

Annex 2

1. IDENTIFICATION

Title/Number	Bandajuma-Liberian Border Road and Bridges CRIS No SL/FED/023-617 Sierra Leone /West Africa /Road infrastructures		
Total cost	EUR 62 245 000 EDF contribution (A envelope) (EUR 54 800 000 from 10 th EDF RIP for West Africa and EUR 7 445 000 from Sierra Leone NIP)		
Aid method / Method of implementation	Project approach – Partially decentralised management		
DAC-code	21020	Sector	Road transport

2. RATIONALE

2.1. Sector context

Road transport is the dominant mode of transport in the Economic Community of West African States (ECOWAS) sub-region accounting for between 80 to 90% of the sub-region's passenger and freight transport. The intensity of intra-regional trade among its member states remains at a very small 10% of total trade. Through the EDF support a number of road projects have been implemented to improve international axes and promote regional connectivity in West Africa.

The focal problem that the project aims to address is the completion of one main missing road-link within Sierra Leone in the regional coastal highway, facilitating international trade and transport between neighbouring economies and their capitals. According to the 10th EDF regional strategy paper, the main obstacles to economic integration for West Africa are due, among other things, to the lack of effective enforcement of regional integration rules and the lack of intra-regional connectivity.

Transport and logistics cost studies indicate that it costs as much as five times higher to transport goods in West Africa compared to similar distances in North America. This is attributed to both physical and non-physical obstacles along the entire trade and transport logistics chain (from gateway port to inland destination). For both passenger and cargo, the effects are low traffic, poor connectivity between a number of regional economic centres (including Freetown, Conakry, Bo and Monrovia) to the District of Pujehun, as well as to the Districts of Bo and Kenema, low economic activity and high transport costs. It affects the population in terms of the international trade by road between Sierra Leone and its neighbours in the Mano River Union (Liberia and Guinea), as well as the neighbours in ECOWAS.

2.2. Lessons learnt

The EU contribution to the periodic maintenance and to the rehabilitation of priority regional interconnections was crucial to opening up economic and social development of West African countries.

Recent projects implemented under the 9th and 10th EDFs have shown satisfactory results. However, the proper management of works contracts and project monitoring has shown some limits, both at the level of consultants and to some extent of the administration, especially on rapid decision-making and budget monitoring. On the other hand, the mobilization of resources for road maintenance appears small compared to the needs, despite the existence of a dedicated administration in charge of the Road Maintenance Fund.

2.3. Complementary actions

The project is in line with the EU-supported African Union's Programme for Infrastructure Development in Africa (PIDA) initiative and with ECOWAS's Priority Road Transport Programme, adopted in 2008 to accelerate regional integration. This programme includes direct liaison with the trans-coastal Highway between the major economic capitals (Lagos, Accra, Abidjan and Dakar).

With the approval of African Development Bank (AfDB) funds to construct the Trans-Gambia Bridge together with its approach roads and Joint Border Posts, the rehabilitation of the Bandajuma-Liberia Border road section will accelerate the completion of the entire Abidjan-Dakar corridor to complete the Africa Union (AU) TAH No 7 development to support inter-Regional Economic Communities (REC) trade between West and Central Africa.

On a national level, this road and bridges rehabilitation project from Bandajuma to the Liberian border (MRU Bridge) under the 10th EDF Regional Indicative Programme (RIP) is in direct continuity with the EU-funded Masiaka-Bo and Freetown-Conakry highway projects.

Other projects from other donors include major trunks in remote areas (particularly Kenema-Pendembu, Matatoka-Sefadu) as well as major feeder roads programmes (World Bank). Major institutional support (3 000 000 EUR) was given to the Sierra Leone Roads Authority under the 10th EDF. This includes supply of equipment to support the restructuring of the Road Authority. This support also encompasses technical cooperation with a focus on planning and maintenance instruments.

2.4. Donor coordination

Donor coordination in Sierra Leone is not a major constraint, due to the limited number of donors involved in the sector. The main donors are the EU and the AfDB. The AfDB has joint programming with the World Bank, and is in charge of monitoring the implementation of the road sector reforms.

Coordination between the Government and major donors is occasionally through sector meetings, in which the European Union has been designated as the lead donor.

However, the main challenge in donor coordination is that most donors contributing to the road sector have no project managers based in Sierra Leone.

The achievements in the sector are reviewed in monthly tripartite meetings with National Authorising Officer (NAO), EU Delegation and Sierra Leone Roads' Authority. These meetings will, in the future, be extended to include the other donors in the sector (World Bank (WB), AfDB, etc.) and representatives from the relevant Ministries and Agencies. In parallel, the Roads Authority, assisted by the NAO and the EU, organises regular bilateral meetings with the different stakeholders dealing with the implementation of EDF-funded projects.

To ensure that the investments made in this road sector will be preserved in the long-term and that a sound financial management system is in place, the donors community (EU, Department for International Development (DFID), WB, AfDB) has negotiated with the Government of Sierra Leone the introduction of specific indicators on the availability of funds dedicated to road maintenance in the framework of next Budget Support operations.

3. DESCRIPTION

3.1. Objectives

The overall objectives of the project are:

- to increase the West Africa sub-regional economic activity and connectivity;
- to reduce poverty in the concerned areas.

The project purpose (specific objective) is the reduction of vehicle operating costs, travel time and accidents.

3.2. Expected results and main activities

The identified project is part of an international highway approximately 100 km long with three bridges, of which two are existing bridges and one is an entirely new bridge replacing a hand-pulled ferry. The project completes a missing link in the Trans-West African Coastal Highway.

The expected results are as follow:

- Result 1: 56.6 km of road from Moa river to MRU bridge are rehabilitated;
- Result 2: The bridges over the Sewa, Waanje and Moa rivers are reconstructed and widened to two-lane bridges;
- Result 3: Axle load controls are improved in order to protect the road pavement from premature deterioration.

To achieve the expected results an international call for tenders including two lots (road works and bridge construction works) will be launched to select a qualified contractor. A programme estimate will be prepared to further enhance axle load controls in Sierra Leone.

In accordance with the Trans West African Highway standards, the road will have asphalt overlay on most of the sections. Considering the weather conditions and the expected increase

of heavy vehicles traffic, this is the most sustainable way to ensure an adequate connexion between the two capital cities.

The main activities will include:

1. The upgrading from a poor gravel road to an all-weather paved road of the road section from the Zimmi to the Liberian Border (42.9 Km). The reshaping of the Zimmi-Moa River section (13.7 Km);
2. The rehabilitation of bridges along the international road to two lane bridges including the replacement of a hand-pulled ferry with a two lane bridge;
3. The supervision of the construction works;
4. The enforcement of regional axle load control regulations through the adoption of ad-hoc legislative acts, the mobilisation of weighting equipment devices at strategic locations and training and awareness campaigns to protect road pavement from premature deterioration.

3.3. Risks and assumptions

A list of risks and assumptions that have the potential to influence the success of the project has also been identified:

- Procurement process identifies properly qualified contractors (medium risk: the capacity of the contractors will be accurately verified during the evaluation of offers);
- Beneficiary or affected communities are generally accepting the new infrastructure, in particular with regard to land tenure issues (low risk: the horizontal alignment for the road already exists and the future exact location of the new bridges will not create any major land acquisition issue. Furthermore, the Sierra Leone Roads Authority (SLRA) is used to deal with expropriation issues. However, past projects showed recurrent problems of minor theft of crush rocks and sign boards during and after construction, despite involvement of communities and local police;
- Price fluctuation risk (medium risk: the project budget already includes margins for variation of prices and contingencies. Moreover, the formulation study took into account base prices from previous peak periods).
- Political stability continues (low risk: the presidential election in November 2012 was successful and peaceful);

The longer-term risk for the project is that insufficient funds from the Road Maintenance Fund are made available to SLRA to undertake periodic maintenance. Large underfunding problems to the maintenance sector have been experienced in the last years and operational costs of the SLRA are still hampering financial efforts towards adequate funding. However, Sierra Leone is expecting substantial increase of its revenues with the boost in mineral exports.

3.4. Cross-cutting Issues

The nature of the road works and the environmental setting of the project are such that many of the adverse impacts which are associated with road construction projects are not expected to occur in connection with the present project because it is an existing road requiring upgrading primarily within the present centreline, thus avoiding or reducing many of the adverse effects which are normally associated with new road construction.

No adverse direct or indirect impacts are anticipated in respect of environmentally sensitive areas like National Parks, Wildlife Reserves, National Forest Priority Areas, land prone to erosion, or wetlands of national or international importance.

Apart from the usual requirements of road projects (quarries, dust mitigation, wetlands, safety, etc.) additional attention is brought to specific issues linked to bridges construction (sedimentation control, breeding season of aquatic species). The scale of mitigation costs has been assessed, but it is not envisaged that any issue will incur exceptional mitigation costs. It is also foreseen to minimize environmental nuisance such as soil erosion, ecosystem fragmentation, air and noise pollution, accidents and accidental pollution, in the design of the road and the execution of works, with appropriate safety and mitigation measures. In addition, environmental and social measures will be implemented to compensate immediate negative impacts on the environment and the local economy.

Specific arrangements will be considered in the works programmes for road safety management, both during the construction stage and in the long term. Explicit attention will be given to the safety measures for all workers dealing with the project execution.

3.5. Stakeholders

In Sierra Leone, the main beneficiaries of the project will be the people living in the Districts of Pujehun, Bo and Kenema. Those living between the Moa and Mano rivers are effectively cut off from the country during most of the rainy season when it is no longer possible for ordinary civilian vehicles to cross the river, as high waters prevent proper functioning of the hand-pulled ferry on the Moa river.

Local Government and Administrations and traders will benefit from improved accessibility to their services.

The main implementing stakeholder concerned by this project is the Sierra Leone Roads Authority, and indirectly the Road Maintenance Fund Administration (RMFA) that is the entity responsible for funding the maintenance of the road after the construction period. The project will also benefit the implementation of capacity building actions, from the 10th Technical Cooperation programme including the establishment of a road maintenance management system. Additional technical assistance is provided by the African Development Bank targeting mostly axle load control issues.

The SLRA was closely associated with every step of the preparation of the project (project identification, along with the NAO, drafting of Terms of Reference for the identification/formulation studies, consultations and workshops).

The Ministry of Finance as EDF National Authorizing Officer will be the key implementing institution for the contractual implementation of the project.

4. IMPLEMENTATION ISSUES

4.1. Method of implementation

Partially decentralised management through the signature of a Financing Agreement with the Government of Sierra Leone in accordance with Articles 21 to 23 of the Financial Regulation of the 10th EDF.

The contracting authority for the project shall be the EDF National Authorising Officer of Sierra Leone.

The works supervision will be under the responsibility of Sierra Leone Roads Authority (SLRA) with the direct support of a consultant (Supervisor's Representative).

The Commission controls *ex ante* all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies *ex ante* control for procurement contracts > EUR 50 000 and may apply *ex post* for procurement contracts ≤ EUR 50 000. The Commission controls *ex ante* the contracting procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the beneficiary country for operating costs and contracts up to the ceilings indicated in the table below.

The responsible Authorising Officer ensures that, by using the model of financing agreement for decentralised management, the segregation of duties between the authorising officer and the accounting officer or of the equivalent functions within the delegated entity will be effective, so that the decentralisation of the payments can be carried out for contracts up to the ceilings specified below.

Works	Supplies	Services	Grants
< EUR 300 000	< EUR 300 000	< EUR 300 000	≤ EUR 100 000

The change of management mode constitutes a substantial change except where the Commission "re-centralises" or reduces the level of tasks previously delegated to the beneficiary country, international organisation or delegatee body under, respectively, decentralised, joint or indirect centralised management.

To achieve the expected results an international call for tenders including two lots (road works and bridges construction works) will be launched to select a qualified contractor. A programme estimate in direct decentralised operations will be prepared to further enhance axle load controls in Sierra Leone. The programme estimate will include the procurement of equipment under specific commitments and capacity building activities and running costs under imprest commitment. A steering committee will be set up to follow up the implementation of activities, as well as progress towards the regional standards regarding axle load.

4.2. Procurement and grant award procedures / *programme estimates*

1) Contracts

All contracts implementing the action must be awarded and implemented in accordance with the procedures and standard documents laid down and published by the Commission for the implementation of external operations, in force at the time of the launch of the procedure in question.

Participation in the award of contracts for the present action shall be open to all natural and legal persons covered by the EDF. Further extensions of this participation to other natural or legal persons by the concerned authorising officer shall be subject to the conditions provided for in Article 20 of Annex IV of the Cotonou Agreement.

2) Specific rules for grants

The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call, design, effectiveness, feasibility, sustainability and cost-effectiveness of the action. They are established in accordance with the principles set out in Title VII "Grants of the Financial Regulation applicable to the 10th EDF. When derogations to these principles are applied, they shall be justified in particular in the following cases:

Financing in full (derogation to the principle of co-financing): the maximum possible rate of co-financing for grants is 80% of total eligible costs. Up to full financing may only be applied in the cases provided for in Article 109 of the Council Regulation on the Financial Regulation applicable to the 10th European Development Fund.

3) Specific rules on programme estimates:

All programme estimates must respect the procedures and standard documents laid down by the Commission, in force at the time of the adoption of the programme estimates in question (i.e. the Practical Guide to procedures for programme estimates).

The EDF financial contribution does not cover the ordinary operating costs deriving from the programme-estimates.

4.3. Budget and calendar

The total contribution from the EU is limited to EUR 62 245 000. The budget available to implement the action is detailed in the Appendix.

The foreseen implementation operational duration of the project is 60 months as from signature of the financing agreement.

4.4. Performance monitoring

The project monitoring will be the primary responsibility of the Sierra Leone Roads Authority (Supervisor) with the technical support of the Supervisor Representative consultant, which shall be the Consultant responsible for the final design of the project.

The achievements of the project shall be reviewed in regular meetings and compared with the work-plan provided by the works contractor. Progress reports shall be made available to the Contracting Authority and to the EU on a monthly basis. Impact will be assessed through evaluations based on the baselines set at the initial stage, including travel times and costs, volume of international trade and effectiveness of overload control.

4.5. Evaluation and audit

The Delegation will also conduct external evaluations through independent consultants, as follows:

- A mid-term mission;
- A final evaluation at the beginning of the closing phase;
- An ex post evaluation.

An external technical audit will be carried out throughout the whole implementation of the project. A financial audit provision is foreseen in the budget for an independent audit of expenditure under the project.

4.6. Communication and visibility

The Supervisor shall be responsible for ensuring that the communication and visibility measures included in the works contract are implemented by the Contractor as specified in the EU visibility guidelines and according to an ad-hoc visibility plan to be presented before the commencement of the works.

The Supervisor shall include visibility in its reporting duties.

Temporary and permanent project sign boards will be placed at the different sites where works are executed.

All information provided to the press, the beneficiaries of funds, and all related publicity material, reports and publications, shall respect the Communication and Visibility Manual for European Union External Actions.

Appendix – Indicative detailed Budget

Categories	EU contribution (EUR)
Activity 1 - Road rehabilitation Moa river-MRU bridge (works contract)	29 900 000
Activity 2 – Bridges reconstruction (works contract)	21 000 000
Activity 3 – Works supervision (service contract)	4 000 000
Activity 4 - Complementary measures for axle load control (programme estimate)	800 000
Communication/Visibility (included in the works contract)	400 000
Monitoring, External Evaluation and Audit (service contract)	600 000
Contingencies *	5 545 000
TOTAL	62 245 000

* The European Union's contribution to the "Contingencies" heading may be used only with prior agreement of the Commission.