (yes/no)	Domestic preference (yes/no)	Prior Review	Estimated Bids opening/closing Date	Comments
Ghana								
1	Works for the reconstruction of the Elubo-Agona Junction road	112,000,000	ICB	No	No	Yes	04/16/10	Post qualification. Contract will be broken down in 3 lots.
Togo								
1	Border equipment and Sanvee-Condji and Kodjoviakope	700,000	ICB	No	No	Yes	02/18/11	
2	Aneho-Hillacondji rehabilitation road works and Aneho bridge enlargement works (including the environmental and social mitigation works)	24,300,000	ICB	No	No	Yes	04/15/10	Post qualification. Contract may be broken down in 2 lots
Benin								
1	Additional Support to improve JBP operations (Equipment)	500,000	ICB	No	No	Yes	04/29/10	
2	Additional Support to improve JBP operations (Communication devices)	600,000	ICB	No	No	Yes	07/14/10	
3	Purchase of computer equipment for Customs	200,000	ICB	No	No	No	05/10/10	
4	Godomey-Pahou road rehabilitation works (including	72,000,000	ICB	No	No	Yes	06/30/10	Post qualification

Ref. No.	Description	Estimated Amount (US\$)	Procurement Method	Pre qualification (yes/no)	Domestic preference (yes/no)	Prior Review	Estimated Bids opening/closing Date	Comments
	displacement/reinstallation of networks and Environmental & Social mitigation measures)							
5	Road Safety Equipment (Speed control equipment for the Road Safety National Committee)	284,000	ICB	No	No	No	02/04/10	

- (ii) For Ghana, ICB contracts estimated to cost US\$5 million equivalent or more per contract for works and US\$500,000 equivalent or more per contract for goods and all Direct Contracting will be subject to prior review by the IDA. For Benin, Togo, and ALCO, ICB contracts estimated to cost US\$3 million equivalent or more per contract for works and US\$300,000 equivalent or more per contract for goods and all Direct Contracting will be subject to prior review by the IDA.

56. Consulting Services

(i) List of Consulting Services

Ref. No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Prior Review by the Bank	Expected Proposals Submission Date	Comments
Ghana						
1	Complementary support for the establishment of JBP with Ivory Coast and Togo (support on joint regulations and procedures)	200,000	QCBS	Yes	08/27/10	
2	Supervision of works for the reconstruction of the Elubo-Agona Junction road	6,500,000	QCBS	Yes	12/24/09	
4	Design study for 1 rest stop/official check point along the Aflao-Elubo Corridor	200,000	QCBS	Yes	03/11/10	
5	Road safety study along the Aflao-Elubo corridor	400,000	QCBS	Yes	02/08/10	
6	Selection of Auditor (project audit)	100,000	QCBS	Yes	06/11/10	
Togo						
1	Service Execution Control	400,000	QCBS	Yes	06/24/10	
2	Elaboration of a Customs Operational Manuel (+ related training to the use of it)	150,000	QCBS	Yes	08/31/10	
3	Road and bridge works supervision	2,250,000	QCBS	Yes (+ EoI)	08/23/2009	Selection on-going
Benin						

Ref No.	Description of Assignment	Estimated Cost (US\$)	Selection Method	Prior Review by the Bank	Expected Proposals Submission Date	Comments
1	Technical, economic, social and environmental studies, detailed design, preparation of bidding documents for the Godomey-Hillacondji road	750,000	QCBS	Yes	09/20/07	Design completed, bidding documents on-going, funded by PPF
2	Technical Assistance for the improvement of the Service Execution Control	200,000	QCBS	Yes	03/04/10	
3	Technical Assistance for the set up of email boxes at the DGDDI	100,000	QCBS	Yes	08/05/10	
4	Technical Assistance for interconnection between all customs posts (Sèmè Krakè, Hillacondji, Port of Cotonou, DGDDI)	150,000	QCBS	Yes	09/16/10	
5	Procurement of Consultant Services for an Institutional and Regulatory framework update study at the Port Autonome de Cotonou	200,000	QCBS	Yes	03/31/11	
6	Control and supervision of the Godomey-Pahou road works	US\$ 4,700,000	QCBS	Yes (+ EoI)	04/01/2010	Selection on-going
7	Technical Assistance to the Road Safety National Committee (speed control activities, sensitization, etc.)	216,000	QCBS	Yes	04/15/10	

- (ii) Consulting services estimated to cost US\$100,000 equivalent or more for Ghana, and US\$200,000 for Benin, Togo and ALCO.
- (iii) Short lists of consultants for services estimated to cost less than US\$200,000 equivalent per contract for Ghana, Benin and Togo, may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines.

Annex 9: Economic and Financial Analysis

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

I. Expected benefits from the project

1. The overarching objective of the ALTTFP is to reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos corridor.
2. Expected impact of the proposed project can be divided in two stages. In the short term, the proposed project would result in: (i) reduced transport unpredictability; and (ii) reduced non-logistics costs, such as inventory and storage costs. In the medium term, the proposed project would contribute to higher transport quality and lower transportation tariffs. Indeed, reducing transport time will lead to reduced transportation costs for transportation companies and increased transport supply. The decrease of transportation costs for trucking companies will increase the competitiveness of transportation companies which bear high fixed costs i.e. companies offering a better quality of service.
3. Increased competition will result in decreased transport tariffs and, ultimately, in trade expansion.⁵² Increased transport services reliability and decreased tariffs will also facilitate the integration of local companies into global supply chains. Trade gains are obtained by combining trade creation and trade substitution effects. Since transport inefficiencies are more important for imports, they would be most affected initially and the analysis will mostly focus on the project impact on imports. Nevertheless, improvement of corridor efficiency would impact exports as well as imports in the region. Increased import volumes would benefit local consumers (including local companies relying on foreign inputs) by increasing their consumer surplus but it may also create a loss for some local manufacturers, whose products could be replaced by cheaper imports.
4. However, increased export volume would benefit local producers by opening market opportunities. Overall, trade creation effects are expected to be much larger than trade substitution effects.

Empirical evidence of high transportation time and uncertainty in West Africa

5. Transport costs along the corridor are recognized as a major constraint to the regional trade and competitiveness of those economies. Transport delays and uncertainty contribute to higher transportation costs (see Annex 1 of the PAD). Even more importantly, unreliability and unpredictability of transport services remains the norm throughout West Africa.
6. Unreliability and unpredictability increase transportation and inventory costs. In an uncertain environment, transport companies strive to cope with these problems by investing in costly information systems or employing additional people in charge of smoothing transactions.

⁵² These impacts have however not been quantified in this analysis, as they are deemed to be much less certain than the impact on delays and variance in transit time.

Transport operators invest in costly communication systems such as satellite phones, tracking systems and finally charge the exporter/importer accordingly.⁵³

7. Furthermore, Fafchamps⁵⁴ demonstrated empirically in nine African countries that the incidence of delayed deliveries has a strong positive effect on inventory holdings. Based on large firm-level surveys, he finds that firms hedge delivery risk by building up inventories, notably inputs. In Africa, firms hold, on average, the equivalent of three months of input needs. A strong correlation exists between late deliveries and inventory. Firms experiencing late deliveries hold, on average, 133 to 198 percent more inventories of inputs and 130 to 147 percent more total inventory. One out of four firms surveyed declared experiencing late deliveries. In economies where the cost of funds is high, this strategy is costly and considerably limits economic efficiency.

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

Economic impact of project activities

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

- (i) port dwell time⁵⁵ (mainly depending on port authorities, freight forwarders and customs' responsibilities);
- (ii) transit rules (depending on the legal framework and on the existence of enforcement and consultation mechanisms between countries and with stakeholders);
- (iii) multimodal and inland clearance facilities efficiency (mainly depending on inland facilities operators and customs efficiency); and
- (iv) infrastructure and services conditions along the main corridors (depending mainly on roads administration, road transporters and rail operators).

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

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

⁵³ For a detailed assessment of the impact of transport unreliability and unpredictability on trade, see Arvis, Jean-Francois, Raballand, Gaël and Marteau, Jean-François (2007), "The Cost of Being Landlocked: Logistics Costs and Supply Chain Reliability", World Bank Policy Research Working Paper 4258.

⁵⁴ Fafchamps, M., (2004), *Market Institutions in Sub-Saharan Africa*, Cambridge (MA): MIT Press, Chapter 7 "Inventories and Contractual Risk", pp.137-149.

⁵⁵ Several causes contribute to high dwell time such as port efficiency, transporters and shippers' efficiency, customs and other controlling agencies efficiency and a lack of cooperation between all the stakeholders.

Table 1: Main Activities

Main Activities	Step
Computerized Single window	Single window in Lomé and Cotonou ports; IT interface between agencies;
Customs modernization	Revised customs clearance processes; full rollout of IT at borders
Road infrastructure improvements in Benin, Togo and Ghana	Road rehabilitation works over the next 4 years

Model to estimate the impact of the proposed project

12. In the short/medium term perspective, the model presented below enables us to estimate most savings generated by a typical transit and transport facilitation project.⁵⁶ Estimates are based on a limited number of parameters such as:

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

13. We model a supply chain as a succession of links. Each link along the corridor is characterized by the distance covered,⁵⁷ the average time spent, the uncertainty (modeled as a standard deviation (σ)) and the fixed costs borne. This definition is suitable for transports of goods as well as of passengers.

Link in the supply chain	Distance	Time/Delay	Uncertainty	Fixed Transit Cost
⋮	⋮	⋮	⋮	⋮
i	x_i	t_i	σ_i	c_i

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

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

15. Here, we model the operating parameters per truck for transportation companies⁵⁸ by:

- (i) Variable costs α (calculated per km);
- (ii) Fixed trucking costs β ; and

⁵⁶ Computation of medium/long term gains remains more complex as it should include spillover effects induced by changes in the market structure of transportation and logistics services.

⁵⁷ For some links, distance can be equal or close to 0 such as port clearance, weighbridge crossing, and checkpoint or border-crossing.

⁵⁸ We have not included a payload utilization coefficient because it is generally considered as a fixed coefficient with a rather limited impact. This omission simplifies the operating parameters.

(iii) Load factor λ , to take in account the fact that the truck⁵⁹ may not be full on return.

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

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

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

18. Here,⁶⁰ V equals the value of the cargo, s is the cost of inventory and storage per cargo,⁶¹ k is a safety coefficient and σ is the total standard deviation for the chain given by:

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

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

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

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

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

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

21. Here ε equals the average value of time for passenger and crew.

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

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

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

⁵⁹ The unit of trade in the model is a single shipment (truckload or tonne).

⁶⁰ This equation implies two main non substantial simplifications: normal distribution of the delays and similar value of time for goods in transit and storage.

⁶¹ The main inventory carrying costs are opportunity costs of the money invested in inventory and also inventory shrinkage and obsolescence. Nevertheless, other costs occur such as rent and utilities for warehousing, insurance and taxes on inventory.

Table 2: Main expected impacts by activity

Parameter or variable	Trade facilitation measures	Road infrastructure improvements
α variable trucking costs per km		- positive impact of better road infrastructure on vehicle operating costs (fuel, lubricants and parts consumption)
β fixed trucking costs per day	- Joint Border Posts (JBPs) - Revised customs processes	- positive impact of better road infrastructure on fixed costs for trucking company
t_i time/delay for the link i	- positive impact of single windows, of establishment of efficient JBPs	- positive impact of better road infrastructure on travel time (for passengers and crew mainly)
σ_i uncertainty on the link i	- positive impact of single windows, of establishment of efficient JBPs	
c_i fixed costs per shipment or passenger for the link i	- reduction of en route controls and checkpoints	

25. Benefits of improved trade and transport facilitation for each link can be written as:

$$\underline{\text{facilitation_savings}_i = -(\Delta C_{total})_i = (\beta + V * s) * (t_i - t'_i) + V * s * k * (\Delta\sigma)_i + \Delta c_i}$$

for a link which includes trucking, and

$$\underline{\text{facilitation_savings}_i = -(\Delta C_{total})_i = (V * s) * (t_i - t'_i) + V * s * k * (\Delta\sigma)_i + \Delta c_i}$$

for a link without trucking (e.g. clearance in the port), where $(\Delta\sigma)_i$ is the contribution of link i to the reduction of uncertainty.⁶²

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

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

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

$$\underline{\text{infrastructure_savings}_i = -(\Delta C_{total})_i = (\alpha - \alpha') * x_i / \lambda + (\beta * t_i - \beta' * t'_i) + V * s * (t_i - t'_i)}$$

for goods,⁶³ while

$$\underline{\text{infrastructure_savings}_i = -(\Delta C_{total})_i = \varepsilon * (t_i - t'_i)}$$

for passengers and crew.

⁶² The weight of each link is selected proportional to the decrease of variance.

⁶³ The benefits on inventory costs are mainly captured by the facilitation investments' cost-benefit analysis detailed in Part II.

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

II. Expected impacts of the trade facilitation investments

Summary of costs-benefits analysis

29. The project cost considered for the economic evaluation amounts to US\$27.25 million including taxes. Benefits would reach US\$40.66 million at the completion of the project. The derived net present value (NPV) is US\$4.73 million at a 12 percent discount rate and would provide an economic internal rate of return (EIRR) of 27 percent.

Conservative estimates

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

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

- (i) Gains resulting from decreased delays are such, and because of the difficulty of collecting the data concerning uncertainty, it was decided to concentrate on the decrease of delays, and not uncertainty.
- (ii) Gains resulting from decreased delays are only estimated for imports because they represent the largest share of traffic flows in the sub-region. Nevertheless, exports will also be affected positively by the project.
- (iii) Gains in transport costs are not expected to be passed on to the end user during the life span of the project but they may well materialize before that.
- (iv) Gains resulting from expected decrease in border crossing time are not estimated because of difficulties in quantifying the expected decreased time.
- (v) Returns are calculated based on the project duration (five years), while effects are likely to last beyond the project if compared with a “without project” situation.

Expected transport time and uncertainty decrease

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

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

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

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

	Baseline		Expected at the end of the Project	
	Time (in days)	Uncertainty (in days)	Time (in days)	Uncertainty (in days)
Port of Lagos	$t_1 = 21$	$\sigma_1 = \text{N/A}$	$t_1' = 19$	$\sigma_1' = \text{N/A}$
Port of Cotonou	$t_2 = 8$	$\sigma_2 = \text{N/A}$	$t_2' = 6.5$	$\sigma_2' = \text{N/A}$
Port of Lomé	$t_3 = 3$	$\sigma_3 = \text{N/A}$	$t_3' = 2$	$\sigma_3' = \text{N/A}$

Value of Time for Transportation Equipment and for Goods

35. Derived from our model, we use a value of time for cargo is estimated at US\$15 per day per TEU/truckload.⁶⁴

36. The benefits are calculated with respect to the without-project alternative.

Table 4: Costs-Benefits Analysis of the Project

FY	FY10 (6 months)	FY11	FY12	FY13	FY14
Total Costs (US\$ million)					
Costs	2.75	8.45	9.25	5.05	1.75
Benefits (US\$ million)					
Total Benefits of the project	0.00	0.00	4.28	14.98	21.40
Net Benefits of the project	-2.75	-8.45	-4.97	9.93	19.65
EIRR = 27%, NPV= 4.73 US\$ million					

Sensitivity Analysis on EIRR

37. Table 5 presents the various assumptions tested and their influence on the EIRR of the project. The projected EIRR remains above the opportunity cost of capital even if investments costs would increase.

Table 5: Sensitivity Analysis

	Upside 20%	Downside 20%
Investment Costs	14%	43%

⁶⁴ It has been estimated in a draft World Bank discussion paper (Arnold, J. "Best Practice in Corridor Management", forthcoming) that the average value of a TEU is close to US\$40,000, which is equivalent to US\$20-30 per TEU per day. We lower it in order to get conservative estimates and due to the fact that most imports are consumer goods with low value from Asian countries.

III. Economic analysis of road works component

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

GHANA

39. The derived NPV is US\$122.629 million at 12 percent discount rate, with a traffic growth of 5.26 percent, and a scenario of no cost increase, and would provide an EIRR of 45.4 percent.

40. The following economic analysis has been prepared on the basis of the feasibility study of the road project. The main sources of benefits for the improvement were: (i) savings in Vehicle Operating Costs (VOC); and (ii) savings in travel time.

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

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

43. A detailed economic analysis using the HDM-4 was done for the rehabilitation of the Agona Junction - Elubo section of the Corridor in Ghana. Agona Junction - Elubo was broken down into three sub sections (Agona – Axim; Axim – Ankasa; Ankasa - Elubo). The main results of these studies and the main assumptions used to run the model are summed up in the following paragraphs.

Road sections and traffic estimates

44. A summary of existing conditions of the section is indicated in Table 6.

Table 6: Road sections and traffic estimates

Type	ESAL	Weight	ADT			% of ADT for Each Type			Σ ESAL for Each Type		
			Sec (1)	Sec (2)	Sec (3)	Sec (1)	Sec (2)	Sec (3)	Sec (1)	Sec (2)	Sec (3)
Cars	0.00	1450	1577	2314	600	25%	46%	58%	0.00	0.00	0.00
Heavy Bus	3.15	14000				2%	1%	1%	99.35	72.89	18.90
Heavy Truck	8.06	15000				1%	1%	1%	127.11	186.51	48.36
Light Truck	0.24	5990				4%	2%	3%	15.14	11.11	4.32
Medium Truck	6.53	13000				6%	2%	1%	617.87	302.21	39.18
Pickup	0.12	2570				13%	19%	9%	24.60	52.76	6.48
Small Bus	0.91	2590				37%	23%	19%	530.98	484.32	103.74
Truck	13.32	15000				2%	3%	4%	420.11	924.67	319.68
Trailer											
Σ ESAL for each Sec. per day									1835	2034	541
Monthly ESAL for each direction									27325	30293	8050

Traffic Growth Rates

45. Traffic forecast for Agona – Elubo Road take into consideration the following:
- (i) Normal traffic generation which could be estimated considering the growth factors of socio-economic variables such as population, car ownership, occupancy rates economic growth and tourism factors.
 - (ii) Diversion of traffic from other roads due to upgrading process of Agona – Elubo road.
 - (iii) The international traffic volumes and the relevant variables such as tourism, economic, commercial trades, import and export variables and factors.

46. The traffic growth rate is based on the prediction of the GDP growth rate. The pessimistic scenario results in average annual growth of 4.1 percent, compared with 5.4 percent under the central scenario. Based on the GDP, population and GDP per capita growth rates, the annual growth factor in the traffic volumes is estimated according to the central scenario as 5.26 percent. Considering that international trade will increase by 7 percent, the car ownership will grow by 4 percent and the domestic commodity transportation will increase by 6.4 percent annually. This result led to take the higher value of traffic growth which is related to the central scenario indicating that the annual growth factor of traffic volumes will be 5.26 percent. This value will be considered in the traffic forecast besides the diversion of traffic due to upgrading of Elubo-Agona Road.

Economic Evaluation Results

47. The proposed project was compared with maintaining the road without the improvement. Therefore, two alternatives considered and compared were:
- (a) Maintaining the road without the project - Baseline Alternative; or
 - (b) Improving the road and maintaining it throughout its life - Improvement.

48. The results of the economic evaluation are, with the hypothesis of a 0 percent cost increase and a traffic growth rate of 5.26 percent:

	Max IRI (#)	NPV (millions of \$)	IRR (%)
Upgrading/Reconstruction + Routine maintenance + Overlay every 10 years (Overall weighted average of all three sections)	4.99	122.63	45.4

Sensitivity and Risk analysis

49. A sensitivity analysis was carried out to determine how sensitive the project is to the following factors:

	Traffic Growth = 3.00%			Traffic Growth = 5.26%		
	Max IRI (#)	NPV (millions of \$)	IRR (%)	Max IRI (#)	NPV (millions of \$)	IRR (%)
Case of 0% cost increase	4.48	42.74	28.1	4.99	122.63	45.4
Case of 25% cost increase	4.48	36.06	24.4	4.99	115.95	39.8

50. In all cases, of both cost increase and decrease in traffic, the project is economically justified.

TOGO

51. The derived NPV is US\$51.4 million at 12 percent discount rate, with a traffic growth rate defined below and a scenario of no cost increase, and would provide an EIRR of 48 percent.

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

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

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

55. A detailed economic analysis using HDM-4 was done for the rehabilitation of the Aného – Hillacondji – Benin Border road. The main results of these studies and the main assumptions used to run the model are summed up in the following paragraphs.

Traffic

56. The average daily traffic on the Aneho-Benin border section, by vehicle category and road section, is presented below :

Section	Length (km)	Cars	Minibus	Bus	Pick-up	Small truck	Truck Trailer	Total 4 Wheels	Total 2 Wheels	General Total
Entrance Aného –Aného Bridge	2,42	4 053	439	27	154	85	144	4902	2889	7 791
% by vehicle category		<i>52,02</i>	<i>5,64</i>	<i>0,34</i>	<i>1,97</i>	<i>1,09</i>	<i>1,84</i>	62,92	<i>37,08</i>	100,00
North Aného crossing	2,02	1578	209	1	59	23	1	1872	5005	6 877
% by vehicle category		<i>22,95</i>	<i>3,04</i>	<i>0,02</i>	<i>0,85</i>	<i>0,34</i>	<i>0,01</i>	27,23	<i>72,77</i>	100,00
Aneho bridge – Oasis - North Aného exit	1,8	2154	111	15	88	70	69	2511	2698	5209
% % by vehicle category		<i>41,35</i>	<i>2,14</i>	<i>0,29</i>	<i>1,69</i>	<i>1,34</i>	<i>1,32</i>	48,20	<i>51,80</i>	100,00
North Aného exit – Bénin border	1,27	3 373	144	18	78	65	97	3781	8506	12 287
% % by vehicle category		<i>27,45</i>	<i>1,17</i>	<i>0,15</i>	<i>0,64</i>	<i>0,53</i>	<i>0,79</i>	30,77	<i>69,23</i>	100,00
Junction road	0,24	649	68	2	38	29	14	801	2995	3796
% % by vehicle category		<i>17,11</i>	<i>1,79</i>	<i>0,06</i>	<i>1,00</i>	<i>0,76</i>	<i>0,37</i>	21,10	<i>78,90</i>	100,00

Traffic Growth Rates

57. The hypothesis on the traffic growth rates were based on:
- (i) Growth of past traffic in the project zone (4.5 percent per year)
 - (ii) Expected growth of GDP (4 percent a year)
 - (iii) Annual growth rate of demographics in the impact zone of the project (3,5 percent)
 - (iv) Growth rate of vehicle registration between 1990 and 2005:
 - (i) Almost 13 percent for all types of vehicles
 - (ii) 6.5 percent per year for 4 wheels vehicles
 - (iii) 8.4 percent for passenger transport vehicles.

58. The hypothesis of growth of passenger traffic were based on the vehicle registration growth rate of four wheel vehicles, as well as the annual growth rate of the population in the impact zone of the project, with a mean elasticity of 1.7. The hypothesis on the growth rate of vehicles for freight transport will be based on the growth rate of the national economy, with a mean elasticity of 1.5. The hypothesis lead to the following traffic growth rate for the project zone:

Table 7: Yearly growth rates for Traffic in the project zone

	Traffic of passenger transport vehicles (VP, MB, AC et 2 wheels)	Traffic of freight transport vehicles (CN, CM et EA)
2007	6 %	6%

Table 8: Growth rate hypothesis for traffic during the life of the project

Vehicle category	2007-2012	2012-2017	2017 – End of project
Vehicle for passenger Transport	6%	5%	4%
Vehicle for freight transport	6%	5%	4%

Maintenance strategies and typical unit costs

59. Typical unit costs are presented below:

N°	Designation	Description of works	Frequency	Costs
1	Preparatory works of road rehabilitation	Preliminary treatment of deterioration on the road to be surfaced	Uni > 5	4.000 FCFA/m ² of damaged surface
2	Surfacing	Implementation of a bitumen layer of 5cm on the road	Uni > 5	7.000 FCFA/m ²

Economic Evaluation Results

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

- (i) Maintaining the road without the project - Baseline Alternative; or
- (ii) Improving the road and maintaining it throughout its life - Improvement.

Table 9: Economic Evaluation Results

Description	Project Costs (billions of FCFA)	Residual value (%project costs)	Economical Internal Rate of Return (EIRR)	NPV at 12% (in billions of FCFA)
Road in TVC (tout venant concassé)	5,369	61%	48,0%	25,687

Sensitivity Analysis

61. Different case scenarios were studied: case of a +20 percent cost increase and case of a -20 percent traffic projection.

Table 10: Sensitivity Analysis

Description	Project Costs (billions of FCFA)	Residual value (%project costs)	Economical Internal Rate of Return (EIRR)	NPV at 12% (in billions of FCFA)
Sensitivity : +20% investment	6,443	61%	42,0%	24,682
Sensitivity : -20% Traffic	5,369	61%	41,3%	19,380
Sensitivity : +20% investment; - 20% traffic	6,443	61%	36,2%	18,375

62. In all cases, of both cost increase and decrease in traffic, the project is economically justified.

BENIN

63. The derived NPV is US\$29.3 million at 12 percent discount rate, with a traffic growth rate defined below and a scenario of no cost increase, and would provide an EIRR of 20.5 percent.

64. The following economic analysis has been prepared on the basis of the feasibility study of the road project. The main sources of benefits for the improvement were: (i) savings in VOCs; (ii) savings in travel time; and (iii) savings in maintenance costs.

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

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

67. A detailed economic analysis using HDM-4 was done for the rehabilitation of the Godomey - Pahou road. The main results of these studies and the main assumptions used to run the model are summed up in the following paragraphs.

Road sections and traffic estimates

68. Summary of existing conditions of the section is indicated below.

Section	Car	Van	Small Bus	Bus	2 axle truck	3 axle truck	Truck trailer	ADT	2 wheels
Godomey-Pahou	12 718	1884	963	30	342	317	295	16 548	42 035

Traffic Growth Rates

69. The hypothesis on the traffic growth rates were based on:

- (i) Expected growth of GDP (5 percent a year)
- (ii) Annual growth rate of demographics in the impact zone of the project (4.5 percent)
- (iii) Growth forecast of transport demand:
 - (a) Passenger transport: 5.1 percent
 - (b) Merchandise transport: 4.5 percent
- (iv) Normal traffic growth forecast:
 - (a) Passenger transport: 5.2 percent
 - (b) Merchandise transport: 4.5 percent
 - (c) Van: 4.9 percent
- (v) Induced traffic:
 - (a) The congestion on this section will be reduced and thus it is expected that the induced traffic will be of 5 percent of normal traffic.

70. The hypothesis of traffic growth was based on the fact that the growth of normal traffic depends on the transport demand of each category of transport vehicles (passenger and merchandise). Van traffic is an average of the two previous.

71. Different case scenarios of low and high growth of GDP were also analyzed:

Growth of GDP	Transport type		
	Passenger Transport	Vans	Merchandise Transport
Base (5%)	5.2%	4.9%	4.5%
Low (3%)	2.8%	2.8%	2.7%
High (7%)	7.5%	6.9%	6.3%

Maintenance strategies and typical unit costs

72. Typical unit costs are presented below:

N°	Designation	Costs
1	Periodical maintenance	8000 FCFA/m ² of damaged surface
2	Drainage and sanitation	1000000 FCFA/km/year
3	Lighting and signals	10% of investment/year

Economic Evaluation Results

73. The proposed project was compared with maintaining the road without the improvement of 2x2 lanes. Therefore, two alternatives considered and compared were:

- (a) Rehabilitation in 2010 and 2x2 lanes in 2017 - Baseline Alternative; or
- (b) 2. 2x2 lanes in 2010 and maintaining it throughout its life - Improvement.

74. The rate of discount used is 12 percent. The project economical costs were evaluated at 85 percent of the estimated financial costs provided by the technical feasibility study.

Table 11: Economic Evaluation Results

Description	Project Costs (billions of FCFA)	User Benefits (billions of FCFA)	Ratio Benefits/C osts	Economical Internal Rate of Return (EIRR)	NPV at 12% (in billions of FCFA)
Section 1 : Godomey – Pahou in 2*2 lanes	16.19	30.86	1.9	20.5%	14.67

Sensitivity Analysis

75. Different case scenarios were studied: case of a +30 percent cost increase, +15 percent cost increase and case of a low/high traffic projection (see paragraph 39.).

Table 12: Sensitivity Analysis

Description	Economical Internal Rate of Return (EIRR)	NPV at 12% (in billions of FCFA)
Sensitivity : +30% investment	16.6%	9.806
Sensitivity: +15% investment	18.4%	12.239
Sensitivity : low growth in traffic	19.5%	12.520
Sensitivity : high growth in traffic	20.8%	14.668

76. In all cases, of both cost increase and decrease in traffic, the project is economically justified.

Annex 10: Safeguard Policy Issues

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

1. Component (B) of the project (Improvement of Road Corridor), includes significant civil works (road rehabilitation and upgrading) to be executed in the first year work program. The project therefore triggers OP/BP 4.01 (Environmental Assessment); consequently, OP 4.11, Physical Cultural Resources have also been triggered, as the policy applies whenever OP 4.01 applies, i.e. whenever there is likely to be significant civil works. In addition the draft RAP for the Benin section of the road identified potential voodoo altars to be affected. Involuntary Resettlement (OP/BP 4.12) has been triggered, as the civil works of the project will induce land acquisition. The project has been assigned the Environmental Category B and transferred to the transport unit, AFTTR.

2. Environmental Impact Assessments (EIAs) and Resettlement Action Plans (RAPs) were prepared for Ghana, Togo, and Benin. The safeguard instruments were disclosed in the three countries and the Bank's Info Shop prior to appraisal (Table 1 below), and they will be implemented prior to the commencement of the civil works. The number of project affected persons (PAPs) and cost for implementation of the RAPs are as follows: (i) Benin: 101 households (404 persons) for a cost of FCFA171,046,800 (about US\$400,000) in cash compensation; (ii) Togo 379 households, (1,920 persons) for a cost of FCFA879,073, 630 (about US\$2.1 million), of which cash compensation FCFA149,793,795 (about US\$357,000) and civil works FCFA 725,279,835 (about US\$1.7 million) US\$; and (iii) Ghana 744 households (2,094 persons) for a cost of about US\$7.8 million in cash compensation.

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	[X]	[]
Natural Habitats (OP/BP 4.04)	[]	[X]
Pest Management (OP 4.09)	[]	[X]
Cultural Property (OPN 11.03, being revised as OP 4.11)	[X]	[]
Involuntary Resettlement (OP/BP 4.12)	[X]	[]
Indigenous Peoples (OP/BP 4.10)	[]	[X]
Forests (OP/BP 4.36)	[]	[X]
Safety of Dams (OP/BP 4.37)	[]	[X]
Projects in Disputed Areas (OP/BP 7.60)*	[]	[X]
Projects on International Waterways (OP/BP 7.50)	[]	[X]

3. **Safeguards-Related Risks.** The potential adverse environmental and social impacts of the ALTTFP related to civil works of the road rehabilitation components will include:

- (i) Dust and noise due to the road construction operations.
- (ii) The establishment of base camps and the opening or re-opening of borrow pits and quarries, which could result in soil erosion and pollution and aesthetically undesirable alteration of the landscape

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

- (iii) Dumping of construction material and spillage of machine oil, lubricants, etc.
- (iv) Loss of properties (business buildings, private houses, fences, public amenities).
- (v) Spread of HIV/AIDS.

4. These impacts have been captured in the safeguards instruments prepared. To mitigate the anticipated negative impacts, environmental protection clauses will be incorporated in the contract documents, as well as social clauses including HIV/AIDS prevention. Compliance in the implementation of the clauses will be monitored by the sector environmental agencies in the three project countries.

5. **Alternatives Considered to Minimize Adverse Safeguard-Related Impacts.** From design to appraisal the ALTFP considered alternatives and mechanisms to minimize adverse safeguards impacts related to component B of the project. Drawing from experiences of other Bank Projects in the region, the road designs were required to take into consideration, the road alignment with the aim to reduce adverse environmental and social impacts. Environment and social protection clauses will be incorporated into the works contracts, including HIV/AIDS prevention. Compliance in the implementation of the clauses will be monitored by the countries safeguards specialists from the ministries of environment and sectoral safeguards specialists. At project operation phase, prior to the commencement of civil works, i.e. during contract mobilization, the supervision consultant will undertake a review of the road alignments, and suggest design changes in the aim to improve not only engineering efficiency, but also road safety and reduce adverse environmental and social impacts. The safeguards instruments have been subject to consultations with key stakeholders and will remain subject to public disclosure.

6. **Participation/Consultations.** The expected social benefits of the proposed project include savings in travel time for users, reduced waiting times at the border points, reduced vehicle operating costs, lower fares, as well as improvements in the safety and quality of transport services and an increase in governments' levy and tax revenue, due to enhanced enforcement of trade transit rules and regulations. Representatives from regional organizations in consultations with the national, and the local governments, were the decision makers that selected the civil work sections of the project. The participatory approach initiated during project preparation will also guide project implementation, likewise, monitoring, evaluation and beneficiary assessments. Local populations traversed by the road corridor, will be provided income generating opportunities by giving them priority to various job positions in the road rehabilitation process.

7. In Ghana, Togo and Benin three distinct, but complementary consultations were carried out by the clients in the preparation of the RAPs. Those consultations were: (i) focus group discussions; (ii) individual consultations and (iii) public forums. The focus group discussions were carried out along the project roads, in local communities with project affected persons (PAPs). The purpose of the discussions was to inform the local stakeholders about the project and to receive their opinion and permission to carry out individual consultations with the PAPs. The focus groups consulted included PAPs, elders, traditional chiefs and members of local governments. Discussions addressed: the rehabilitation of the road; the social and environmental impacts; and the mitigation measures planned, particularly compensation for loss of assets, including strips of farm land, trees, structures and houses. Each individual PAP along the project

road was consulted, registered and her/his affected assets inventoried. The registration process started with the consultation. The individual was informed about: (i) the proposed road works; (ii) the social and environmental impacts, (iii) her/his personal assets to be affected and the mitigation measures planned, particularly her/his compensation package, and (iv) the compensation procedure put in place by the government. These consultations took place in the homes of the PAPs, at their farms, at market stands and in their kiosks. To document the individual consultations, two forms were administered: one to register the PAP with her/his affected property; and the other, to record the inventory of the affected assets. The RAPs include records of locations, and names of all PAPs and the values of their affected assets.

8. **In Ghana**, due to the high number of PAPs the management of the Ghana Highway Authority (GHA) decided to hold two public forums in addition to the upstream consultations. They were carried out at Esiama, km 35 (to cover PAPs from km 0 to km 60) and Elubo, the location with most PAPs (to cover km 60 to km 110). A total of 1,489 persons participated in the two public forums, of which the majority in Elubo due to the highest number of people affected in that area (627 out of the total number of 2094). The participants of the forums came from communities all along the road and included: PAPs, truck drivers, market women, children, traditional chiefs, local government officials, regional government officials, journalists, and GHA staff. The GHA is not alien to public consultations, and therefore had an established methodology to that end: renting of a venue; issuance of invitation letters to district assemblies and PAPs; mobilization of GHA regional management to contact assembly members; broadcasting of the public consultation notice through local radio stations; invitation of the media, and presentation of the project to the public. *Fanti* and *Twi* (local languages of the Western Region) were the languages used for the consultations. English was used for those who didn't master the local languages. The subjects covered included: (i) the road alignment; (ii) the road design (presentation with maps and design); (iii) the environmental and social impacts; and (iv) the mitigation measures with focus on the compensation packages and procedures. Discretion required that information about individual PAP's compensation packages and amounts be not disclosed at the public forums as the data were personal and they could entice criminals to exploit PAPs and deprive them of their compensation.

9. The public endorsed the project and the RAP. The key topics discussed included: the date for the start of the road civil works, the date for the payment of compensation, and road safety actions to be taken. None of the forums raised questions that required the road alignment or design to be changed. Also, the compensation arrangements described in the RAP were not questioned. Documentation of the public forums was carried out through signed attendance list with addresses, and telephone numbers; minutes of meeting and photographs. These documents are incorporated in the RAP.

10. Subsequent to the public forums, copies of the RAP were handed over to the three district assemblies (Ahanta West, Ellembelle and Jomoro) for further consultation, at the PAPs convenience. The PAPs can challenge compensation packages and rates before the commencement of civil works and beyond, in accordance with the legal practice in Ghana; that practice has been successfully applied in prior road projects and is further elaborated in the RAP. The RAP specifies that individual consultations of all PAPs are to be carried out community by

community, household by household along the road section financed by the project, 3 months prior to the payment of compensation.

11. Consultations with local communities will be continuously organized during project implementation in Ghana, Togo and Benin, at all stages of the civil works, to minimize conflicts, enhance cooperation, and improve social benefits and performance of the works contracts. The results of the public consultations confirmed a solid support for the implementation of the project. Both regional, local governments, civil society, e.g., NGOs, community based organizations (CBOs), community based facilitators (CBFs) and vulnerable groups such as women, youth, the physically challenged and the elderly were in favor of the project.

12. **Long-term Adverse Safeguard Impacts.** The safeguards impacts identified are not expected to have any long term or cumulative effects. The civil works for the road rehabilitation will be carried out on existing road segments of the corridor. The right of way of the targeted road segments has been largely respected.

13. **Environmental Mitigation Plans Prepared** Appropriate safeguards instruments have been prepared for each project country. *Benin:* EIA, including environmental management plan (EMP) and RAP. *Togo:* EIA including EMP and RAP. *Ghana:* EIA including EMP and RAP. The safeguards instruments were disclosed in-country and at Info-shop, prior to appraisal, as indicated in Table 1 below.

14. **Assessment of Capacity and Commitment of Client to Address Safeguard Issues.** The three project countries have Ministries of Environmental and sectoral environmental management units/agencies that have been actively involved in the preparation of the safeguards instruments. The ministries and the agencies will ensure compliance, supervise the mitigation of the safeguards measures and conduct the internal monitoring of the implementation. The National Environmental Protection Authority Agencies will ensure the external monitoring.

15. **Funding of Safeguard Mitigation Measures.** Cost for safeguard mitigation measures will be covered by the Governments of the project countries. Funding for the implementation of the RAPs will be covered by counterpart funding. The costs for implementation of the EMPs, of the EIAs and will be incorporated into the bills of quantity.

16. **References to Mitigation Plans in the Project Legal Arrangements.** The policy requirements of the safeguards instruments prepared (EIAs and RAPs), will constitute part of the body of reference texts to the credit agreement. Environmental and social clauses, including HIV/AIDS prevention, will also be incorporated into the works contract documents.

17. **Mechanisms to Monitor the Implementation of Agreed Mitigation Plans.** The ALTTFP will support the five project countries and their sectoral environmental agencies to monitor the implementation of the safeguards instruments prepared. The mandates of the sectoral environmental agencies are supported by national environmental laws. The project will also seek to strengthen the capacity of the sectoral environmental agencies through hands on training. The implementation of the EIAs and the RAPs will be launched prior to commencement of civil

works. Project progress reports will include progress in mitigation of environmental and social safeguards measures.

18. **Supervision Arrangements including staffing and Resources.** Supervision and monitoring will be a continuous process. The day to day field supervision will be conducted by the Resident Engineers and documented in the monthly and quarterly progress reports, which will be subject to review by the sectoral environmental agencies. Periodic supervision will be conducted by the sectoral environmental agencies, which will also continuously take stock of all expropriation and compensation reports and discuss them on regular basis. The sectoral environmental agencies will produce quarterly progress reports on environmental and social performance. The reports will form part of the overall project monitoring system. Resources to carry out the work will be ensured by each project country. Experience with prior and ongoing Bank projects in the sector, confirm that the countries have the capacity to staffing and resources.

Table 1: Safeguards Documents Produced

No.	Name	Status	Report No.	In-country disclosure	InfoShop disclosure
Benin					
1.	Resettlement Action Plan (RAP) – <i>Plan d'action de réinstallation Godomey-Pahou</i>	Final	RP835	08/05/2009	08/10/2009
2.	Resettlement Action Plan (RAP) Addendum and Chronogramme - <i>Addendum au rapport sur le Plan d'action de réinstallation des populations affectées dans le cadre du projet et Chronogramme</i>	Final	RP835	10/20/2009	10/23/2009
3.	Environmental and Social Impact Assessment (ESIA) – <i>Rapport d'étude d'impact environnemental et social – Étude de faisabilité technico-économique de la route Hillacondji-Ouidah-Godomey</i>	Final	E2110	03/06/2009	03/24/2009
Ghana					
4.	Resettlement Action Plan (RAP) for Agona Junction- Elubo Road	Final	E2110	11/19/2009	11/20/2009
5.	Environmental and Social Impact Assessment (ESIA) for the Agona Junction- Elubo road project	Final	E2110	06/11/2009	10/23/2009 ⁶⁵
Togo					
6.	Resettlement Action Plan (RAP) – <i>Plan d'action de réinstallation (PAR) des personnes affectées par la réalisation du projet</i>	Final	RP835	07/08/2009	07/15/09

⁶⁵ Due to an administrative error unrelated to the project ESIA was published by the InfoShop on July 7, 2009, instead of the project RAP; the error was corrected.

No.	Name	Status	Report No.	In-country disclosure	InfoShop disclosure
7.	Resettlement Action Plan (RAP) Addendum- <i>Addendum au rapport sur le Plan d'action de réinstallation des populations affectées dans le cadre du projet</i>	Final	RP835	11/26/2009	12/01/2009
8.	Environmental and Social Impact Assessment (ESIA) – <i>Étude d'impact environnemental et social – Projet de rehabilitation et de modernization de la route Aflao-Sanvee Condji – Tronçon Aneho-Sanvee Condji</i>	Final	E2110	04/30/2009	05/20/2009

Annex 11: Project Preparation and Supervision
AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

Project preparation timetable

	Planned	Actual
PCN review	February, 7 2007	February, 7 2007
Initial PID to PIC	February 13, 2007	February 12, 2007
Initial ISDS to PIC	February 13, 2007	February 20, 2007
Appraisal	September 10, 2009	September 3, 2009
Negotiations	December 8, 2009	September 23, 2009 – January 28, 2010
Board/RVP approval	March 23, 2010	
Planned date of effectiveness	September 30, 2010	
Planned date of mid-term review	N/A	
Planned closing date	September 30, 2016	

Key institutions responsible for preparation of the project:

Regional:	ECOWAS; ALCO
Ghana:	MRH, GHA, CEPS, MOFEP
Togo:	Ministry of Cooperation, Development and Planning
Benin:	Ministry of Transport

Bank staff and consultants who worked on the project included:

Name	Title	Unit
Africa Olojoba Eshogba	Senior Environmental Specialist	AFTEN
Alain Hinkati	Financial Management Specialist	AFTFM
Anca Cristina Dumitrescu	Senior Transport Specialist, TTL	AFTTR
Anthony Molle	Counsel	LEGAF
Antoine Lema	Environment & Social Specialist	AFTTR
Barbara Lantz	Research Analyst	AFTTR
Brighton Musungwa	Senior Financial Management Specialist	AFTFM
Charity Boafo-Portuphy	Program Assistant	AFTW1
Deo Ndikumana	Operations Officer, Regional Integration	AFCRI
Esinam Hlomador	Team Assistant	AFMTG
Fabio Galli	Lead Transport Specialist	AFTTR
Farida Khan	Operations Analyst	AFTTR
Felly A. Kaboyo	Operations Analyst	AFTTR
Gaël J. R. F. Raballand	Senior Transport Economist	AFTTR

Name	Title	Unit
Haythem Mehouchi	Research Analyst	AFTTR
Hugues Agossou	Senior Financial Management Specialist	AFTFM
Itchi Gnon Ayindo	Senior Procurement Specialist	AFTPC
Jacqueline Veloz Lockward	Program Assistant	AFTTR
Jean Charles Amon Kra	Country Officer	AFCRI
Jocelyne O. do Sacramento	Operations Analyst	AFTTR
John Kobina Richardson	Transport Specialist	AFTTR
John Nyaga	Senior Financial Management Specialist	AFTFM
Justin Runji	Senior Transport Specialist	AFTTR
Marc Navelet	Highway Engineer	AFTTR
Nicolette Dewitt	Lead Counsel	LEGAF
Ntombie Z. Siwale	Senior Program Assistant	AFTTR
Olivier Murru	Research Analyst	AFTTR
Pepita Hortense C. Olympio	Team Assistant	AFMBJ
Rajiv Sondhi	Senior Finance Officer	LOAFC
Regina O. Nessiama	Program Assistant	AFTTR
T. Mpoy Kamulayi	Lead Counsel	LEGAF
Tsri Apronti	Procurement Specialist	AFTPC
Vincent Viguié	Research Analyst	AFTTR
Wolfgang Chadab	Senior Finance Officer	LOAFC

Bank funds expended to date on project preparation⁶⁶

1. Bank resources:	\$1,046,998
2. Trust funds: PHRD TF090635	\$856,484
3. Total:	\$1,903,482

Estimated Approval and Supervision costs:

1. Remaining costs to approval:
2. Estimated annual supervision cost: US\$350,000

⁶⁶ As of February 12, 2010.

Annex 12: Documents in the Project File
AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

1. World Bank documents

Project Concept Note - November 14, 2006.

Project Information Document (Concept Stage) - January 22, 2007.

Integrated Safeguards Data Sheet (Concept Stage) - February 20, 2007.

Project Information Document (Appraisal Stage) – September 2, 2009

Integrated Safeguards Data Sheet (Appraisal Stage) - September 2, 2009

2. Technical studies

ACE Consulting Engineers Moharram Bakhoun. May 2008. *Consultancy Services for the Economic Feasibility and Detailed Engineering Design Studies for the Agona Junction-Elubo Road.*

Arc Ingénierie S.A.R.L. September 2008. *Mission d'observation des mauvaises pratiques en matière de libre circulation des personnes et des biens le long du corridor de migration Abidjan-Lagos. Rapport Provisoire Trimestre IV. Vol. I.*

BNETD (Bureau National d'Études Techniques et de Développement). October 2000. *Études technico-économique, technique détaillée et d'impact environnemental et social du projet d'élargissement, de dédoublement et de construction de passage supérieur, d'ouvrage d'art de type échangeur au carrefour Cimtogo et d'achèvement des travaux de réhabilitation de la route Aného-Frontière Bénin.*

Egis BCEOM International. November 2008. *Working Paper No. 1. West Africa Road Transport and Transit Facilitation Objectives and Methodology.*

Egis BCEOM International. November 2008. *Working Paper No. 2. Strategie de Mise en Oeuvre de la Convention Trie et de Libéralisation du Secteur des Transports de Marchandises en Afrique de l'Ouest:*

Egis BCEOM International. November 2008. *Working Paper No. 3. Information System for the ISRT and Interconnection of Customs Computerised Systems.*

Egis BCEOM International. November 2008. *Working Paper No. 4. West African Road Transport and Transit Facilitation Strategy Institutional and Performance Monitoring Framework.*

European Union Delegation in Togo. June 2008. *Rapport Intermédiaire. Juin 2008. Diagnostic et Analyses du Secteur Transports au Togo.*

European Union Delegation in Togo. May 2008. *Note Sectorielle. Secteur des Transports et Infrastructures de Transports.*

GOPA-NEA Consortium. 2008. *The Joint Border Posts Functionality Study.*

Louis Berger S.A.S. December 2008. *Rapport d'étude d'impact environnemental et social (Version provisoire). Étude de faisabilité technico-économique de la route Hillacondji-Ouidah-Godomey (94 km) et mise en œuvres des mesures confortatives pour la circulation sur la route nationale inter-états No. 1.*

PADECO. June 2009. *A Comparative Feasibility Study on the Development of Single Windows in the Main Ports of the Abidjan-Lagos Corridor – Final Report*

PADECO. June 2009. *A Regional Study on Improving Customs Information Sharing and Interconnectivity along the Abidjan- Lagos Corridor –Final Report*

Raballand, Gaël and Mjekiqi, Edmond. September 2008. *Nigeria's Trade Policy Facilitates Unofficial Trade and Impacts Negatively Nigeria Customs Efficiency and Economy.*

Roughton International. June 2006. *Regional Road Transport and Transit Facilitation Programme in West Africa.*

3. Legal documents

ECOWAS (Economic Community of West African States) and UEMOA (Union Économique et Monétaire Ouest Africaine). 4 September 2008. *Resolution No. 2 Relating to the Implementation of the Joint Border Posts Programme of ECOWAS and UEMOA Member States.*

ECOWAS (Economic Community of West African States). 19 January 2005. *Decision A/Dec. 9/01/05 Creating Road Transport and Transit Facilitation and Cross-Border Corridor Management Committees in West Africa.*

ECOWAS (Economic Community of West African States). 31 January 2003. *Decision A/Dec. 13/01/03 Relating to the Establishment of a Regional Road Transport and Transit Facilitation Programme in Support of Intra-Community Trade and Cross-Border Movements.*

Governments of the Republics of Burkina Faso, Benin, Cameroon, Cape Verde, Chad, Côte d'Ivoire, the Congo, The Gambia, Ghana, Guinea, Liberia, Mali, Niger, Senegal, the Central African Republic, the Democratic Republic of the Congo, the Gabonese Republic, the Togolese Republic, the Federal Republic of Nigeria and ECOWAS Commission. [sine die]. *Protocole entre les administrations douanières de la région de l'OMD pour l'Afrique de l'Ouest et du Centre, relatif à la systématisation des échanges d'informations.*

Governments of the Republics of Côte d'Ivoire, Ghana, the Togolese Republic, the Republic of Benin, the Federal Republic of Nigeria and ECOWAS Commission. 11 September 2007.

Memorandum of Understanding on Transport and Transit Facilitation along the Abidjan-Lagos Corridor.

ECOWAS and ALCO. August 2008. *Memorandum of Understanding on the Facilitation of Road Transport and Transit Along Abidjan-Lagos Corridor.*

Annex 13: Statement of Loans and Credits

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

Project ID	FY	Purpose	Original Amount in US\$ Millions						Difference between expected and actual disbursements	
			IBRD	IDA	SF	GEF	Cancel.	Undisb.	Orig.	Frm. Rev'd
P103189	2007	3A-Africa Stockpiles1 MMT GEF (FY07)	0.00	0.00	0.00	13.40	0.00	9.22	0.00	0.00
P094103	2007	3A-Telecommunications APL (FY07)	0.00	164.50	0.00	0.00	0.00	166.32	0.00	0.00
P094084	2007	3A-W.Af Agric Prod Prgm APL WAAPP (FY07)	0.00	45.00	0.00	0.00	0.00	45.85	0.00	0.00
P094917	2006	3A-WAPP APL 1 (CTB Phase 2) Project	0.00	60.00	0.00	0.00	0.00	60.45	0.00	0.00
P094916	2006	3A-WAPP APL 2 (OMVS Felou HEP)	0.00	75.00	0.00	0.00	0.00	75.36	0.00	0.00
P093826	2006	3A-SRB M. Water Res. Dvpt. APL (FY06)	0.00	91.96	0.00	0.00	0.00	117.23	4.00	0.00
P083751	2006	3A-West & Central Afr Air Tran TAL (FY06)	0.00	11.97	0.00	0.00	0.00	32.61	-1.53	0.00
P079734	2006	3A-E Afr Trade & Transp Facil (FY06)	0.00	184.02	0.00	0.00	0.00	167.99	13.88	0.00
P075776	2006	3A-W Africa Stockpiles 1 GEF (FY06)	0.00	0.00	0.00	21.74	0.00	5.12	3.21	0.00
P092473	2005	3A-Afr Emergency Locust Prj (FY05)	0.00	59.50	0.00	0.00	0.00	39.86	13.70	-4.14
P070547	2005	3A-GEF Grndwtr & Drght Mgmt TAL (FY05)	0.00	0.00	0.00	7.00	0.00	6.35	1.56	0.00
P080413	2005	3A-HIV/AIDS Great Lakes Init APL (FY05)	0.00	0.00	0.00	0.00	0.00	15.83	3.14	0.00
P080406	2005	3A-ARCAN SIL (FY05)	0.00	0.00	0.00	0.00	0.00	5.03	0.91	0.00
P075994	2005	3A-WAPP Phase 1 APL 1 (FY05)	0.00	40.00	0.00	0.00	0.00	37.86	7.38	0.00
P082613	2004	3A-Regional HIVAIDS Treatment Prj (FY04)	0.00	0.00	0.00	0.00	0.00	29.89	23.68	0.00
P074525	2004	3A-WAEMU Capital Markets Dev FIL (FY04)	0.00	96.39	0.00	0.00	0.00	98.46	74.31	42.94
P074850	2004	3A-HIV/AIDS Abidjan Lagos Trnspt (FY04)	0.00	0.00	0.00	0.00	0.00	2.07	0.63	0.00
P070256	2004	3A-GEF Niger River Basin (FY04)	0.00	0.00	0.00	13.00	0.00	4.00	4.05	0.00
P069258	2004	3A-Southern Afr Power Mrkt APL 1 (FY04)	0.00	178.60	0.00	0.00	0.00	191.46	166.18	0.00
P064573	2004	3A-GEF Senegal River Basin (FY04)	0.00	0.00	0.00	5.26	0.00	2.80	4.56	0.00
P072881	2003	3A-BEAC Reg Payment System (FY03)	0.00	14.50	0.00	0.00	0.00	8.03	5.07	0.00
P070252	2003	3A-GEF Lake Chad Basin (FY03)	0.00	0.00	0.00	2.90	0.00	1.72	2.90	2.25
P070073	2003	3A-GEF Nile Transbound Env Action (FY03)	0.00	0.00	0.00	8.00	0.00	8.04	13.47	0.00
P063683	2001	3A-Trade Facil SIL (FY01)	0.00	5.00	0.00	0.00	0.00	4.85	-0.31	0.54
Total:			0.00	1,026.44	0.00	71.30	0.00	1,136.40	340.79	41.59

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

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

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

Annex 14: Country Selection Process

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

1. Country-specific triggers for the launching of the second phase, estimated to start within one year from the first phase will be:
 - for Côte d'Ivoire: (i) setting-up of an operational project coordination unit with staff and equipment; and (ii) availability of an agreed detailed design and related safeguards documents for the improvement of the road corridor between Abidjan and Noe; and
 - for Nigeria: (i) issuance of a policy letter from the Federal Ministry of Finance outlining the country's commitment towards Customs reforms, satisfactory to the IDA; and (ii) meeting the fiduciary requirements of IDA on implementation readiness.

2. Such country-specific triggers should allow the flexibility for each of the two countries in APL2 to start implementation when ready, if the time gap between them will prove to be large. The APL 2 may include the following components in Côte d'Ivoire and Nigeria, which will follow the APL 1 patterns aimed at achieving the ALTTFP program's overall objectives: (i) Trade Facilitation; (ii) Improvement of the Road Corridor's Infrastructure; (iii) Project Management and Coordination; (iv) and HIV/AIDS Programs and Corridor Performance Monitoring. The total estimated amount of APL 2 is US\$89.5 million of which US\$82 million⁶⁷ in Côte d'Ivoire and US\$7.5 million in Nigeria.

⁶⁷ The final estimate for the project in Côte d'Ivoire will depend on the results of the technical studies for the road infrastructure.

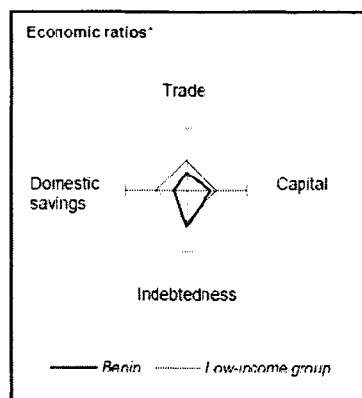
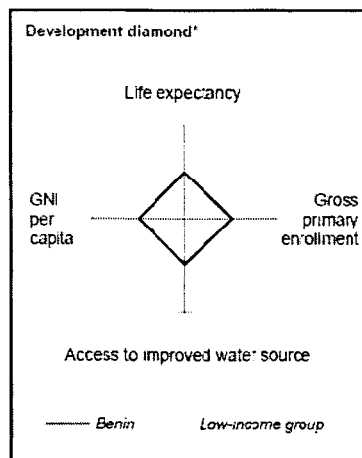
Annex 15: Countries at a Glance

Africa: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)

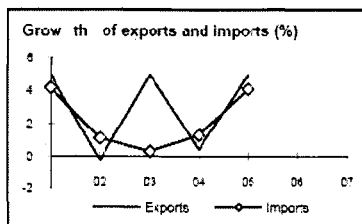
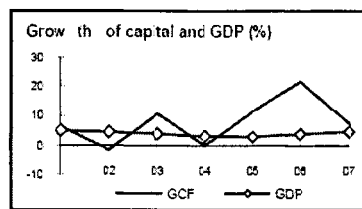
Benin at a glance

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FOVERTY and SOCIAL	Benin	Sub-Saharan Africa	Low-income	
	2007			
Population, mid-year (trillions)	9.0	800	1,296	
GNI per capita (Atlas method, US\$)	570	952	578	
GNI (Atlas method, US\$ billions)	5.1	762	749	
Average annual growth, 2001-07				
Population (%)	3.2	2.5	2.2	
Labor force (%)	3.4	2.6	2.7	
Most recent estimate (latest year available, 2001-07)				
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	41	36	32	
Life expectancy at birth (years)	56	51	57	
Infant mortality (per 1,000 live births)	88	94	85	
Child malnutrition (% of children under 5)	22	27	29	
Access to an improved water source (% of population)	65	58	68	
Literacy (% of population age 15+)	35	59	61	
Gross primary enrollment (% of school-age population)	96	94	94	
Male	105	99	100	
Female	87	88	89	
KEY ECONOMIC RATIOS and LONG-TERM TRENDS				
	1987	1997	2006	2007
GDP (US\$ billions)	1.6	2.2	4.6	5.4
Gross capital formation/GDP	12.9	18.4	..	..
Exports of goods and services/GDP	15.3	16.1	..	..
Gross domestic savings/GDP	-2.8	5.6	..	..
Gross national savings/GDP	0.6	11.0	..	..
Current account balance/GDP	5.9	7.4	9.0	7.6
Interest payments/GDP	1.0	0.8	0.3	..
Total debt/GDP	76.4	75.5	17.8	..
Total debt service/exports	7.5	12.7	10.6	..
Present value of debt/GDP	..	..	10.9	..
Present value of debt/exports	..	..	64.5	..
	1987-97	1997-07	2006	2007
<i>(average annual growth)</i>				
GDP	3.7	4.2	3.8	4.6
GDP per capita	0.1	1.0	0.6	1.5
Exports of goods and services	2.7	2.3	..	..



STRUCTURE of the ECONOMY	1987	1997	2006	2007
<i>(% of GDP)</i>				
Agriculture	33.3	37.5	..	..
Industry	12.4	14.5	..	..
Manufacturing	7.2	9.0	..	..
Services	54.4	48.1	..	..
Household final consumption expenditure	87.2	84.2	..	..
General gov't final consumption expenditure	15.5	10.2	..	..
Imports of goods and services	31.0	28.9	..	..
	1987-97	1997-07	2006	2007
<i>(average annual growth)</i>				
Agriculture	5.6	4.9	..	..
Industry	5.4	4.7	..	..
Manufacturing	6.5	4.4	..	..
Services	1.8	3.9	..	..
Household final consumption expenditure	3.4	1.6	..	..
General gov't final consumption expenditure	1.4	9.5	..	..
Gross capital formation	5.8	10.8	21.7	7.3
Imports of goods and services	2.2	2.9	..	..



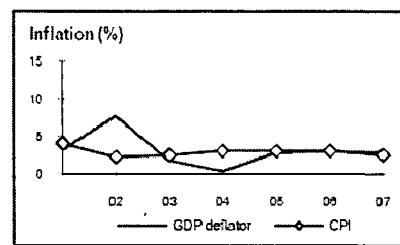
Note: 2007 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

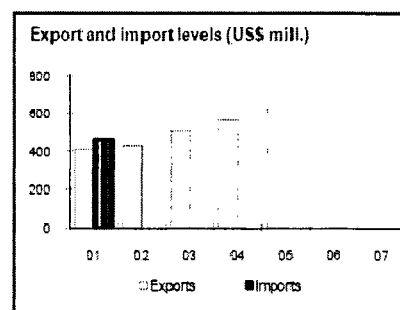
PRICES and GOVERNMENT FINANCE

	1987	1997	2006	2007
Domestic prices				
<i>(% change)</i>				
Consumer prices	..	3.8	3.0	2.5
Implicit GDP deflator	3.0	5.0	3.0	2.9
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	..	15.6	..	..
Current budget balance	..	3.7	..	..
Overall surplus/deficit	..	-3.0	..	..



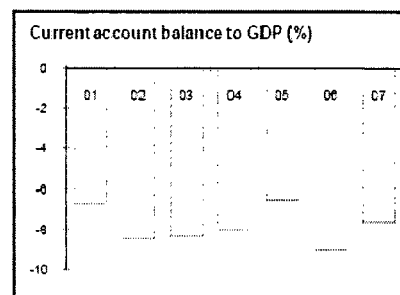
TRADE

	1987	1997	2006	2007
<i>(US\$ millions)</i>				
Total exports (fob)	98	419	..	..
Ginned cotton	55	145	..	..
Crude oil	32	7	..	..
Manufactures	..	..	..	..
Total imports (cif)	262	426	..	..
Food	182	130	..	..
Fuel and energy	33	48	..	..
Capital goods	130	239	..	..
Export price index (2000=100)	..	111	..	..
Import price index (2000=100)	..	93	..	..
Terms of trade (2000=100)	..	119	..	..



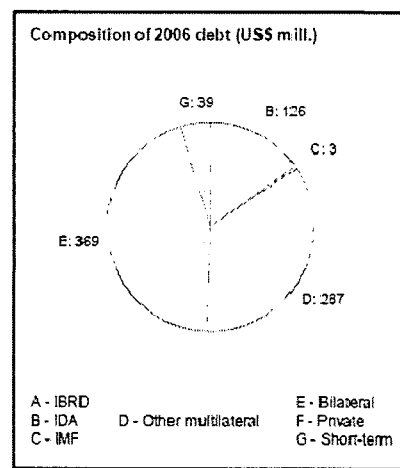
BALANCE of PAYMENTS

	1987	1997	2006	2007
<i>(US\$ millions)</i>				
Exports of goods and services	457	347	..	..
Imports of goods and services	602	623	..	..
Resource balance	-145	-276	..	..
Net income	-29	-30	-52	-55
Net current transfers	81	147	..	..
Current account balance	-93	-159	-418	-415
Financing items (net)	58	173	..	..
Changes in net reserves	35	-14	..	..
Memo:				
Reserves including gold (US\$ millions)	..	..	496	492
Conversion rate (DEC. local/US\$)	300.5	583.7	522.9	479.3



EXTERNAL DEBT and RESOURCE FLOWS

	1987	1997	2006	2007
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	1,194	1,627	824	..
IBRD	0	0	0	0
IDA	196	510	126	176
Total debt service	41	55	83	..
IBRD	0	0	0	0
IDA	2	7	11	1
Composition of net resource flows				
Official grants	58	126	1,131	..
Official creditors	57	22	16	..
Private creditors	-1	0	0	..
Foreign direct investment (net inflows)	0	27	63	..
Portfolio equity (net inflows)	0	2	2	..
World Bank program				
Commitments	48	0	30	99
Disbursements	22	20	32	43
Principal repayments	0	4	8	0
Net flows	21	16	24	43
Interest payments	1	4	4	1
Net transfers	20	12	20	41



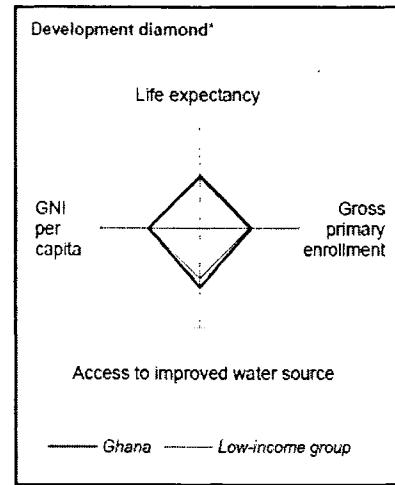
Note: This table was produced from the Development Economics LDB database.

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Ghana at a glance

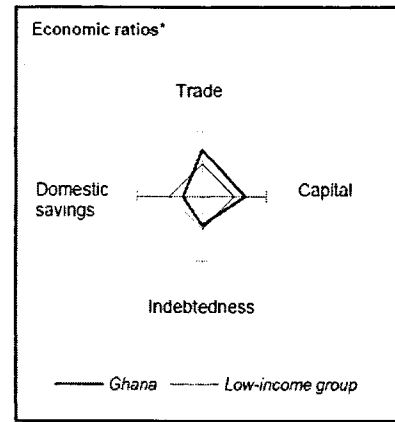
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POVERTY and SOCIAL	Ghana	Sub-Saharan Africa	Low-income
2007			
Population, mid-year (millions)	23.5	800	1,296
GNI per capita (Atlas method, US\$)	590	952	578
GNI (Atlas method, US\$ billions)	13.9	762	749
Average annual growth, 2001-07			
Population (%)	2.2	2.5	2.2
Labor force (%)	2.6	2.6	2.7
Most recent estimate (latest year available, 2001-07)			
Poverty (% of population below national poverty line)	29	..	..
Urban population (% of total population)	49	36	32
Life expectancy at birth (years)	60	51	57
Infant mortality (per 1,000 live births)	76	94	85
Child malnutrition (% of children under 5)	19	27	29
Access to an improved water source (% of population)	80	58	68
Literacy (% of population age 15+)	..	59	61
Gross primary enrollment (% of school-age population)	98	94	94
Male	98	99	100
Female	97	88	89



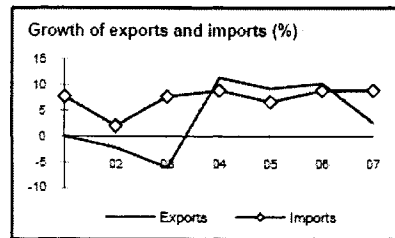
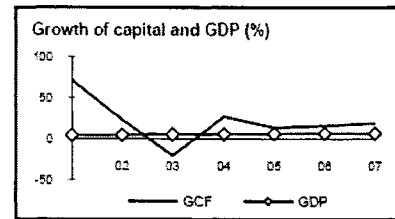
KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1987	1997	2006	2007
GDP (US\$ billions)	5.1	6.9	12.7	15.2
Gross capital formation/GDP	10.4	24.8	32.9	32.9
Exports of goods and services/GDP	19.7	32.4	39.8	36.2
Gross domestic savings/GDP	3.9	4.2	7.9	9.8
Gross national savings/GDP	5.3	10.4	27.4	27.8
Current account balance/GDP	-4.4	-14.4	-5.2	-4.8
Interest payments/GDP	1.1	1.5	0.4	..
Total debt/GDP	64.7	83.0	25.1	..
Total debt service/exports	45.8	22.0	5.6	..
Present value of debt/GDP	..	..	17.8	..
Present value of debt/exports	..	..	48.5	..
	1987-97	1997-07	2006	2007
(average annual growth)				
GDP	4.3	5.0	6.4	6.3
GDP per capita	1.5	2.7	4.2	4.2
Exports of goods and services	9.4	3.7	10.3	2.6



STRUCTURE of the ECONOMY

	1987	1997	2006	2007
(% of GDP)				
Agriculture	50.6	35.8	38.0	36.3
Industry	16.3	25.7	25.8	25.3
Manufacturing	9.9	9.1	8.6	8.2
Services	33.1	38.6	36.3	38.4
Household final consumption expenditure	85.5	83.4	78.7	77.5
General gov't final consumption expenditure	10.6	12.4	13.4	12.7
Imports of goods and services	26.2	53.0	64.8	59.3
	1987-97	1997-07	2006	2007
(average annual growth)				
Agriculture	2.4	3.6	6.0	4.6
Industry	2.3	6.6	8.3	6.2
Manufacturing	-5.5	..	..	..
Services	7.0	5.7	6.2	7.7
Household final consumption expenditure	4.2	3.2	3.9	4.6
General gov't final consumption expenditure	4.5	1.4	2.5	0.8
Gross capital formation	3.6	19.1	15.7	19.0
Imports of goods and services	8.4	4.0	8.9	8.9



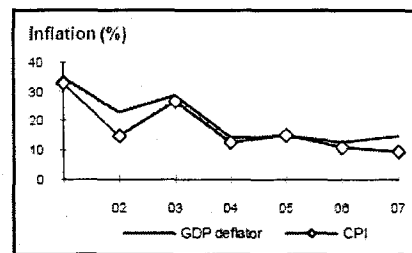
Note: 2007 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

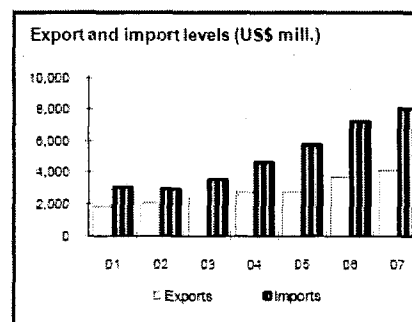
PRICES and GOVERNMENT FINANCE

	1987	1997	2006	2007
Domestic prices				
<i>(% change)</i>				
Consumer prices	39.8	27.9	10.9	9.4
Implicit GDP deflator	39.2	19.5	12.7	14.8
Government finance				
<i>(% of GDP, includes current grants)</i>				
Current revenue	14.1	18.7	25.6	24.5
Current budget balance	2.9	2.1	3.6	5.4
Overall surplus/deficit	-5.1	-10.3	-7.7	-8.0



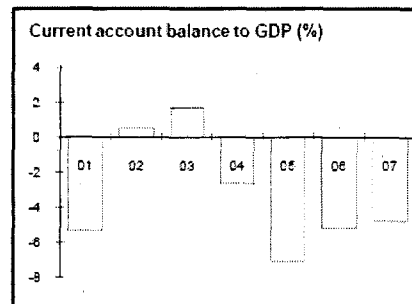
TRADE

	1987	1997	2006	2007
<i>(US\$ millions)</i>				
Total exports (fob)	824	1,810	3,685	4,125
Cocoa	495	470	1,002	1,000
Timber	90	172	207	255
Manufactures	77	129	323	405
Total imports (cif)	1,026	3,342	7,264	8,091
Food	154	501	637	663
Fuel and energy	155	257	868	902
Capital goods	453	1,725	1,553	1,648
Export price index (2000=100)	64	83	103	104
Import price index (2000=100)	90	182	124	125
Terms of trade (2000=100)	72	45	84	84



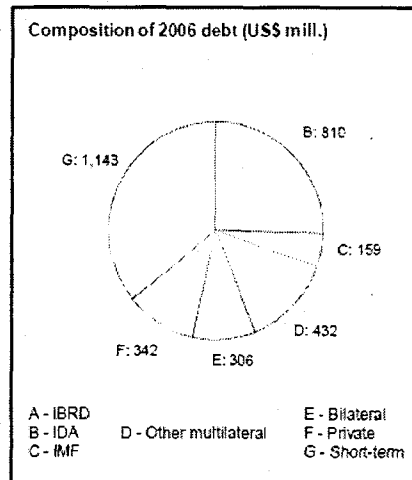
BALANCE of PAYMENTS

	1987	1997	2006	2007
<i>(US\$ millions)</i>				
Exports of goods and services	903	2,258	4,569	5,115
Imports of goods and services	1,203	3,675	7,733	8,559
Resource balance	-300	-1,417	-3,164	-3,444
Net income	-127	-134	-93	-115
Net current transfers	202	560	2,600	2,833
Current account balance	-225	-991	-657	-725
Financing items (net)	363	1,016	1,194	973
Changes in net reserves	-138	-25	-537	-248
Memo:				
Reserves including gold (US\$ millions)	..	0	2,084	2,396
Conversion rate (DEC, local/US\$)	147.0	2,050.2	9,174.4	9,339.3



EXTERNAL DEBT and RESOURCE FLOWS

	1987	1997	2006	2007
<i>(US\$ millions)</i>				
Total debt outstanding and disbursed	3,284	5,712	3,192	..
IBRD	151	30	0	0
IDA	700	2,617	810	1,104
Total debt service	415	505	261	..
IBRD	22	15	0	0
IDA	7	30	54	8
Composition of net resource flows				
Official grants	100	163	4,719	..
Official creditors	255	326	206	..
Private creditors	5	52	9	..
Foreign direct investment (net inflows)	5	82	435	..
Portfolio equity (net inflows)	0	0	0	..
World Bank program				
Commitments	233	51	229	355
Disbursements	194	237	266	248
Principal repayments	13	23	34	1
Net flows	181	214	232	247
Interest payments	16	23	20	8
Net transfers	165	192	212	240



Note: This table was produced from the Development Economics LDB database.

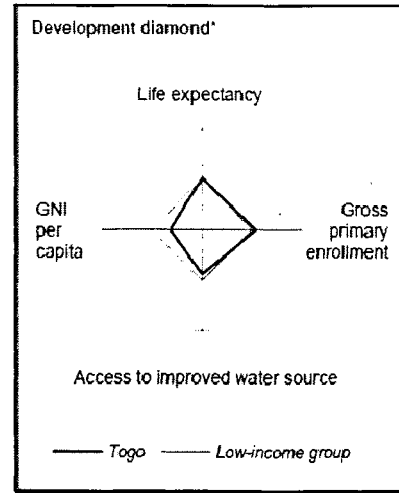
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Togo at a glance

9/24/08

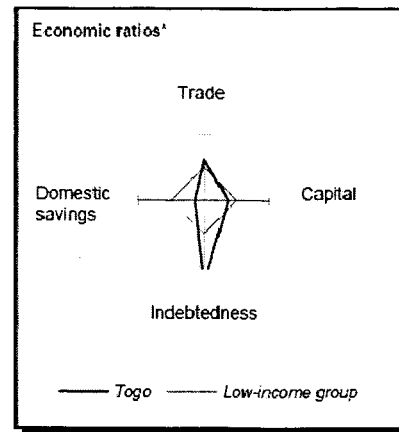
POVERTY and SOCIAL

	Togo	Sub-Saharan Africa	Low-income
2007			
Population, mid-year (millions)	6.6	800	1,296
GNI per capita (Atlas method, US\$)	360	952	578
GNI (Atlas method, US\$ billions)	2.4	762	749
Average annual growth, 2001-07			
Population (%)	2.8	2.5	2.2
Labor force (%)	2.9	2.6	2.7
Most recent estimate (latest year available, 2001-07)			
Poverty (% of population below national poverty line)	..	..	..
Urban population (% of total population)	41	36	32
Life expectancy at birth (years)	58	51	57
Infant mortality (per 1,000 live births)	69	94	85
Child malnutrition (% of children under 5)	..	27	29
Access to an improved water source (% of population)	59	58	68
Literacy (% of population age 15+)	..	59	61
Gross primary enrollment (% of school-age population)	102	94	94
Male	110	99	100
Female	95	88	89



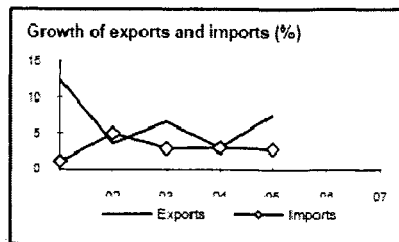
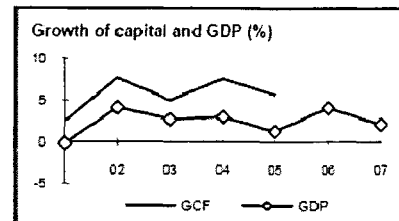
KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1987	1997	2006	2007
GDP (US\$ billions)	1.2	1.5	2.2	2.5
Gross capital formation/GDP	17.6	16.3	..	..
Exports of goods and services/GDP	41.4	29.0	..	..
Gross domestic savings/GDP	8.3	0.5	..	..
Gross national savings/GDP	9.7	3.8	..	..
Current account balance/GDP	-7.9	-12.5	-11.9	-10.3
Interest payments/GDP	2.3	0.9	0.1	..
Total debt/GDP	98.9	89.8	81.4	..
Total debt service/exports	16.9	11.7	1.5	..
Present value of debt/GDP	..	..	64.9	..
Present value of debt/exports	..	..	138.5	..
(average annual growth)				
GDP	1.6	1.9	4.1	2.1
GDP per capita	-1.2	-1.2	1.3	-0.5
Exports of goods and services	-1.6	3.5	..	..



STRUCTURE of the ECONOMY

	1987	1997	2006	2007
(% of GDP)				
Agriculture	33.5	42.2	..	..
Industry	20.0	20.1	..	..
Manufacturing	8.3	8.4	..	..
Services	46.5	37.7	..	..
Household final consumption expenditure	73.7	89.2	..	..
General gov't final consumption expenditure	18.0	10.3	..	..
Imports of goods and services	50.7	44.8	..	..
(average annual growth)				
Agriculture	4.1	1.6	..	..
Industry	1.2	4.9	..	..
Manufacturing	3.0	8.0	..	..
Services	-0.2	-0.3	..	..
Household final consumption expenditure	3.4	-0.8	..	..
General gov't final consumption expenditure	-2.5	1.3	..	..
Gross capital formation	-6.9	4.9	..	..
Imports of goods and services	-4.0	0.6	..	..



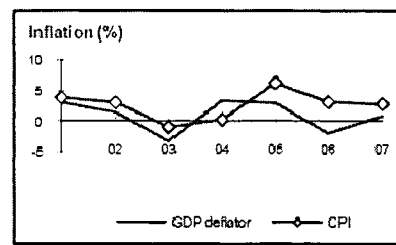
Note: 2007 data are preliminary estimates.

This table was produced from the Development Economics LDB database.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

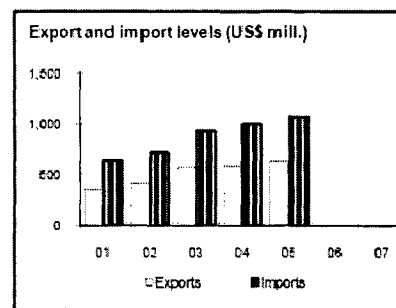
PRICES and GOVERNMENT FINANCE

	1987	1997	2006	2007
Domestic prices				
(% change)				
Consumer prices	..	5.3	3.2	2.9
Implicit GDP deflator	1.7	2.0	-1.9	0.9
Government finance				
(% of GDP, includes current grants)				
Current revenue	23.9	15.2	..	..
Current budget balance	0.8	-0.8	..	..
Overall surplus/deficit	-8.9	-0.1	..	..



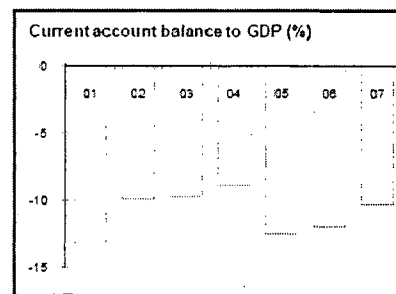
TRADE

	1987	1997	2006	2007
(US\$ millions)				
Total exports (fob)	403	352	..	..
Phosphates	112	82	..	..
Cotton	31	79	..	..
Manufactures	102	74	..	..
Total imports (cif)	516	603	..	..
Food	105	265	..	..
Fuel and energy	30	44	..	..
Capital goods	122	94	..	..
Export price index (2000=100)	54	86	..	..
Import price index (2000=100)	50	89	..	..
Terms of trade (2000=100)	107	96	..	..



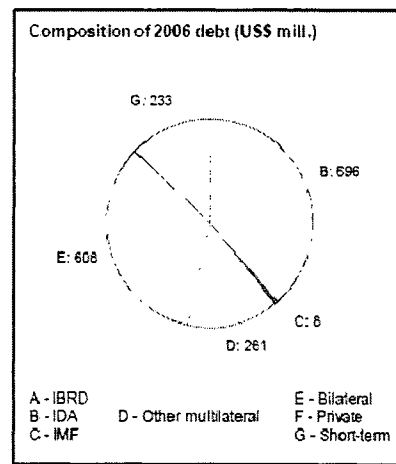
BALANCE of PAYMENTS

	1987	1997	2006	2007
(US\$ millions)				
Exports of goods and services	517	434	..	..
Imports of goods and services	634	672	..	..
Resource balance	-117	-237	..	..
Net income	-49	-29	-39	-41
Net current transfers	67	79	..	..
Current account balance	-99	-187	-264	-257
Financing items (net)	107	219	..	..
Changes in net reserves	-8	-32	..	..
Memo:				
Reserves including gold (US\$ millions)	361	119	375	438
Conversion rate (DEC, local/US\$)	300.5	583.7	522.9	479.3



EXTERNAL DEBT and RESOURCE FLOWS

	1987	1997	2006	2007
(US\$ millions)				
Total debt outstanding and disbursed	1,235	1,346	1,806	..
IBRD	21	0	0	0
IDA	267	561	696	723
Total debt service	91	56	15	..
IBRD	7	0	0	0
IDA	2	8	0	0
Composition of net resource flows				
Official grants	41	58	58	..
Official creditors	25	35	7	..
Private creditors	-8	-6	0	..
Foreign direct investment (net inflows)	7	21	57	..
Portfolio equity (net inflows)	1	11	14	..
World Bank program				
Commitments	29	76	0	0
Disbursements	20	17	0	0
Principal repayments	5	4	0	0
Net flows	15	13	0	0
Interest payments	4	4	0	0
Net transfers	11	9	0	0

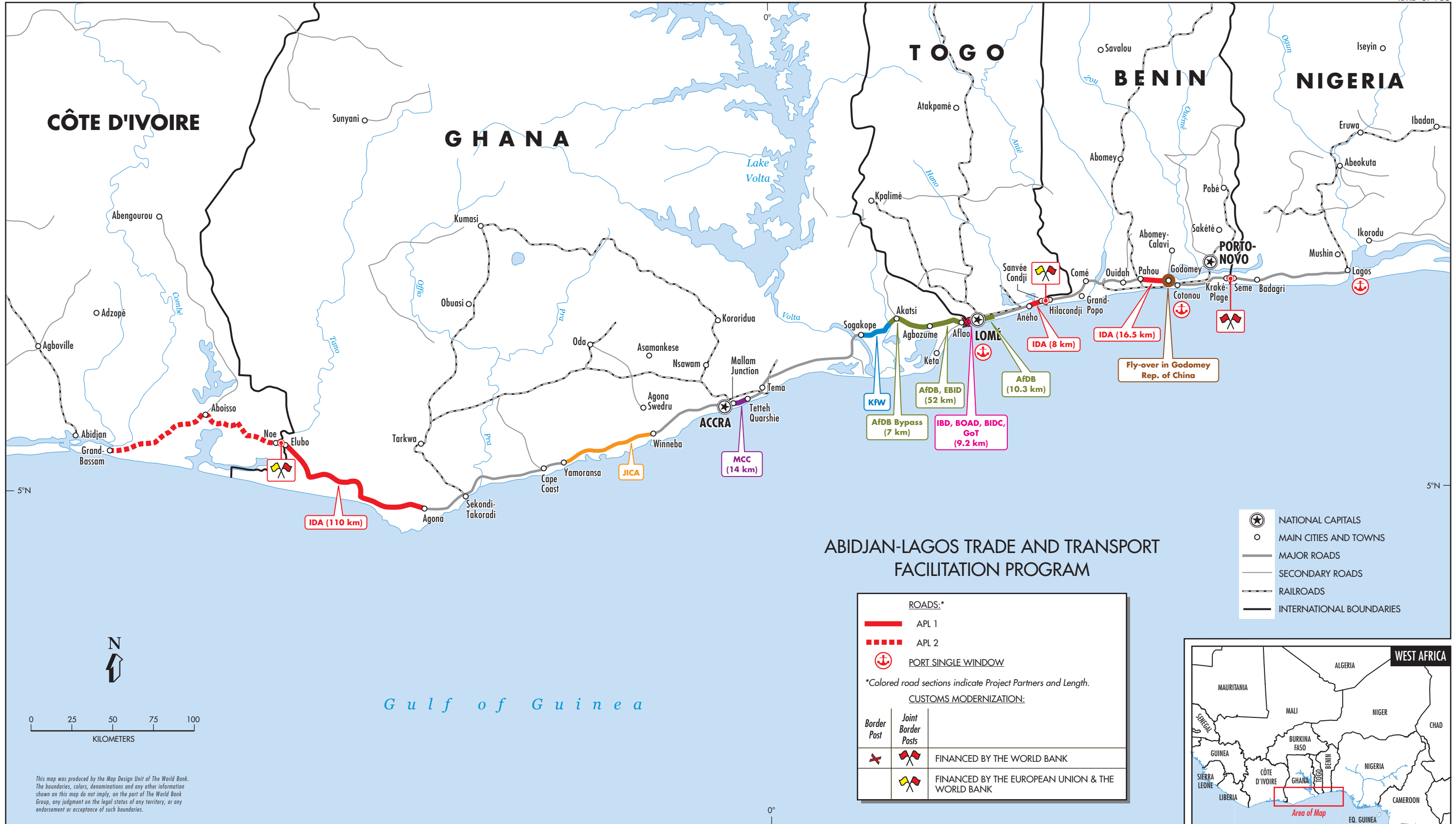


Note: This table was produced from the Development Economics LDB database.

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Annex 16: Maps

AFRICA: Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)



ABIDJAN-LAGOS TRADE AND TRANSPORT FACILITATION PROGRAM

ROADS:*

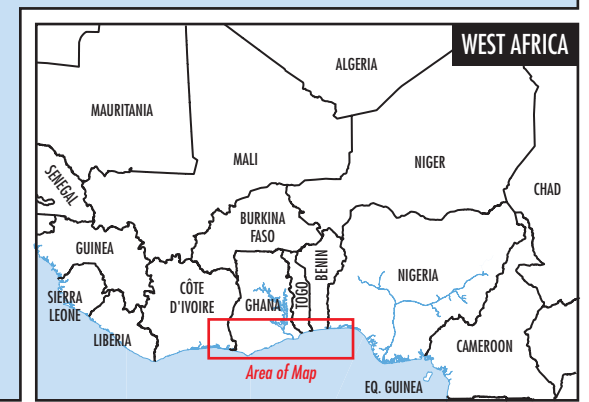
- APL 1 (Solid red line)
- APL 2 (Dashed red line)
- PORT SINGLE WINDOW (Anchor icon)

*Colored road sections indicate Project Partners and Length.

CUSTOMS MODERNIZATION:

Border Post	Joint Border Posts	Financing
		FINANCED BY THE WORLD BANK
		FINANCED BY THE EUROPEAN UNION & THE WORLD BANK

- NATIONAL CAPITALS
- MAIN CITIES AND TOWNS
- MAJOR ROADS
- SECONDARY ROADS
- RAILROADS
- INTERNATIONAL BOUNDARIES



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