

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

Report No.: AB557

<b>Project Name</b>	West Africa Road Transport
<b>Region</b>	AFRICA
<b>Sector</b>	Roads and highways (100%)
<b>Project ID</b>	P079749
<b>Borrower(s)</b>	
<b>Implementing Agency</b>	
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<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>Safeguard Classification</b>	<input type="checkbox"/> S <sub>1</sub> <input checked="" type="checkbox"/> S <sub>2</sub> <input type="checkbox"/> S <sub>3</sub> <input type="checkbox"/> S <sub>F</sub> <input type="checkbox"/> TBD (to be determined)
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**1. Key development issues and rationale for Bank involvement**

ECOWAS and UEMOA seek to improve the efficiency and competitiveness of the main transport corridors in West Africa in order to boost intraregional and international trade, a key factor of growth and contributor to poverty reduction. More specifically, the program aims at facilitating cross border transport by removing non-tariff barriers to transit and reducing transport costs and transit time for persons and goods while taking into account the impact of international transport on the population bordering major transit corridors.

The program will complement the set up of customs unions in both ECOWAS and UEMOA. UEMOA already implemented a common external tariff (CET) in 2000. ECOWAS recently received strong donor support under the NEPAD to establish a similar CET. In parallel, UEMOA adopted in 2001 a road transport and infrastructure strategy which defines the objectives for regional road infrastructure, information systems and transport and transit facilitation. ECOWAS is less advanced in the definition of its transport strategy and policies but presented an action plan to its Council of Ministers in December 2002 aimed at strengthening the community decisions on free movement of goods and persons. Subsequently, ECOWAS adopted in January 2003 a decision on the establishment of a regional road transport and transit facilitation program in support of intra-community trade and cross-border movements.

The recent progress in ECOWAS and the achievements of UEMOA in setting up a Customs union are clear expressions of the countries' commitment to facilitating the free movement of goods and persons. UEMOA has also progressed in the implementation of its road

transport and infrastructure strategy through (i) a port facilitation program, and (ii) a pilot facilitation project which includes setting up of observatories of practices along corridors and construction of two joint border posts. A recent evidence of commitment is the joint organization by ECOWAS and UEMOA of a three-day workshop in Accra which ended in the definition of an action plan to improve road transport and transit facilitation in West Africa.

At country level, some countries have launched their own initiatives, such as Mali and Côte d'Ivoire (interconnection of customs information systems).

However, while several countries include facilitation of transit and promoting intra-regional trade in their PRSP, implementation of actual measures remains uneven. For this reason, it is proposed that the program starts with the countries most committed to improving transit along international corridors. The program would provide an umbrella for donor support which will be available to other countries when they demonstrate their commitment and request such support.

The program supports the RIAS for West Africa approved by the Board on July 11, 2001. The strategy covers the 15 ECOWAS countries and focuses on the creation of an open, unified, regional economic space, as a means of creating an environment for a more competitive and efficient private sector. The program, mentioned in the RIAS, directly supports two of the three pillars of the strategy : (i) a trade policy that removes all formal and informal barriers to intra-regional trade, (...) and generally favors better trade facilitation; and (ii) efficient, region-wide infrastructure services. Several CASs in West Africa also explicitly support regional integration and trade and transport facilitation.

The World Bank carried out a review of Bank lending for African transport corridors in 1994 (Report No. 13099, May 1994). Some of its main recommendations are relevant to the project : (a) give the topic of transport corridor a prominent place in donors meetings and regional initiatives; (b) design a regional corridor agenda; and (c) promote regional corridor projects. The study also recommended that country lending implement the regional corridor agenda with focus on (a) government policies and adherence to principles of open trade/traffic embodied in formal and monitorable agreements; and (b) improvement of public administration (especially customs) and development of local Chambers of Commerce and other self-governed professional bodies. Lending should include investment and policy and institutional development with, as prerequisites, inter country agreements on the operation of the corridors : access, maintenance, streamlining and harmonization of regulation.

Lessons from the Transport and Trade Facilitation Program in Eastern Europe emphasize the need to ensure a faire distribution of benefits among stakeholders, either public or private. This can be achieved by ensuring involvement of all stakeholders during program preparation mitigating the risk of further resistances.

The European Union (EU), African Development Bank (AfDB), France, USAID, SSATP and NEPAD Funds are partners in the preparation of the program. They already contributed to the financing of the workshop organized in Accra in November 2003. EU has committed Euros 80 million to support the program. AfDB has approved in November 2003 a DTS 68 million equivalent program covering Ghana, Burkina Faso and Mali. Several other donors are financing upgrading and maintenance of regional road infrastructure. The West African Development Bank is preparing a US\$ 90 million program for regional road infrastructure with support from the World Bank through a line of credit. The value added of donors is to strengthen the consistency of regional programs or country initiatives on regional issues by linking infrastructure financing to reform of procedures and efficient delivery of transport services.

The specific value added of the World Bank is its leverage effect through its dialogue with the IMF at country and regional level. The World Bank is also involved in institutional reforms in most countries in the region through transport sector projects while other donors mostly concentrate on infrastructure financing. The Bank thus has a unique capacity to bring together and coordinate stakeholders and donors to implement difficult reforms such as those envisaged under the program.

## **2. Proposed objective(s)**

The program objective is to improve the efficiency and competitiveness of the main transport corridors in West Africa in order to boost internal and external regional trade which is a key factor of growth and therefore contributor to poverty reduction

## **3. Preliminary description**

The country-by-country approach used in the past was rejected because it had mixed results, highlighted in the abovementioned 1994 report. The country-by-country approach makes it difficult to coordinate actions which cover two countries along a corridor or implementation of measures which cover multiple countries such as the ECOWAS ISRT (transit) system. It also involves larger transaction/coordination costs. The proposed program will therefore be a mix of actions/measures/investments carried out at the regional, corridor and country levels.

The lending instrument would be a Sector Investment Loan. IDA funding would come from the IDA13 Pilot Envelope envisaged for regional projects in FY04-FY05. Individual country allocations would cover 1/3 of the project cost attributable to an individual country with some level of flexibility provided to smaller countries that have significantly greater constraints on their IDA allocations than larger countries. This funding method for regional projects has still to be approved by the Board however. In the case it would not be approved, the program would be implemented through country projects. It is also proposed that regional technical assistance be financed through Grants.

The proposed program would include the following components:

(a) Streamlining and harmonization of road transport and transit regulation and procedures (implementation of the revised regulation on axle load control, assessment and correction of the differences between regional and national regulation);

(b) Facilitation of transit along regional corridors (joint border posts, implementation of the regional bond guarantee system under IRST and the single custom document, creation in ports of one-stop windows for customs and other formalities, sealing of trucks used for international transit);

(c) Improvement of information systems (monitoring of corridor performance, electronic monitoring of truck movements, electronic data interchange);

(d) Improvement of transit infrastructure (road rehabilitation and maintenance, port security);

(e) Institutional reform and capacity building; and

(f) Mitigation of impact for corridor neighboring population (road safety, environment, HIV /AIDS).

The content of the World Bank project will be defined based on the availability of resources and the interest of donors. ECOWAS and UEMOA are finalizing the cost assessment of their needs for regional infrastructure maintenance and improvement.

Cooperation among donors is a necessity and excellent. The first issue is the risk of delays in the availability of funds from some donors, particularly the EU which is a key donor of regional institutions. The second issue is to ensure consistencies among donors. This will be

dealt with by defining a common framework of intervention and implementing a coordination mechanism among donors but also by developing joint leadership by and coordination between UEMOA and ECOWAS during program preparation and implementation.

#### **4. Safeguard policies that might apply**

**Environment.** An environmental and social assessment will be carried out during project preparation and mitigation measures will be defined as appropriate including strengthening of capacity to implement environmental management plans. Physical investments will consist in rehabilitation/pavement of existing roads along international corridors, enhancement or construction of border facilities in already developed areas at borders between countries.

**Resettlement.** Physical investments may result in resettlement of population occupying the right of way of roads or sites where joint border posts will be constructed. During program preparation, a review will be carried out of resettlement policy frameworks (RPF) in countries. Country RPFs will then be prepared consistent with each country's regulation while complying with donors' requirements.

**HIV/AIDS.** The program will include activities for the prevention of HIV/AIDS along transit corridors. The program will build on the experience of the HIV/AIDS project on the Abidjan-Lagos transport corridor.

**Road safety :** Road safety audits will be carried out on the transit corridors. The program will include activities to mitigate the impact of international transit on the population living along the corridors due to road accidents.

#### **5. Tentative financing**

Source:	(\$m.)
BORROWER/RECIPIENT	2
INTERNATIONAL DEVELOPMENT ASSOCIATION	10
Total	12

#### **6. Contact point**

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