

World Bank

Support to AU/NEPAD (Period of July 2010 to June 2011)

The World Bank is deeply committed to the regional integration agenda in Africa and is a strong supporter of AU/NEPAD priority programs. The Bank has been a particularly staunch advocate in mobilizing resources for scaling up donor support for the development of NEPAD priority regional infrastructure, especially in the context of the Infrastructure Consortium for Africa.

The World Bank's assistance to NEPAD is multi-form. The largest commitments in dollar terms comprise IDA financing for regional investment projects and multi-donor trust funds, particularly under the NEPAD Infrastructure Short Term Action Plan (STAP) and AU/NEPAD African Action Plan. The World Bank also provides significant support for NEPAD's agriculture initiatives through IDA investments and management of a multi-donor trust fund supporting the Comprehensive Africa Agricultural Development Program (CAADP). Analytical/technical support for NEPAD priority areas includes: (a) assistance to regional bodies to create and drive regional policy discussion and promote policy harmonization; and (b) analysis and technical assistance to underpin priority regional investments.

New IDA Financing for NEPAD Priorities in Fiscal Year 2011 (July 2010-June 2011)

From July 2010 to present, the World Bank expects to commit \$960 million USD in IDA financing for operations in priority areas identified in the AU/NEPAD Africa Action Plan (AAP) for 2010-2015. This support includes 19 operations in priority areas identified in the AAP which have been or are expected to be approved by the Bank's Board by the close of the fiscal year (See Annex 1 for project details). The sectors include regional infrastructure, agriculture, trade and private sector development, environment and governance/capacity building.

Trust Fund Support to NEPAD Programs

The World Bank has been administering a \$31 million USD multi-donor trust fund for implementation of the Comprehensive Africa Agricultural Development Programme (CAADP) since 2008. CAADP is a NEPAD initiative aimed at promoting economic growth through agriculture-led development under four key pillars:

- (I) Land and Water Management
- (II) Market Access
- (III) Food Supply and Hunger
- (IV) Agricultural Research

This collaborative effort has resulted in a significant harmonization in donor support for CAADP processes, approaches, and investment programs under the four pillars.

In addition to the CAADP programmatic trust fund, separate World Bank administered trust funds have also been established specifically to support the regional institutions responsible for implementation of Pillar IV – Agricultural Research. Two such trust funds are currently under implementation: \$25 million USD for the Forum for Agricultural Research in Africa (FARA), the lead institution responsible for coordination and implementation of Pillar IV in Africa; and \$52 million USD for the Association for Strengthening Agricultural Research in Eastern and Central Africa (ASARECA) to implement Pillar IV in East and Central Africa under the direction of FARA.

Two additional trust funds are under preparation for institutions to manage the implementation of CAADP Pillar IV in the remaining sub-regions, similar to the functions of ASARECA. In West and Central Africa a \$34.6 million USD trust fund for the West and Central African Council for Agricultural Research and Development (WECARD) and in Southern Africa, a \$50 million USD trust fund for the Center for Agricultural Research and Development for Southern Africa (CARDESA) are expected to be approved before the close of the fiscal year.

The World Bank also administers the \$191 Million USD Nile Basin Initiative (NBI) Multi-Donor Trust Fund, a priority program of the NEPAD STAP. The NBI and its member countries seek to utilize the river's resources in a sustainable manner, share substantial socioeconomic benefits and promote regional peace and security. Support under the trust fund is divided into two complimentary programs: the *Shared Vision Program (SVP)*, a set of eight basin-wide technical assistance projects; and two *Subsidiary Action Programs (SAP)* offering support for investments at the sub-basin level. Activities and advice range from pollution control and sustainable land management along the Nile and tributary basins, to small scale infrastructure operations and planning exercises for future hydropower investments.

Impact of Bank Supported programs from 2009-2010

World Bank projects supporting NEPAD are primarily investment operations with an implementation period of 5-7 years so it is difficult to fully assess outcomes/results at this early stage of implementation. For example, hydropower facilities and transmission lines cannot generate or conduct electricity until fully built. However, the expected impacts are substantial and some interim results are now becoming available.

IDA financing is currently supporting the construction or rehabilitation of over 1360 MW of hydroelectric generating capacity and 1856kV of cross-border transmission line capacity linked to NEPAD priority regional power pool investments, helping address the continent's chronic power shortages. Over 800 km of roads in NEPAD priority transport corridors are undergoing or will soon start construction or rehabilitation, with corresponding investments underway in ports, bridges, joint border post facilities and other trade facilitation measures, helping to improve export competitiveness, boost regional trade and lower goods prices in domestic markets. To take one example, transit times have been reduced by over 50% along the Tema – Ouagadougou corridor under the West Africa Trade and Transport Facilitation Program. Regional ICT backbone investments, leveraged with parallel private investments, are having a significant impact on the price of broadband connectivity, access and usage. In East Africa, under the Regional Communications Infrastructure Program, prices for internet service have fallen over 6-fold in Kenya following the landing of undersea broadband cables and the number of internet subscribers in Burundi has doubled. Similar impact is expected in West and Central Africa where the Bank has recently approved financing to help countries to connect to newly laid undersea broadband cables for the first time.

As the World Bank's regional portfolio matures and more projects reach completion status we expect to be able to more fully measure the results achieved.

**Annex: IDA Lending Commitments to Priority Projects/Sectors of the AU/NEPAD African
Action Plan 2010-2015
Support extended in Fiscal Year 2011 (July 2010 – June 2011)***

Project Name	Description	Commitment (USD Million)
Infrastructure		
Central African Backbone (CAB) APL2	Connection of Sao Tome & Principe to international broadband cables/regional network	14.9
West Africa Regional Comms Infrastructure Program (WARCIP) APL1	Connection of Liberia and Sierra Leone to international broadband cables/regional network	56.6
Central African Backbone (CAB) APL1B	Connection of CAR and Chad to international broadband cables/regional network	37
Central African Backbone (CAB) APL3	Connection of Congo to international broadband cables/regional network	15
West Africa Regional Comms Infrastructure Program (WARCIP) APL2	Connection of Burkina Faso, Gambia and Guinea to international broadband cables/regional network	80
West Africa Power Pool (WAPP) APL 3	Construction of a 225kV inter-zonal transmission hub and supporting infrastructure from Bolgatanga (Ghana) to Ouagadougou (Burkina Faso) and capacity building support for the West Africa Power Pool organization	70
Regional and Domestic Power Market Development (PMEDE) - Addtl. Fin.	Additional financing for the rehabilitation of hydroelectric generation facilities of Inga 1 and Inga 2 (increasing capacity from 700MW to 1300MW) to supply power to the Southern Africa Power Pool.	300
Southern Africa Power Pool Zambia Transmission Line	Rehabilitation/reinforcement of power transmission line for regional power trading	60
Southern Africa Trade and Transport Facilitation Phase I (N-S Corridor)	Capacity building support for the Dar Corridor Committee to facilitate investments and trade and transport facilitation	6.5
East Africa Trade and Transport Facil. Addtl. Fin.	Additional Financing for project aiming to reducing transit time in regional corridors through establishment of joint border posts, improvements in port security, implementation of the Customs Union Protocol, concessioning of Uganda and Kenya railways and port and intermodal infrastructure construction/rehabilitation	30
Agriculture and Food Security		
West Africa Agricultural Productivity Program (WAAPP) APL1B	Extension of the WAAPP to Burkina Faso, Cote d'Ivoire and Nigeria to establish regional centers of excellence in agricultural research and technology dissemination.	90

West Africa Agricultural Productivity Program (WAAPP) APL1C	Extension of the WAAPP to Benin, Niger, Gambia, Sierra Leone, Togo and Liberia to establish regional centers of excellence in agricultural research and technology dissemination. Also extends a grant	87
Trade, Industry/Market Access & Private Sector Development		
EAC Financial Sector Regionalization Program Phase I	Support for EAC institutions to implement financial sector integration strategy - with the goal of broadening and deepening the EAC single market in financial services. Grant to fund TA, training and IT services.	16
Regional Trade Facilitation Project II APL1	Financing to support countries' subscription in Africa Trade Insurance (ATI) through purchase of share capital, allowing ATI to extend political risk and credit insurance coverage to potential investors in the new member countries.	27.5
Environment & Climate Change, and Tourism		
West Africa Fisheries Program APL2	Addition of Ghana and Guinea Bissau to WARF Program. Sustainable management of regional fisheries and increasing local revenues from the fisheries trade.	6
Lake Victoria Environmental Management Phase II APL2	Additional of Rwanda and Burundi to LVEMPII Program. Strengthening institutional capacity to enhance collaborative management of the transboundary natural resources of the Lake Victoria Basin (LVB) and reduce environmental stress to improve the livelihoods of communities.	30
West Africa Regional Fisheries APL1 Addtl. Fin.	Additional financing for WARFP	2
Governance and Public Administration		
Africa Capacity Building Foundation Support Project	Financial Support for the Africa Capacity Building Foundation	25
Enhancing Social Accountability at AUC (ECOSOCC)	Capacity Building Support for the AU Economic, Social and Cultural council to enhance the voice of CSOs in AU Affairs and Governance	6

*Not all projects have been approved. Remaining are expected to be sent to the World Bank's Board of Directors for approval before the end of FY11.