

Document of  
The World Bank

Report No: 72343-ZA

RESTRUCTURING PAPER

ON A

PROPOSED PROJECT RESTRUCTURING  
OF  
GEF-WESTERN INDIAN OCEAN MARINE HIGHWAY DEVELOPMENT AND  
COASTAL AND MARINE CONTAMINATION PREVENTION PROJECT  
GRANT NUMBER TF090304

GRANT APPROVAL DATE: MAY 22, 2007

TO THE

REPUBLIC OF SOUTH AFRICA

(FOR COMOROS, KENYA, MADAGASCAR, MAURITIUS, MOZAMBIQUE,  
SEYCHELLES, SOUTH AFRICA, AND TANZANIA)

SEPTEMBER 6, 2012

Transport Sector  
Country Department AFCRI  
Africa Region

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Regional Vice President:	Makhtar Diop
Acting Country Director:	Elizabeth Lule
Sector Manager:	Supee Teravaninthorn
Task Team Leader:	Juan Gaviria

<b>RestructuringStatus: Draft</b>
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<b>Restructuring Type: Level two</b>
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Last modified on date : 09/06/2012
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<b>1. Basic Information</b>
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Project ID & Name	P078643: 3A-GEF WIO Marine Highway Dev SIL (FY07)
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Country	Africa
Task Team Leader	Juan Gaviria
Sector Manager/Director	Supee Teravaninthorn
Country Director	Elizabeth Laura Lule
Original Board Approval Date	05/22/2007
Original Closing Date:	06/30/2011
Current Closing Date	12/31/2012
Proposed Closing Date [if applicable]	
EA Category	C-Not Required
Revised EA Category	C-Not Required-Not Required
EA Completion Date	
Revised EA Completion Date	

<b>2. Revised Financing Plan (US\$m)</b>		
<b>Source</b>	<b>Original</b>	<b>Revised</b>
BORR	5.00	1.80
GEFU	11.00	11.00
OTHR	10.00	13.00
<b>Total</b>	<b>26.00</b>	<b>26.00</b>

<b>3. Borrower</b>		
<b>Organization</b>	<b>Department</b>	<b>Location</b>
Ministry of Water and Environmental Affairs		South Africa

<b>4. Implementing Agency</b>		
<b>Organization</b>	<b>Department</b>	<b>Location</b>

<b>5. Disbursement Estimates (US\$m)</b>		
<b>Actual amount disbursed as of 09/06/2012 5.48</b>		
<b>Fiscal Year</b>	<b>Annual</b>	<b>Cumulative</b>
2012	2.31	5.48
	<b>Total</b>	<b>5.48</b>

<b>6. Policy Exceptions and Safeguard Policies</b>	
<b>Does the restructured project require any exceptions to Bank policies?</b>	N
<b>Does the restructured projects trigger any new safeguard policies? If yes, please select from the checklist below and update ISDS accordingly before submitting the package.</b>	N

**7a. Project Development Objectives/Outcomes**

**Original/Current Project Development Objectives/Outcomes**

The project's medium to long-term global environmental goals are to reduce the risk of ship-based environmental contamination (such as oil spills from groundings and illegal discharges of ballast and bilge waters) and to strengthen the capacity of countries to respond to oil or chemical spill emergencies in the region. The project has three specific global environmental objectives. The first is to ascertain the economic, technical, and institutional feasibility of introducing modern aids to navigation systems in the region, such as an electronically supported marine highway, to guide ships through sensitive areas and to encourage monitoring of the movements and activities of fishing and other vessels operating within countries' territorial waters. The second objective is to support widening the existing regional agreement (June 5, 1998) on port state control and implementation of its provisions. The third objective, focusing on Kenya, Mozambique, South Africa, and Tanzania, is to reduce risks of environmental damage to beaches, fishing grounds, and other domestic resources from spills of oil and chemicals. This will be achieved by supporting efforts of Kenya, Mozambique, South Africa, and Tanzania to become part of a regional oil spill response plan, by completing the identification and mapping of environmentally sensitive areas along coasts and sea lanes, and support regional collaboration with the west Indian Ocean island states.

**7b. Revised Project Development Objectives/Outcomes [if applicable]**

AFRICA — GEF-WESTERN INDIAN OCEAN MARINE HIGHWAY  
DEVELOPMENT AND COASTAL AND MARINE CONTAMINATION  
PREVENTION PROJECT

P078643

GEF GRANT No. TF090304

**Restructuring Paper**

1. Proceeds for the Africa, *GEF*-Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention Project, Grant No. TF090304, P078643 will be reallocated as follows:

Category of Expenditure		Allocation		% of Financing	
		Current	Revised	Current	Revised
(1) Works					
(a) SAMSA	(a) SAMSA	1,100,000	1,100,000	100	100
(b) IOC	(b) IOC	0.00	0.00		
(2) Goods					
(a) SAMSA	(a) SAMSA	1,300,000	1,300,000	100	100
	(b) IOC	700,000	1,175,000	100	100
(3) Consultant's Services and Audits					
(a) SAMSA	(a) SAMSA	1,200,000	1,200,000	100	100
(b) IOC	(b) IOC	2,430,000	2,430,000	100	100
(4) Training and Workshops					
(a) SAMSA	(a) SAMSA	520,000	520,000	100	100
(b) IOC	(b) IOC	1,300,000	1,300,000	100	100
(5) Operating Costs					
(a) SAMSA	(a) SAMSA	1,200,000	1,200,000	100	100
(b) IOC	(b) IOC	300,000	300,000	100	100
(6) Unallocated		950,000	475,000	100	100
TOTAL		11,000,000	11,000,000		

2. Project implementation and achievement of development objectives are currently rated as Satisfactory. The Project closing date was extended to December 31, 2012 after the mid-term review (November 2010). Both implementation agencies South African Maritime Safety Authority (SAMSA) and Indian Ocean Commission (IOC) are performing satisfactorily. The project's audit reports for both implementation agencies for 2011 have been submitted; SAMSA's audit report is satisfactory, and IOC's audit report is acceptable but some comments were forwarded requesting IOC to work with the auditor's to revise the report and ensure full compliance with our requirements. The Project objectives are achievable. The survey of the marine route along the Mozambique Channel was completed, and the data is now available in Electronic Nautical Charts

prepared by the U.K. Hydrographic Service. The project has revised the country specific and regional oil spill contingency plans, prepared environmental sensitive area maps, is developing an ecosystems valuation methodology and is advancing with the establishment of a Regional Coordination Center for spill contingencies. The Project also implemented a US\$100,000 grant from the European Space Agency to carry out earth observation to detect oil spills in real time and monitor the health of selected coral reefs along the surveyed corridor and the marine route.

3. In a letter dated June 17, 2011, the Ministry of Water and Environment of South Africa requested a reallocation of grant proceeds in accordance with the agreements reached during the Mid Term review.

4. The proposed reallocation from the unallocated category to category 2(b) finances additional goods included in the Project Description which include oil spill combating equipment kits by IOC. The reallocation does not result in a change to the project activities nor require a modification to the project description in the Grant Agreement and as such is considered to be minor in nature.