

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

Report No.: AB5891

<b>Project Name</b>	Abidjan-Lagos Trade and Transport Facilitation Program - APL-2
<b>Region</b>	AFRICA
<b>Sector</b>	Roads and highways (87%);Other domestic and international trade (11%);Health (2%)
<b>Project ID</b>	P116323
<b>Borrower(s)</b>	GOVERNMENTS OF NIGERIA AND COTE D'IVOIRE
<b>Implementing Agency</b>	Ministry of Economy and Finance for Cote d'Ivoire and Federal Ministry of Finance for Nigeria; Abidjan-Lagos Corridor Organization
<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>	July 15, 2010
<b>Estimated Date of Appraisal Authorization</b>	February 21, 2011
<b>Estimated Date of Board Approval</b>	May 26, 2011

**A. Key development issues and rationale for Bank involvement**

1. 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, the Economic Community of West African States (ECOWAS) and the West African Economic and Monetary Union (WAEMU) member states have consistently committed themselves to the financing of designated regional road corridors. Despite these commitments, the surface transport system in West Africa remains in poor condition.

2. In addition to the physical obstacles generated by the poor condition of road and railways 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; and (iv) smuggling and corruption largely generated by restrictive trade policies. Furthermore, along the coastal corridors 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.

3. 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, although in October 2008 almost half of the banned import products were removed, the impact of these measures on trade flows and trade facilitation remain

limited because the main items subject to unofficial trade (such as garments, oil, and second-hand cars) remain prohibited for imports. Therefore, pursuing further reforms on Nigeria's trade policy regime is critical to boosting regional trade.

4. The ALTTFP 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.

5. The project will draw on the experience of implementing the HIV/AIDS project for Abidjan-Lagos corridor financed by the World Bank<sup>1</sup>. It will maintain the related successful regional monitoring arrangements and organizations, as well as addressing some remaining regional HIV/AIDS prevention and treatment issues.

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

6. 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\$348.5 million. The regional program will cover five countries: Côte d'Ivoire, Ghana, Togo, Benin, and Nigeria, and will be tailored to countries' conditions.

7. The objective of the proposed ALTTFP (APL 2) is to reduce trade and transport barriers in the ports and on the roads along the Abidjan-Lagos corridor in Côte d'Ivoire and Nigeria. The total cost of the project in Côte d'Ivoire and Nigeria is estimated at US\$91 million.

## **C. Preliminary description**

8. The program has been broken down in two phases: the first phase includes Ghana, Togo and Benin (credits in Ghana and Benin, and grant in Togo approved by the World Bank's Board of Directors on March 23, 2010), while the second phase includes 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 were able to 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 the program's first phase 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 would require more extensive

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<sup>1</sup> The project closed in December 2007.

preparation in order to secure proper buy-in and support for rapid implementation, once Nigeria joins the program.

9. The project objective will be achieved through the following broad common components in the two countries:

(A) Trade Facilitation (US\$12.4 million, financed by IDA) 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 Lagos (Apapa) and Abidjan, 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 their neighbouring countries along the corridor (i.e., Ghana for Côte d'Ivoire and Benin for Nigeria); and (b) strengthen the capacity of the Recipients' border agencies<sup>2</sup> 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; and
- (vi) Strengthening of the operational capacity of the Recipients' National Facilitation Committees.

(B) Improvement of the Road Corridor's Infrastructure in Côte d'Ivoire (US\$75.2 million, financed by IDA) 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 130 km of road in Côte d'Ivoire on the Grand Bassam-Aboisso-Noé section along the corridor, including enlargement of the Noé bridge; and (b) supervision of the related civil works;
- (iii) Construction of rest stop areas at Noé and Aboisso;
- (iv) Rehabilitation of access roads to freight terminal;
- (v) Study on traffic management on the access roads to the port of Abidjan;
- (vi) Implementation of social and environmental mitigation measures required under this Component B of the Project; and
- (vii) Provision of technical assistance, material and equipment for road safety.

(C) Project Management and Coordination (US\$3.4 million, of which IDA US\$1.9 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

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<sup>2</sup> Customs and Immigration

Project implementation activities including monitoring and evaluation of progress achieved in the execution of the Project.

(D) HIV/AIDS Programs and Corridor Performance Monitoring (already financed under APL1) 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; and
- (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.

**D. Safeguard policies that might apply**

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>Environmental Assessment (OP/BP 4.01)</b>	<b>X</b>		
<p>Environmental category: B - Partial Assessment</p> <p>It is expected that the periodic maintenance and rehabilitation of the corridor roads in RCI as well as the assistance to border agencies would result in positive environmental and social impacts. A successful implementation of the proposed periodic maintenance and rehabilitation of roads, bridge and rest areas is likely to improve the quality and reliability of passenger and cargo transport, increase the road safety, create employment opportunities (mostly in the road construction industry), and indirectly contribute to the country' economic development and to improvement in the quality of life of the affected population. However, some potential environmental and social impacts may occur in the physical works component of Component B. An environmental and social assessment of each road sub-project will be carried out by the Recipient during project preparation, under TOR acceptable to the Bank. The objective of the assessment will be to identify, qualify and quantify any negative and positive environmental and social impacts pertaining to each road, and to propose the required mitigation measures to be implemented to avoid potential negative impacts. Specific ESIA's will be conducted for each infrastructure sub-component of the project and will make the object of consultation with the affected population as the case may be. The ESIA will be disclosed in-country and at the Infoshop prior to appraisal.</p> <p>Within the context of the existing regional Medical Waste Management Plan (MWMP) prepared by the Abidjan-Lagos Corridor Organization, the project will formulate and execute 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.</p>			
<b>Natural Habitats (OP/BP 4.04)</b>			<b>X</b>
<p>Site impact assessments will determine whether any natural habitats will be affected. The results will be captured in the ESIA's, and if impact determined the technical studies will be revised.</p>			

<b>Safeguard Policies Triggered</b>	<b>Yes</b>	<b>No</b>	<b>TBD</b>
<b>Forests (OP/BP 4.36)</b>		<b>X</b>	
<b>Pest Management (OP 4.09)</b>		<b>X</b>	
<b>Physical Cultural Resources (OP/BP 4.11)</b>			<b>X</b>
The proposed locations where civil works for road improvements will take place have been verified as areas that do not have historically or culturally significant physical cultural resources. However, during preparation, this will be assessed on site.			
<b>Indigenous Peoples (OP/BP 4.10)</b>			<b>X</b>
During preparation, a social assessment will determine whether the proposed road improvements will affect indigenous communities.			
<b>Involuntary Resettlement (OP/BP 4.12)</b>	<b>X</b>		
The proposed civil works for road improvements will be executed on existing roads and normally within the right of way (RoW). However, there will be some rest stops and parking areas to be constructed as part of project design. Pending final demarcation of the RoW, there are potential settlements and businesses along the road that may be affected. Thus, a Resettlement Action Plan (RAP) will be prepared in parallel with the technical studies for roads works, including a baseline social assessment of affected areas.			
<b>Safety of Dams (OP/BP 4.37)</b>		<b>X</b>	
<b>Projects on International Waterways (OP/BP 7.50)</b>		<b>X</b>	
<b>Projects in Disputed Areas (OP/BP 7.60)</b>		<b>X</b>	

#### **E. Tentative financing**

Source:	(US\$m.)
BORROWER/RECIPIENT	1.5
International Development Association (IDA)	89.5
Total	91.0

#### **F. Contact point**

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