

**PROJECT INFORMATION DOCUMENT (PID)  
APPRAISAL STAGE**

Report No.: AB4807

<b>Project Name</b>	Abidjan-Lagos Trade and Transport Facilitation Project (ALTTFP)
<b>Region</b>	AFRICA
<b>Sector</b>	Roads and highways (87%); Other domestic and international trade (11%); Health (2%)
<b>Project ID</b>	P096407
<b>Borrower(s)</b>	REP. OF GHANA, TOGO, BENIN, NIGERIA
<b>Implementing Agency</b>	Project Coordination Units in each member country
	ALCO – Benin
<b>Environment Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
<b>Date PID Prepared</b>	September 2, 2009
<b>Date of Appraisal Authorization</b>	September 4, 2009
<b>Date of Board Approval</b>	November 12, 2009

## 1. Country and Sector Background

### Regional Context

1. West Africa, which contains 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), 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.

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. 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.

2. 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**

3. Although all 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, 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.

4. 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 IDA-funded Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) regional project and operates as a Regional Monitoring Unit (RMU) under ECOWAS.

## **Transport and trade facilitation challenges in West Africa**

5. 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.

6. Despite these commitments, the surface transport system in West Africa is still largely based on increasingly obsolete 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.

7. 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.<sup>1</sup> 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.

8. 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 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<sup>2</sup>. Therefore, pursuing further reforms on Nigeria's trade policy regime is critical to boost regional trade.

### **Abidjan-Lagos Road Transport Corridor (the Corridor)**

9. In 2003, ECOWAS and WAEMU adopted the Regional Road Transport and Transit Facilitation Program 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.

10. The 1028 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

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<sup>1</sup> The most relevant example is the traffic between Benin and Nigeria as a result of a restrictive trade regime of the latter.

<sup>2</sup> 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

corridor are used when a problem arises on a given route: for example, part of the Abidjan-Accra road was extensively used during the crisis in Ivory Coast, for goods shipped to Burkina Faso.

## **Key sector issues**

11. There is an increasing recognition that all of the major West African road corridors are inadequate in terms of trade costs. For example, transport tariffs per ton-kilometer are, on average, two times higher than in Western Europe but with much older fleet and low transport quality and reliability. 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 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.

12. 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) excessive 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**

13. 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 Bank<sup>3</sup> 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.<sup>4</sup>

## **2. Objectives**

14. 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\$340 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\$258 million) in Ghana, Togo, Benin and Nigeria; and the second phase (under APL2, for an estimated cost of about US\$82 million) in Côte d'Ivoire. The triggers for the launching of the second phase, estimated to start within one year from the first phase will be: (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.

15. 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, Benin, and Nigeria.

16. The achievement of the regional project development objectives will be measured using the following key indicators: (i) port dwell time along the corridor,<sup>5</sup> and (ii) border crossing time

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<sup>3</sup> The project closed in December 2007.

<sup>4</sup> Project Implementation Completion and Results Report (ICR), June 25, 2008

<sup>5</sup> Lagos, Lomé and Cotonou ports.

along the corridor<sup>6</sup>. The regional indicators will be collected and monitored by the Abidjan-Lagos Corridor Organization (ALCO) based on a methodology developed with the support of an Institutional Development Fund (IDF). The baseline data has been collected and processed. 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.

### **3. Rationale for Bank Involvement**

17. 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, financially wise, will be road rehabilitation, but the main focus of attention will be the trade facilitation component.

18. 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.

19. 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.

20. Nigeria's gradual liberalization of its trade policy is critical for the success of the proposed regional project, as mentioned in paragraph 9 above. Through the results of a recent Employment and Growth Study, the World Bank has engaged in a high level policy dialogue with the government on the negative impact of the country's restrictive trade regime on trade facilitation and regional integration, but also on its own domestic growth and employment. The study shows that high tariffs and import prohibitions (i) have not helped boost domestic production and export growth, (ii) have reduced employment in some sectors affected by import restrictions; (iii) have significantly increased the cost of doing business in Nigeria; (iv) have increased prices of consumer goods, especially for the poor, and finally (v) have created strong incentives for smuggling of goods from neighboring countries, aggravated by corrupt behavior of

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<sup>6</sup> Seme (Nigeria)-Krake (Benin); Hillacondji (Benin) – Sanvee-Condji (Togo); and Kojoviakopé (Togo)-Aflao (Ghana) borders.

customs officials. While the project support to Nigeria is centered on the assistance to Nigeria Customs Service (NCS) modernization, it is recognized that the country's current restrictive trade policy prevents any attempt to reform the NCS and enables a high level of corruption in the institution. The project provides an additional platform, that of regional integration and customs reforms, for policy dialogue. Should the country's trade policy be liberalized and the NCS modernization succeeds, both the regional and national benefits will be high. Paragraph 59 and Table 2 below describe the related challenges and risks.

21. The World Bank 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), United States Agency for International Development (USAID)) in West Africa are preparing programs in support of regional integration, transport and trade 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.

22. Several Country Assistance Strategy (CAS) documents explicitly support regional integration, trade and transport facilitation. More 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 Nigeria Country Partnership Strategy (CPS) has put the improvement of investment climate and policies as one of the four pillars to focus on. The Togo Interim Strategy Note puts this proposed regional project as a means to promote economic recovery and sustainable development.

23. The Board approved 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 competitive and efficient private sectors 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.

24. 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 Regional Integration Assistance Strategy (RIAS

2008) for sub-Saharan Africa; and (iii) is consistent with the Africa Action Plan, which supports regional integration and partnerships.

#### **4. Description**

25. The project objective would be achieved through the following **broad common components in the four countries**:

**(A) Trade Facilitation (US\$21 million)** 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 Lomé, Cotonou, and Lagos, 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: (i) establish a joint border posts along the Recipients' borders with the neighboring countries along the corridor; and (ii) 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\$227 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 16.5 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)** 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)** 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.

26. The project implementation period is estimated at about six years. The project will be financed through IDA credits (from both national envelope and regional envelope) and governments' contribution in Nigeria, Benin, and Ghana. Separate credit agreements will be 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 that component. A project agreement will be signed between ALCO and IDA to specify the implementation arrangements of this component by ALCO.

**Table 1: Total project cost<sup>7</sup> broken down by main component and country (million US\$)**

	Project activities components				Total (including taxes)	Of which Taxes	Financing sources	
	Trade Facilitation	Improvement of Road Corridor	National Project Management	Regional Component			IDA	Gov
<b>Nigeria</b>	6.5	0.0	1.0	0.0	7.5	0	7.0	0.5
<b>Benin</b>	7.5	78.0	0.5	0.0	86.0	13	75.0	11.0
<b>Togo</b>	4.5	27.0	0.5	6.0	38.0	5	33.0	5.0
<b>Ghana</b>	2.5	122.0	1.5	0.0	126.0	19	120.0	6.0
<b>Total</b>	<b>21.0</b>	<b>227.0</b>	<b>3.5</b>	<b>6.0</b>	<b>258</b>	<b>37</b>	<b>235</b>	<b>23</b>

Note: The project cost in Togo includes the regional component.

## 5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	23
International Development Association (IDA)	235
Total	258

## 6. Implementation

27. 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

<sup>7</sup> Including taxes.

infrastructure for joint border-posts between all countries along the coastal corridor and implementation will start in late-2009. The Japan Policy and Human Resources Development (PHRD) for the preparation of the ALTTFP, executed by ECOWAS, finances relevant studies<sup>8</sup>. The MCC in Benin finances port and customs efficiency improvements. The AfDB and the WADB have provided for technical, environmental and social studies and design for corridor road sections in Ghana and Togo, respectively. The Department for International Development (DFID) is designing a program of support to regional integration and support to trade in Nigeria. The total donors' financing, including the proposed ALTTFP, amounts to about 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 Regional Road Transport Program (RRTP) of 2002 is being jointly supported by all donors.

28. The overall regional project coordination will be ensured by ECOWAS in line with its designated role over the regional and corridor projects in West Africa, and it will exercise that role through ALCO. 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 the ALCO in accordance with the Accra MOU of September 2007 signed by the five countries and ECOWAS, and the MOU of August 2008 between ECOWAS and ALCO on the facilitation of Road Transport and Transit along the Abidjan-Lagos corridor. The Accra MOU and its annexes<sup>9</sup> provide the general framework for project implementation, monitoring and reporting. The national coordinators in each country will report to ECOWAS through ALCO as its agent. ECOWAS will be regional coordination body on project implementation, progress in the execution of the Accra MOU, and the national performance indicators as the case may be. Annex 6 provides for a framework for the project implementation and relationship between regional and national project management.

## **Regional Coordination**

29. The existing structure of ALCO created under the former IDA funded HIV/AIDS regional project operates as a Regional Monitoring Unit (RMU) under ECOWAS<sup>10</sup>. The RMU will therefore provide for 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 component on HIV/AIDS; and (iv) a forum of information, awareness and solution-seeking on trade and transport issues along the corridor.

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<sup>8</sup> Establishment of single window systems in the ports on Lagos, Cotonou, Lomé and Abidjan; information sharing and interconnectivity among Customs along the Corridor.

<sup>9</sup> Annex 1: Border Post Business Hours; Annex 2: Official Controls Along the Corridor; Annex 3: Performance Indicators Monitoring and Reporting.

<sup>10</sup> To that end, a MOU was signed between ECOWAS and ALCO providing for an agreement on project regional implementation, monitoring and evaluation.

## National Coordination

30. The proposed project components will be implemented by project teams in several ministries and departments. **In Nigeria**, the project will be implemented by the NCS who is also the beneficiary of most of the investment. A Project Coordination Unit (PCU) has been established with staff (the project manager/national coordinator; financial manager/accountant; procurement specialist; team assistant) and an office. The PCU will coordinate with the National Facilitation Committee's (NFC's) Secretariat located in the Federal Ministry of Transport for the implementation of the NFC support sub-component; and with the port of Lagos and other agencies for the implementation of the single window sub-component. A Project Steering Committee (PSC) at directors' level, chaired by the Federal Ministry of Finance (FMOF) has been set up, to include the main stakeholders. Its mandate will be to discuss and monitor trade policies, Customs reforms and indicators.

31. **Benin:** The PCU is located within the Ministry of Transport; the team 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.

32. **Togo:** The PCU is located within the Ministry of Planning and Economic Development. At the same time, the main project beneficiaries for Customs, Autonomous Port of Lome (PAL), DGTP and the National Facilitation Committee (NFC) have identified and nominated “focal points”.

33. **Ghana:** The project implementation is carried out under the same arrangements agreed for the West Africa Transport and Transit Facilitation Project (WATTFP) financed by the IDA. 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 Prevention Services (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, 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.

## **7. Sustainability**

34. 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:

35. First, as indicated above, the project will support the ECOWAS' RRTP 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 member countries, signed by all governments and ECOWAS, is a key document ensuring the project sustainability; its duration (seven years) goes beyond the project life, and may be further extended by the members. 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.<sup>11</sup> It is thus expected that in a few years the National and Regional Facilitation Committees set up with EU and IDA support acquire 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 the 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.

## **8. Lessons Learned from Past Operations in the Country/Sector**

36. The IEG World Bank report on multi-country operations<sup>12</sup> 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 five countries share the same interest in

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<sup>11</sup> 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.

<sup>12</sup> The Development Potential of Regional Programs: An Evaluation of World Bank Support of Multi-county Operations December 19, 2006.

improving transport infrastructure along the corridor; and (ii) each individual country wants an increased trade and person flows to contribute to poverty reduction.

37. 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 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, TA and capacity building measures; and (viii) relatively weak ownership by implementing countries.

38. IDA's direct experience in preparing and implementing regional transport projects is limited. However, there are/have been similar projects that have been successfully implemented with assistance from the IDA. Two examples are the Trade and Transport Facilitation in Southeast Europe Project (TTFSE) and the Greater Mekong Area Regional Integration Program. The major lessons learned from implementing 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.

39. 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 EATTFP<sup>13</sup>: (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.

40. 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

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<sup>13</sup> Ref: Quality at Entry Report – EATTFP – Partial Risk Guarantee, World Bank Quality Assurance Group, Oct. 2006.

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.<sup>14</sup>

## 9. Safeguard Policies (including public consultation)

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

## 10. List of Factual Technical Documents

### 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.

### 2. Technical studies

ACE Consulting Engineers Moharram Bakhom. 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*

<sup>14</sup> 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.

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

*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.*

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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.*

Louis Berger S.A.S. December 2008. *Rapport d'étude de faisabilité technico-économique (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.*

Raballand, Gaël and Mjekiqi. 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.*

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