

World Bank progress on
contributing to the NEPAD
Short Term Action Plan



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- **RID** created in 2004 in Africa Region – staffed with 2 regional teams (Southern-Eastern/Western-central) and a Regional Economist unit
- **REGIONAL OBJECTIVES UNDER THE AFRICA ACTION PLAN:**
 - *Export-Led Growth* - Focus on improving competitiveness and facilitating trade.
 - *Strengthened Policy Platform* - Focus on developing capacity to drive integration within the region.
- **RID IDA Total Commitment US\$816 m**
- **RIDA IDA Total Pipeline FY06 – FY09 US\$1611.4 m**

A. STAP WB Portfolio

| Project Title | Sector | Objectives | Countries involved | Implementing Agency |
|---|-----------|---|--|---------------------------------------|
| <p>1. Southern African Power Market Total Cost: \$190.71 m</p> | Energy | Support strengthening and expansion of the electric grid in Southern Africa to provide low cost and reliable power | DRC and Zambia for phase 1 and Malawi and Mozambique for phase 2 | SAPP and National utilities companies |
| <p>2. West Africa Power Pool Total Cost: \$590 m</p> | Energy | Facilitate the development of an efficient power market in the West Africa Region, in order to foster regional integration, reduce electricity costs, improve service quality, and promote the use of environmentally cleaner fuels.. | Benin, Burkina Faso, Côte d'Ivoire, Ghana and Mali | Governments and ECOWAS |
| <p>3. West Africa Gas Pipeline. Total Cost: \$83.50 m</p> | Energy | A 690 km gas pipeline linking Nigeria's gas fields to the neighboring countries of Benin, Togo and Ghana. | Benin, Togo and Ghana | Regional Gas Authority |
| <p>4. EAC Trade and Transport Facilitation Project Total Cost: \$281.67 m</p> | Transport | Help EAC and concerned countries address issues of transport costs and transit delays. | Kenya, Uganda, Tanzania | Governments and EAC Secretariat |

Southern African Power Market Program (APL1)

- **Approved by** the Board in November 2003
- **Total Project Cost:** \$190.71
- **IDA cost:** \$178.6 m
- **Objectives:** aims at improving electricity trading in the pool by creating a coordination centre and making a significant block of energy from Inga in DRC available and rehabilitation/construction of transmission lines between DRC and Zambia.
- **Co-financing:** Bilateral co-financing (unidentified) and foreign private commercial sources

West Africa Power Pool (APL1)

- **Approved** by the Board in June 2005.
- **Total Project Cost**: \$83.50 m
- **IDA cost**: \$40 m
- **Objectives**: an IDA credit to Ghana (USD 40 million equivalent) for development of the first phase of the Coastal Transmission Backbone Project (WAPP APL 1 –Phase 1).
- **Co-financing**: donors coordinate financial support to WAPP investment program with participation of AfDB, EIB, Kuwait Fund & AFD.

West Africa Gas Pipeline – Phase I

- **Approved** on November 2004
- **Total Project Cost:** \$590 m
- **Bank Group financial support** is composed of US\$50.0 million IDA partial guarantee and 75.0 MIGA guarantee to facilitate private sector investment (about US\$535 million).
- **Objectives:** A 690 km gas pipeline linking Nigeria's gas fields to the neighboring countries of Benin, Togo and Ghana.
- **Co-financing:** Developed by the Private Sector (with Chevron Texaco at the lead), Nigerian National Petroleum Corporation, Chevron, Shell, SoBeGaz, SoToGaz

East Africa – Trade and Transport Facilitation

- **Approved** by the Board in January 2006.
- **Total Project Cost:** \$281.67
- **IDA cost:** \$199 m
- **Objectives:** (a) improving trade environment through the effective implementation of the EAC Customs Union Protocol; (b) enhancing transport and logistics services efficiency along key corridors by reducing non tariff barriers and uncertainty of transit time; and (c) improving railway services in Kenya and Uganda.
- **Co-financing:** AfDB (\$15.80 m); UK: British Department for International Development (\$4 m); (DFID) For Uganda (\$45 m) and Japanese coop.

In support of STAP: WAEMU Capital Markets Project

- **Approved** by the Board in February 2004
- **IDA Credit**: \$96.4 million
- **MIGA guarantee**: \$70.0 million
- **Objectives**: Infrastructure related objectives are: providing medium and long-term finance for a broad spectrum of public infrastructure projects which will contribute to regional integration among the WAEMU countries; and providing political risk mitigation instruments to catalyze longer-term commercial financing in support of small and medium-sized infrastructure projects in WAEMU countries.

B. STAP WB Pipeline

| Project Title | Sector | Objectives | Countries involved | Implementing Agency |
|---|--------|---|--------------------------------------|-----------------------------------|
| <p>1. West Africa Gas Pipeline – Phase II – FY07 Total Cost: \$14 m</p> | Energy | Improve the competitiveness of the energy sectors in Ghana, Benin, and Togo and to foster regional economic and political integration that would support economic growth. | Ghana, Benin, and Togo | West African Gas Pipeline Company |
| <p>2. Inga I & II Rehabilitation – FY07 Total cost: \$450 m</p> | Energy | Increasing the available capacity at Inga. | SAPP countries and Congo Brazzaville | SNEL |
| <p>3. East Africa Power Market – FY08 Total cost: TBD</p> | Energy | Link the power systems of the three countries and promote the further expansion of gas-based power generation in Tanzania to serve the regional market. | Kenya, Uganda, Tanzania | N/A |
| <p>4. WAPP (APL2) Total Cost: \$110 m</p> | Energy | Develop the 60 MW Felou Hydroelectric Project. | OMVS countries | OMVS |
| <p>5 SAPP (APL2) Total cost: \$75 m</p> | Energy | Connect Malawi to the pool with direct benefits for Mozambique and Malawi. | Mozambique, Malawi | SAPP |

B. STAP WB Pipeline - 2

| Project Title | Sector | Objectives | Countries involved | Implementing Agency |
|---|--------------------------------|---|---|---------------------------------|
| 6. West Africa Transport and Trade Facilitation Program – FY08 Project cost: TBD | Transport | Increase competition among more efficient transport corridors in West Africa to boost internal and external regional trade. | Benin, Burkina Faso, Ghana | Governments , UEMOA and ECOWAS |
| 7. CEMAC Trade and Transport Facilitation Project – FY07 Project cost: \$105 m | Transport | Rehabilitation and maintenance works on two corridors between Cameroon and the two land-locked countries (CAR and Chad). | Chad, Cameroon, Central African Republic | Governments , CEMAC Secretariat |
| 8. Eastern and Southern Africa Telecommunications project (RCIP) – FY07 Project cost: \$100 m | Telecom | Develop a program to develop communications infrastructure in Eastern and Southern Africa. | 22 countries in Eastern and Southern Africa | N/A |
| 9. Nile River Basin Initiative – FY08, FY09 and beyond Project cost: \$3 bn | Energy – Multipurpose projects | Support and facilitate the development of the Nile Basin Initiative and coordinate international support to NBI projects. | Nile River Basin Countries. | N/A |

CEMAC Trade and Transport Facilitation

- **Scheduled for approval** by the Board in December 2007.
- **Total Project cost**: \$105 m
- **IDA cost**: \$64 m
- **Objectives**: release the bottlenecks along the logistic chain between Douala and its neighboring landlocked countries that constrain export-led growth and development.
- **Co-financing**: Project preparation is carried out jointly with AfDB and in close association with the EU's regional programs and the French AFD.

West Africa regional road and facilitation project

- **Scheduled for** the Board in Fiscal Year 2008
- **Total Project Cost:** TBD
- **IDA cost:** \$70 m
- **Objectives:** upgrade of the Accra-Ouagadougou-Bamako link. The objective would be to boost internal and external regional trade and subsequently poverty reduction.
- **Co-financing:** jointly financed by the World Bank, the African Development Bank and the West African Development Bank.

Abidjan-Lagos Transport Project

- **Scheduled for** the Board in Fiscal Year 2008
- **Total Project Cost:** TBD
- **IDA cost:** \$139 m
- **Objectives:** cover additional needs for road and transit facilitation investments identified in Ghana, Benin and Nigeria on the coastal corridor.
- **Co-financing:** AfDB potential co-financier

West Africa Gas Pipeline – Phase II

- **Scheduled to be approved** in June 2006
- **Total Project Cost**: \$14 m
- **IDA cost**: \$12 m
- **Objectives**: i) a capacity building/institutional building component for the regional gas Authority and for the environmental agencies of Ghana, Benin and Togo; ii) a studies/TA component including (a) feasibility of pipeline extension up to Senegal/Mauritania with spurs along the way, (b) feasibility and engineering for the development of gas distribution systems in Ghana, Benin and Togo.
- **Co-financing**: Tentatively USAID, USTDA

West Africa Power Pool (APL2)

- **Scheduled to be approved** by the Board in June 2006.
- **Total Project Cost:** \$110 m
- **IDA cost:** \$75 m
- **Objectives:** develop the 60 MW Felou Hydroelectric Project.
- **Co-financing:** USAID provided TA for the preparation of institutional, regulatory and commercial elements of the WAPP framework and EIB will co-finance APL2.

Southern African Power Market Program (APL2)

- **Scheduled for** the Board at the end of Fiscal Year 07
- **Total Project Cost:** \$75 m
- **IDA cost:** \$63 m
- **Objectives:** connect Malawi to the pool with direct benefits for Mozambique and Malawi.
- **Co-financing:** Bilateral Agencies (unidentified) for \$12 m.

East Africa Power Market

- **Scheduled for** the Board in Fiscal Year 2008
- **Total Project cost:** TBD (no concept note yet)
- **IDA cost:** \$100 m
- **Objectives:** to link the power systems of the three countries and promote the further expansion of gas-based power generation in Tanzania to serve the regional market.
- **Co-financing:** TBD

Inga I & II Rehabilitation

- **Scheduled for** the Board in Fiscal Year 2008
- **Project Total Cost:** \$450 m
- **IDA cost:** \$100/\$200 m
- **Objectives:** The project will involve urgent rehabilitation of Inga I and II to meet the Southern Africa Power Market Plan, APL1's objective is exporting 500MW from the DRC to SAPP by end 2008 and providing additional power for domestic demand. This will require increasing the available capacity at Inga from 700MW to 1125 MW
- **Co-financing:** This project will require a cof-financing of at least \$250 m

Regional Communications Infrastructure Program (RCIP)

- **Scheduled to be approved** by the Board in 2007
- **IDA cost:** \$100 m

This value may change if funds are leveraged using IDA guarantees.

- **Objectives:** finance a submarine fiber cable along the East Coast of Africa and connect countries in the region to the global telecommunications network.
- **Co-financing:** PPP arrangements will be based on private sector participation and cofinancing with AFD, AfDB, DBSA, DFID. Preparatory studies and activities cofinanced with AFD, DBSA, AfDB, PPIAF.

Regional Rusumo Falls Hydroelectric and Multipurpose Project

- **Scheduled for** the Board in Fiscal Year 2009
- **IDA cost:** \$100 m
- **Objectives:** productive multi-purpose use of water & energy resources with investment in sustainable livelihoods in the project area in the Kagera River Basin.
- **Co-financing:** None yet defined.

East Eastern Nile Joint Multipurpose Program

- **Scheduled for** the Board after FY10
- **Total Project cost:** up to \$3 bn
- **IDA cost:** TBD
- **Objectives:** develop the Eastern Nile as one sub-system, potentially including joint institutions and co-owned infrastructure assets. This program will include a series of projects (20 year timeframe, USD multi-billions).
- **Co-financing:** Investment needs for this first project are estimated to be USD 3 billion.

STAP Programs to date

Today

- ✓ Examples: West Africa Gas Pipeline, WA and Southern Africa Power Pool, EAC Regional Trade Facilitation.

Pipeline

- ✓ Strong pipeline (about \$1 billion) for IDA 14 and 15 in transport, energy and telecoms including:
 - 3 regional transport and trade facilitation projects in West and Central Africa
 - Analytical work and/or active trade dialogue with the RECs

Technical Assistance and RECs Capacity Building:

- ✓ Support to selected Regional Economic Communities (RECs)
 - Capacity development of the REC - near-term capacity needs; and
 - Strengthening capacity of the REC to select and prepare priority regional investments, including through establishment of multi-donor sub-regional funds.

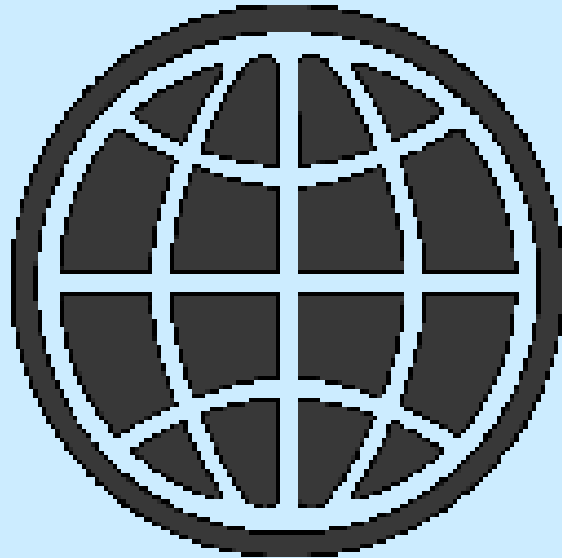
NEXT STEPS

- A goal to build WB regional investment financing under NEPAD STAP up to \$500m pa.
- Donors harmonization in Transport sector is benefiting from the SSATP mechanism but could improve in Energy and Water;
- Increased funding and new instruments call for increased cooperation:
 - “Africa Infrastructure Consortium” (WB, AFDB, AU)
 - “EU/Africa Coalition for Africa” (EU, AU)
 - “EC/EIB Coalition for Africa”
 - “EC Infrastructure Facility”
 - “Africa Action Plan” (WB)
 - “Africa Growth Catalytic Fund” (WB)
- **Way Forward:** Identify small number of NEPAD flagship projects which enjoy a political constituency and create joint teams;

Constraints to STAP implementation

1. Questionable priority, or continuing justification.
2. Lack of technical project preparation, and due diligence
3. Limited progress with donor harmonization.
4. Technical complexity plus policy harmonization.
5. IDA 14 limited. Availability of cofinancing?

THANK YOU



The Regional Integration Department

Africa Region
The World Bank