Abidjan-Lagos & Praia-Dakar-Abidjan Corridors Development Programs

2018 PIDA Week

Department of Infrastructure
ECOWAS Commission
November, 2018
Presentation Outline

- Corridor Data Sheet
- Current Operating Status
- Way Forward
- Program High-Level Objectives
- Strategic Context of Corridor Development
- Program Components
- Program Legal Framework
  - Program Management & Institutional Framework
- Partners-Technical Study
- Conclusion Abidjan-Lagos Corridor Dev
- Praia-Dakar-Abidjan Corridor Development
ABIDJAN-LAGOS CORRIDOR DEVELOPMENT PROJECT: KEY PROJECT DATA

- MEMBER STATES: Benin, Cote d’Ivoire, Ghana, Nigeria and Togo
- PROGRAM TITLE: Abidjan-Lagos Corridor Highway Development Program
- EXECUTING AGENCY: ECOWAS Commission, Abuja – Nigeria
- DEV’T PARTNERS (Project Preparation): AfDB, European Union, GIZ
- LENGTH: 1,080km (Indicative), made up of exiting and new alignments
Bottlenecks

- Poor links between Market with both Agricultural Production & industry
- Low-level Business Environment
- Physical & Non-physical Barriers
- Cumbersome Border Control processes
- Poor Access to Social Services
- High Transport Cost
Way Forward: Develop Economic Corridor

Road transport remains the dominant mode of transport in Africa, accounting for 80 to 90 per cent of inter-city and inter-state freight traffic.

(Source: AfDB, 2012).

From Transport Corridor to Economic Corridor
ABIDJAN-LAGOS CORRIDOR DEVELOPMENT PROJECT: High Level Objectives

Road transport remains the dominant mode of transport in Africa, accounting for 80 to 90 per cent of inter-city and inter-state freight traffic. (Source: AfDB, 2012).

CORRIDOR EXPECTED IMPACTS:
- Reducing barriers (physical and non-physical) to trade and transport,
- Improve the business environment,
- Closer links between markets both in the agriculture and industry,
- A better connection between production and consumption areas,
- Facilitating access to basic social services, schools, health centers,
- Generating more economic and social activities,
- Integrating the ECOWAS economies,
- Fostering the integration of the region into the global economy,
- Facilitating the movement of people and goods, including at the borders,
- Reducing the cost and price of transport for goods and people, including road safety,
- Reducing CO2 emissions.
### STRATEGIC CONTEXT (Continental, Regional)

| PIDA-Priority Action Plan | • Praia-Dakar-Abidjan-Lagos (TAH No. 7) to connect to Mombasa through Yaounde, Bangui, Kisangini, Kampala & Nairobi in East Africa through Central Africa  
| Corridor part of Dakar (DFS) 16 Priority Continental Infrastructure projects to accelerate PIDA implementation |
| ECOWAS Vision 2020 | • GOAL 5 - “facilitate Infrastructure development to achieve a competitive business environment and increase investment capacities” .....in ECOWAS |
| Regional Infrastructure Development Programme | • Adopted by Regulation C/Reg.12/06/13 in June 2013. containing regional projects as well as PIDA- PAP projects (continental framework for Infrastructure development) in West Africa |
| AfDB “Hi 5s” & Regional West Africa Integration Strategy | • Integrate Africa High 5s  
• 3 Regional Integration Strategic Framework (RISF) pillars namely infrastructure connectivity, trade and investment and financial integration |
Corridor In Continental Outlook

Transport corridors in Africa by 2040, according to the Program for Infrastructure Development in Africa (PIDA)

Abidjan-Lagos Corridor: 1,028 km, 8 border crossings
Corridor Legal Framework

• Corridor Treaty signed in March, 2014 by Presidents of Corridor member States
• All Corridor Member States completed ratification of Treaty in 2017
• Intergovernmental Agreement for the creation of a dedicated Corridor Agency signed in October, 2018
• International Project Agreement (IPA) drafted and adopted.
Abidjan-Lagos Corridor Development Project: Institutional Framework

Oversight From States

Corridor Treaty

INTERIM/EXISTING

Steering Committee

Experts Committee

ECOWAS Commission Executing Agency

PIU

Technical Assistance

LONGTERM/PERMANENT

Technical & Financial Support
- AfDB
- EU
- GIZ
- Etc.

ALCoMA
- Board of Directors
- Management
  - Technical
Corridor Management Authority (ALCoMA)

Figure 1: ALCoMA ORGANIZATIONAL STRUCTURE
<table>
<thead>
<tr>
<th>Components</th>
<th>Expected Outcome</th>
<th>Implementation Update</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transaction Advisory Services</td>
<td>Financial Structuring, Value for Money Assessment, Market Investment Briefs</td>
<td>EOI</td>
</tr>
<tr>
<td>Corridor Economic &amp; Spatial Development Initiatives Study (Transform the corridor into a major economic development corridor)</td>
<td>Realistic, Market Feasible and Implementable Corridor projects pipeline and Investment Masterplan</td>
<td>Shortlisting</td>
</tr>
<tr>
<td>Components</td>
<td>Expected Outcome</td>
<td>Implementation Update</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>Corridor Management Authority Establishment and Operations</td>
<td>Institutional Structure Intergovernmental Agreement for creation of Corridor Agency Organogram and Job Profiles for Staff</td>
<td>Institutional Study Completed; Intergovernmental Agreement Signed</td>
</tr>
<tr>
<td>Trade and Transport Facilitation</td>
<td>SMART Corridor Initiatives; harmonized customs transit systems; Integrated Border Mgmt. Systems, AEOs, Single Windows, etc.</td>
<td>Baseline Assessment Study Completed</td>
</tr>
<tr>
<td>Technical Assistance Service to ECOWAS and Member States</td>
<td>Consulting and advisory services; Project visibility (marketing); multi-lateral coordination activities</td>
<td>Request for Proposals (relunching)</td>
</tr>
</tbody>
</table>
PARTNERS – TECHNICAL STUDIES
AfDB (Nig & Ben - Loan; CI & Togo - Grant)
EU
ECOWAS
GIZ (PIDA-CAP)
Ghana
**Financing Gap – US$15m**

(Feasibility & Design negotiated contracts sums over 110% over estimates. Other Estimates expected to go up)

<table>
<thead>
<tr>
<th>COMPONENT NAME</th>
<th>APPROVED AMOUNT</th>
<th>PROPOSED REALLOCATION BUDGET</th>
<th>FINANCING GAPS FOR OTHER COMPONENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility Study and Environmental, Social Impacts Assessment (ESIA) &amp; Detailed Engineering Design</td>
<td>8.37</td>
<td>17.58</td>
<td></td>
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<tr>
<td>PPP Structuring and Transaction Advisory</td>
<td>1.51</td>
<td>0</td>
<td>1.51</td>
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<tr>
<td>Corridor Economic Development Study</td>
<td>1.17</td>
<td>1</td>
<td>0.17</td>
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<tr>
<td>Trade and Transport Facilitation</td>
<td>0.98</td>
<td>0</td>
<td>0.98</td>
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<tr>
<td>Corridor Management - Establishment and Operations</td>
<td>5.65</td>
<td>0</td>
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<td>Technical Assistance Service to ECOWAS and Member States</td>
<td>1.46</td>
<td>1.22</td>
<td>0.24</td>
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<tr>
<td>Project Implementation Unit</td>
<td>2.76</td>
<td>2.11</td>
<td>0.65</td>
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<tr>
<td>Road Safety Audits</td>
<td>0.46</td>
<td>0.46</td>
<td>0</td>
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<tr>
<td>Financial Audits</td>
<td>0.08</td>
<td>0.08</td>
<td>0</td>
</tr>
</tbody>
</table>
Conclusions

- Due to Current Market Rates on the Negotiated Contracts (3 Lots), the ALC Studies Require Additional Funds for Completion
  - By the original estimates for F&DS (US$8.37M); Negotiated Contract 210% of estimates (US$17.6M) therefore a financing gap of US$ 9.2M (110%) is required as per TOR;
  - Considering comparable increases in cost for the other complimentary studies and a two (2) year operating cost of ALCoMA a gap of US$15M is anticipated.

- Finance Contribution Modalities: AfDB is Coordinating resource mobilization
PRAIA-DAKAR-ABIDJAN CORRIDOR DEVELOPMENT PROJECT: KEY PROJECT DATA

- MEMBER STATES: Senegal, Gambia, Guinea Bissau, Guinea Conakry, Sierra Leone, Liberia & Cote d’Ivoire
- PROGRAM TITLE: Praia-Dakar-Abidjan Corridor Highway Development Program
- EXECUTING AGENCY: ECOWAS Commission, Abuja – Nigeria
- DEV’T PARTNERS (Project Preparation): Seeking for Partners
- LENGTH: 3,164km (Indicative), made up of exiting and new alignments
**PROJECT LEGAL & INSTITUTIONAL FRAMEWORK**

- **Corridor Treaty** signed in June, 2017 by Presidents of Corridor member States
- Accession of Cabo Verde to the Corridor Treaty in progress
- **Ratification of Treaty** by Corridor Member States ongoing
- **Project Steering Committee** in place
  - The ECOWAS Commission has submit a financing request to AfDB on behalf of CMS
  - Submission of financing to other Partners are being prepared
Dakar-Abidjan Corridor (TAH 7)
# Project Preparation Cost Estimates

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>EST. COST/ US$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feasibility Study, Environmental and Social Impact assessment &amp; Detailed Engineering Design (6 Lots)</td>
<td>51.3</td>
</tr>
<tr>
<td>Transaction Advisory &amp; PPP Structuring</td>
<td>2.5</td>
</tr>
<tr>
<td>Road Safety Audit (3 Lots)</td>
<td>2.1</td>
</tr>
<tr>
<td>Corridor Development Study</td>
<td>3.9</td>
</tr>
<tr>
<td>Trade &amp; Transport Facilitation Study</td>
<td>1.6</td>
</tr>
<tr>
<td>Technical assistance to ECOWAS &amp; Corridor Member States</td>
<td>3.8</td>
</tr>
<tr>
<td>Project Implementation Unit + Validation Work Shops</td>
<td>5.8</td>
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<tr>
<td>Corridor Management: Establishment and Operation</td>
<td>10.3</td>
</tr>
<tr>
<td>Financial Audit</td>
<td>0.2</td>
</tr>
<tr>
<td>Total Estimated Cost</td>
<td>81.5</td>
</tr>
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</table>
THANK YOU

MERCI

ECOWAS Commission Infrastructure Department

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