

## **World Bank**

### **Support to NEPAD**

**Period of Report: July 2008 to June 2009**

World Bank's assistance to NEPAD is multi-form and includes financial support (lending) to specific regional projects, particularly under the NEPAD Infrastructure Short Term Action Plan (STAP), technical assistance to regional bodies, and support for policy dialogue on regional integration issues and the preparation of regional programs and projects. Much advocacy work has been done in mobilizing resources for scaling up donor support to the development of regional infrastructure, especially in the context of the Infrastructure Consortium for Africa.

#### **Lending**

The World Bank will commit over US\$700 million in financial support for NEPAD programs and priorities in fiscal year 2009 (July 2008 through June 2009). This support includes eight NEPAD priority projects in a range of sectors including energy, ICT, transport water and agriculture 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).

#### **Non-Lending Activities**

The main objective of the Bank's analytical work in NEPAD priority areas includes: (a) assistance to regional bodies to create and drive policy discussion in matters in which regional dialogue is needed to promote policy harmonization; and (b) to develop needed additional knowledge to underpin priority regional investments. Economic and sector work expected to be completed in fiscal year 2009 encompasses technical assistance in the development of the COMESA and ECOWAS infrastructure funds, regional trade integration assessments, mineral production studies and a multi-sector investment opportunity analysis for the Zambezi basin. In addition to analytical work, the Bank also began administering a US\$65 million multi-donor trust fund in support of NEPAD's Comprehensive Africa Agricultural Development Program (CAADP) in late 2008 (see annex 2).

#### **Impact of Bank Supported programs from 2007-2008**

World Bank projects supporting NEPAD are in their initial years of implementation and thus it is premature to complete a full impact assessment at this stage (Only one project initiated under the regional pilot program has thus far reached completion stage, with most projects on a five plus year project cycle). However, performance reviews of the regional portfolio have indicated that overall implementation is proceeding satisfactorily and point to widespread progress toward the achievement of development objectives and expected outcomes.

**Annex 1: New Lending Commitments to NEPAD Priority Projects –  
July 2008 – April 2009**

*Power*

**Additional Financing Southern Africa Power Market (SAPM) - US\$181 Million**

Additional financing in support of phase I of the SAPM to allow regional electricity trading to reduce cost and improve the quality and security of power supply in Southern Africa. Project will enable the connection of the Inga Hydro Power Facilities in DRC to the SAPM grid. Support of the Southern Africa Power Pool is a priority of the NEPAD Infrastructure Short-Term Action Plan (STAP).

**Additional Financing West Africa Power Pool (WAPP) Phase II - Felou  
Hydroelectric Power Generation - US\$100 Million**

Additional financing in support of Phase II of the WAPP, allowing for the construction of a 60 MW hydroelectric generation facility which will be connected to the WAPP grid. Project will reduce the cost and improve the quality and security of power supply in Western Africa. Support of the WAPP is a priority of the NEPAD STAP.

*ICT*

**Regional Communications Infrastructure Program (RCIP) – Phase II (Rwanda) –  
US\$24 Million**

The overall aim of the aim of the RCIP program is (i) to lower the price of international broadband capacity and extend the reach of backbone networks across Eastern and Southern Africa and (ii) contribute to improved Government efficiency and transparency through eGovernment applications. This segment of RCIP will allow for expansion of the program into Rwanda. Support of RCIP is a priority of the NEPAD STAP.

**Regional Communications Infrastructure Program (RCIP) – Phase III (Malawi,  
Mozambique, Tanzania) – US\$139 Million**

The overall aim of the aim of the RCIP program is (i) to lower the price of international broadband capacity and extend the reach of backbone networks across Eastern and Southern Africa and (ii) contribute to improved Government efficiency and transparency through eGovernment applications. This segment of RCIP will allow for expansion of the program into Malawi, Mozambique and Tanzania. Support of RCIP is a priority of the NEPAD STAP.

**Central Africa Backbone (CAB) Program Phase I - US\$62 Million**

The objective of the CAB program is to (i) lower the cost of international broadband capacity and extend reach of backbone networks across the region; (ii) improve government efficiency and transparency through eGovernment applications and (iii)

increase country and regional competitiveness. Support of CAB is a priority of the NEPAD STAP.

### *Transport*

#### **West and Central AFR Air Transport Program Phase II-B - US\$16 Million**

The program supports (i) improvement of national Civil Aviation Authorities' (CAAs') compliance with International Civil Aviation Organization's (ICAO) safety and security standards and (ii) enhances main international airports' compliance with ICAO's security standards. Phase II-B will extend the program to Benin and Senegal. Support of the program is a priority of the NEPAD STAP.

### *Water Resources Development/Environmental Management*

#### **Lake Victoria Environmental Management Project Phase II (LVEMPII) - US\$90 Million**

LVEMPII seeks to build on applied research undertaken in phase I to (i) improve collaborative management of the transboundary natural resources of Lake Victoria basin for the shared benefits of the EAC Partner States; and (ii) reduce environmental degradation to improve the livelihoods of communities, which depend on the natural resources of the basin. Support of LVEMPII is a priority of the NEPAD STAP.

### *Agriculture*

#### **East Africa Agricultural Productivity Program (EAAPP) - US\$120 Million**

EAAPP aims to raise farm incomes, reduce poverty and improve food security by (i) strengthening Regional Centers of Excellence (RCOE) in agricultural research in Ethiopia, Kenya, Tanzania and Uganda and (ii) to support these centers in the production of selected varieties of improved seeds and to improve access of poor farmers to more productive plant varieties. Improving agricultural research is Pillar IV of NEPAD's Comprehensive Africa Agricultural Development Program (CAADP).

**Annex 2: Comprehensive Africa Agricultural Development Program (CAADP)**  
**Multi-Donor Trust Fund (MDTF)**

The World Bank signed an Administration Agreement on September 30, 2008 with USAID to commit the first US\$15 Million to the CAADP Trust Fund. CAADP is a NEPAD initiative aimed at promoting economic growth through agriculture-led development to reduce hunger, poverty and food insecurity while enabling the expansion of agricultural exports. This collaborative effort has resulted in a significant harmonization in donor support for CAADP processes, approaches, and investment programs leading to the establishment of a Trust Fund mechanism at the World Bank through which donor support will be channeled. The current donor pledged amount is approximately US\$65 million.

The CAADP Trust Fund will support three Components:

- (1) Development and implementation of CAADP processes (especially the CAADP Partnership Platform, Country Roundtable processes, and Regional Roundtable processes) and the institutions leading these processes (especially NEPAD and the RECs);
- (2) Development, implementation, monitoring and evaluation of CAADP pillar programs and the institutions responsible for them at continental, sub-regional, national and local levels (lead technical agencies in each pillar area); and
- (3) Strategic management of the Trust Fund and harmonization of the activities of Africa's development partners in their support of CAADP (Bank-executed, also covering the cost of administration and supervision).