

**AFRICAN DEVELOPMENT BANK GROUP**



**NEPAD - INFRASTRUCTURE PROJECT PREPARATION FACILITY  
SPECIAL FUND (NEPAD – IPPF Special Fund)**

**OPERATIONAL GUIDELINES**

**October 2006**

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*Acronyms*

ADB	African Development Bank
CFA	Canada Fund for Africa
CIDA	Canada International Development Agency
ICT	Information and Communications Technology
IPPF	(NEPAD) Infrastructure Projects Preparation Facility
NEPAD	New Partnership for Africa's Development
PPP	Public Private Partnership
REC	Regional Economic Community
RMC	Regional Member Country
STAP	Short Term Action Plan

# 1 **Introduction**

## 1.1 **Background**

- 1.1.1 The New Partnership for Africa's Development (NEPAD) has identified infrastructure as one of the major drivers for economic growth and poverty reduction in Africa. The present state of infrastructure as well as the infrastructure gap between Africa and the more developed countries constitutes a serious handicap to Africa's improved productivity and competitiveness. Without addressing its infrastructure needs, Africa will continue to remain uncompetitive and marginalised in the global economy. At the G8 Summit held in Kananaskis in June 2002, the Prime Minister of Canada announced Canadian commitments in support of the Africa Action Plan, the G8 response to NEPAD, including initiatives related to infrastructure development.
- 1.1.2 The African Development Bank (ADB) has been assigned a leadership role in the provision of intellectual and technical support to NEPAD Heads of State and Government Implementation Committee (HSGIC), Steering Committee and Secretariat in infrastructure development. In response to this mandate the Bank, in consultation with the Regional Economic Communities (RECs) and other development partners, prepared a program for the rapid development of infrastructure necessary to accelerate sub-regional and continental economic integration. The resulting NEPAD Infrastructure Short Term Action Plan (STAP) formed the basis for the Canada Fund for Africa's (CFA) support for the establishment of the NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) to be administered by the Bank.
- 1.1.3 In November 2003, the Boards of Directors of the Bank Group approved the creation of a NEPAD Project Preparation Facility (NEPAD-IPPF) as an untied bilateral facility (ADF/BD/WP/2003/115; ADB/BP/WP/2003/99). The IPPF became effective in January 2004. Following the approval by Bank's management of the operation procedures for the Facility, guidelines to prospective beneficiaries were prepared and distributed.
- 1.1.4 Recognising the need for contributions to be made by other interested donors to support the preparation of viable infrastructure projects and programs under the NEPAD initiative, the Government of Canada in line with the request of the HSGIC agreed that the IPPF should be converted by the Bank into a multi-donor fund. As at the time of setting up the Trust Fund by the Bank Group, due to the procedural time required for creating an un-tied Multi-donor Facility, and in order to comply with the schedule agreed with Canada for the first disbursement of the grant, it was agreed that, as a first step, a simple untied grant agreement between the Government of Canada and the ADB Group would be prepared. Subsequently, the Bank Group would establish an untied Common Fund, open to other donors (bilateral and multilateral).
- 1.1.5 In 2004, the Government of Denmark contributed USD 500,000 towards an un-tied multi-donor NEPAD-IPPF facility. However, there was no mechanism to channel this funding since the NEPAD-IPPF was a bilateral arrangement between the Bank and CIDA, and the Bank found it administratively undesirable to set up multiple and un-coordinated bi-lateral funds in support of NEPAD Infrastructure development.

1.1.6 Upon the recommendation of the Boards of Directors (ADB/BD/WP/2005/45/Rev1), a NEPAD- Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF) Special Fund was approved by the Board of Governors of the Bank (B/BG/2005/12) in September 2005, in accordance with Article 8 of the Agreement establishing the Bank, as an untied multi-donor fund for the preparation of infrastructure projects and programs in support of NEPAD.

1.1.7 The mandate of the NEPAD-IPPF is to assist African countries, RECs and related institutions to prepare high quality and viable regional/continental infrastructure projects and programs, and in-country projects with a regional/continental outlook, develop consensus and broker partnerships for their implementation with the long-term goal of reducing Africa's marginalisation by ensuring sustainable regional economic development and integration through cooperation among African countries, donors and the private sector.

## 1.2 Purpose of the NEPAD-IPPF Special Fund

The purpose of the NEPAD-IPPF Special Fund is to assist African countries, RECs and related infrastructure development institutions to prepare high quality, viable regional/continental infrastructure projects that would be ready to solicit financing from public and private sources in support of the objectives of NEPAD. The Fund is also designed to support the creation of an enabling environment for private participation in infrastructure, as well as to support targeted capacity building initiatives to enhance the sustainability of existing and planned infrastructure developed in the continent, in fulfilment of the NEPAD objectives. The sectors covered are Information and Communications Technology (ICT), transport, energy, and water resources management.

## 1.3 Objective of the Operational Guidelines

The objective of these Operational Guidelines is to develop rules and procedures which shall guide the preparation of proposals, processing of applications, approval of grants and application of grants for utilization of the NEPAD-IPPF Special Fund. These Guidelines are prepared in line with Section 5.2 of the Instrument for Establishment of the NEPAD-IPPF Special Fund, which requires the Bank, in consultation with the Oversight Committee, to “adopt operational procedures for operations financed with the resources of the NEPAD-IPPF.”

## 1.4 Organization of the Paper

1.4.1 Section 2 of the paper presents the various types of project preparation activities which qualify for funding under the facility.

1.4.2 In Section 3, the modalities for implementation of NEPAD-IPPF Special Fund including the utilization of resources, ceiling for grants and approval responsibilities are presented, including the conditions for suspension of disbursement.

1.4.3 Section 4 summarises the operational procedures for preparation, processing, approval and utilisation of grants under the Special Fund.

1.4.4 Section 5 proposes the reporting arrangements necessary to inform the Board of Directors of the Bank and Oversight Committee about the operational details and various activities, and financial commitments under the Facility.

## 2. **Role and Application of Infrastructure Project Preparation Facility Special Fund**

### 2.1. **Role of the NEPAD-IPPF Special Fund**

2.1.1. The *objective of the NEPAD-IPPF Special Fund* is to assist African countries and RECs and related institutions to prepare high quality and viable regional/continental infrastructure projects in the energy, water resources management, transport and ICT sectors, which would be ready to solicit financing from public and private sources.

2.1.2. The NEPAD-IPPF Special Fund is designed as a facility with a distinct role in financing of regional/continental project preparatory activities, including advisory services, studies, technical assistance, workshops and seminars. The NEPAD-IPPF Special Fund is tailored to urgently address project preparatory activities of Regional Member Countries (RMCs) of the Bank Group and RECs with a high probability of generating viable regional infrastructure projects that can more easily be financed through public and/or private sources.

2.1.3. The NEPAD-IPPF Special Fund would enhance the quality of regional integration projects/programmes prepared by RMCs, RECs and Specialised Regional/Continental Infrastructure Development Agencies by:

- a) targeting the promotion of quality regional integration infrastructure projects and programmes suitable for private and public sector financing;
- b) providing grants to the Governments of RMCs, RECs and other Specialised Institutions for advancing the preparation of priority regional integration infrastructure projects and programmes with high probability of implementation by the recipient Government/organisations and/or attracting public/private financing;
- c) promoting ownership and participation in project preparation, required to generate quality projects suitable for public and/or private sector financing;
- d) ensuring quick access to funds on a demand-driven basis, and quick disbursement of funds approved to respond to the priority investment programmes of RMCs, RECs, and Specialised Infrastructure Development Agencies;
- e) supporting the creation of an enabling environment for private participation in infrastructure, as well as supporting targeted capacity building initiatives in infrastructure development related to current or planned physical/investment activities.

## 2.2. Scope of Activities to be financed under the NEPAD-IPPF Special Fund

The activities eligible for financing under the facility are: advisory services, studies, technical assistance, workshops and seminars and, generally, any other activity of an advisory, technical or operational nature related to preparation of projects and programmes in infrastructure development within the framework of NEPAD.

The primary focus of NEPAD-IPPF Special Fund would be the provision of support for Project Cycle Activities and activities designed to ensure the creation of a sustainable enabling environment for infrastructure development and private sector participation. Nevertheless, targeted capacity building initiatives designed to support strengthening of institutional capacity to ensure the creation and sustenance of an appropriate enabling environment for infrastructure development would be supported by the Fund.

### 2.2.1 *Project Cycle:*

Project cycle activities entail provision of technical advice and assistance in analyzing projects, including preparation of project proposals, review and revision of project proposals, environmental and social impact analyses. Early stage project cycle activities will be supported by NEPAD-IPPF as long as the Fund is satisfied that the support could lead to development and realisation of a viable project that can attract financing.

### 2.2.2 *Enabling Environment Activities:*

Enabling environment activities include provision of assistance to programs aimed at improving the enabling environment for delivery of infrastructure services, namely: consensus-building for appropriate policy, regulatory and institutional reforms; identification, promotion and dissemination of best practices in infrastructure development and operations.

### 2.2.3 *Studies*

NEPAD-IPPF Special Fund resources will be applied to undertake the preparation of new studies, pre-feasibility or feasibility studies, update or additional analysis of existing studies, pre-feasibility studies, feasibility studies, environmental and social impact assessment, design studies and other related studies in order to improve on the project quality and enhance prospects to attract financing for the physical/investment project. The NEPAD-IPPF Special Fund would also cover baseline data surveys, preparation of technical specifications and revision of project preparation studies that are considered to be incomplete or requiring updating.

### 2.2.4 *Advisory Services*

Advisory services related to infrastructure development would be supported by the NEPAD-IPPF Special Fund. These include activities designed to assess key opportunities for private-public partnerships, where limited and timely assistance in their preparation and implementation is required. They also include advisory services on public-private partnership options; including concessions, due diligence activities,

transaction analysis, project structuring, etc. Facilitation services in all infrastructure sectors, particularly for the transport sector, would be eligible for support under the NEPAD-IPPF.

#### 2.2.5 *Pre-contract Services, including Preparation and Revision of Tender Documents*

The NEPAD-IPPF Special Fund would finance the cost of consultancy services required to carry out the preparation or revision of design and tender documents, and the processing and evaluation of tenders before commencement of construction activities.

#### 2.2.6 *Technical Assistance*

NEPAD-IPPF Special Fund resources can be applied to promote a participatory approach in project formulation and design. In this regard, technical assistance and the costs of development and presentation of workshops, seminars and conferences involving stakeholders of the targeted project would qualify for assistance under the facility. The NEPAD-IPPF Special Fund grants would also be applied to other unforeseen preparatory activities unique to the targeted project, provided that sufficient justification is made to the satisfaction of the NEPAD-IPPF Special Fund.

#### 2.2.7 *Capacity Building*

NEPAD-IPPF Special Fund resources can also be applied to support targeted capacity building of RMCs, RECs and Specialised infrastructure development institutions, specifically in connection with activities mentioned in paras. 2.2.1 – 2.2.6 above. Capacity building initiatives of a general nature (i.e. those not linked to identified projects, processes, and activities highlighted in sections 2.2.1 to 2.2.6 of the Guidelines) would not be supported by the Fund.

### 3. **Modalities for Implementation of the NEPAD-IPPF Special Fund.**

#### 3.1 Eligibility

All RMCs of the Bank Group are eligible for the NEPAD-IPPF Special Fund as long as the proposed activity is to support regional infrastructure development in the energy, transport, water resources and ICT sectors. RECs and specialized regional/continental institutions for infrastructure development are also eligible for NEPAD-IPPF Special Fund for projects in these sectors. NEPAD-IPPF Special Fund is designed as a proactive and demand responsive facility, thus grants would be approved on the basis of expressed and identified needs. However, necessary measures would be taken to avoid marked imbalances in the approval of resources as far as regions are concerned.

Projects promoted solely by private sector organisations would not be eligible for the NEPAD-IPPF Special Fund grant. However, projects proposed by private sector organisations, and involving the participation of the public sector (Public-Private Partnerships (PPPs), as well as PPP projects promoted by RMCs, RECs and specialised institutions would be eligible for NEPAD-IPPF Special Fund.

The Bank Group sanctions policy would not be applicable to the NEPAD-IPPF Special Fund.

### 3.2 Recipient Contribution

The NEPAD-IPPF Special Fund grants will be applied to finance both foreign and local cost elements of a proposal. However, to ensure ownership and commitment by the countries, it would be a requirement that they contribute a minimum of 5% of the total cost of the proposed preparatory activity for all NEPAD-IPPF supported operations. The actual levels of contribution of project promoter/sponsor/beneficiary would be determined during approval.

### 3.3 Procurement of Goods and Services

The procurement of goods and services under the NEPAD-IPPF Special Fund facility shall be carried out in accordance with the Bank Group's *Rules of Procedure for the Use of Consultants* and *Rules of Procedure for Procurement of Goods and Works*. In accordance with the Instruments establishing the NEPAD-IPPF Special Fund, Procurement will be limited to member countries of the Bank as well as those Donor States that are non-members of the Bank, from which contributions have been made to the NEPAD-IPPF Special Fund.

### 3.4 Terms of Financing

NEPAD-IPPF Special Fund grants are made only to Governments of RMCs, RECs or Specialised Infrastructure development and delivery Agencies to facilitate project preparation, enhance consensus-building, and for undertaking other activities deemed necessary to advance the development of regional infrastructure in Africa. These grants are treated as non-reimbursable grants.

### 3.5 Ceiling for Grants, Approval Responsibility and Disbursement

#### 3.5.1 *Ceiling for Grants*

A floor of USD 20,000 and ceiling of USD 2,000,000 have been established to accommodate the financing of the various Preparatory Activities under the NEPAD-IPPF Special Fund.

#### 3.5.2 *Approval Responsibility for Grant*

The NEPAD-IPPF Special Fund is a demand-responsive, quick-access and disbursing facility that can be readily applied to project/programme development and preparation activities. It is therefore necessary that approval of resources under the facility be expeditious and client-responsive. In this regard, all grants under the Special Fund would be approved in accordance with the following schedule:

- a) For grants up to a maximum amount of USD500,000 approval responsibility would lie with the Director in charge of NEPAD Infrastructure development;

- b) For grants between USD500,001 and USD1,000,000 approval responsibility would lie with the Vice President in charge of NEPAD Infrastructure development; and
- c) For grants exceeding USD1,000,000 approval responsibility would lie with the President of the Bank Group, upon prior clearance by the Oversight Committee on a lapse of time basis.

### 3.5.3 *Disbursement*

The NEPAD-IPPF Special Fund grant would be disbursed through a revolving fund domiciled in a Bank acceptable to the Fund. In order to ensure effective financial control, NEPAD-IPPF Special Fund grants approved for a project will be disbursed into the special account in tranches on a pro-rata basis, based on justifications provided by the Recipient with the Statements of Expenditure and assessment of the work done. Direct payment arrangements would be applied provided that agreement is reached with the Beneficiary at the time of approval and the amount is not less than USD 20,000.

A time limit for first disbursement of funds beyond which period the grant would be cancelled should be set and discussed with project promoters, countries, RECs, and Special infrastructure development agencies at the time of review.

### 3.6 Suspension of Disbursement

Disbursement of NEPAD-IPPF Special Fund resources may be suspended where fund management is satisfied that the withdrawn amounts are not being used for the agreed purpose or standards. The Fund would, thereafter, take necessary measures to recover misused funds from the Beneficiary.

## 4. **Processing of NEPAD-IPPF Special Fund Grants.**

### 4.1 Requirements for NEPAD-IPPF Special Fund Proposals

4.1.1 The requests for the utilization of NEPAD-IPPF Special Fund resources will originate from RMCs with interest in the proposed multinational project/programme, RECs, or Specialised regional/continental infrastructure development agencies. The contents of such a proposal should clearly address the following:

- objectives of the project or programme, project description and economic justification;
- detailed Preparatory Activities to be undertaken with the NEPAD-IPPF Special Fund grant;
- Terms of Reference (TOR);
- detailed cost estimates;
- implementation schedule for commencing and completing the preparatory activity;

- brief on the capacity of the Executing Agency that will implement or coordinate the preparatory activities.
- commitment that the Preparatory Activities are targeted to generate priority projects/programmes or has high probability of doing so.

4.1.2 On receipt of the proposal, the responsible officer will carry out a desk review to determine if the proposal is viable. If the proposal is viable, and where appropriate, a validation mission will be mounted to the originating RMC(s), REC or Specialised Agency to discuss all aspects of the Preparatory Activities, implementation capacity, schedules of implementation and other key issues necessary for effective utilization of the grant. Thereafter, a memorandum for the utilization of NEPAD-IPPF Special Fund grant for the preparatory activities relating to the project, study or programme would be prepared for consideration for approval.

#### 4.2 Review Process

To ensure transparency and enhance the quality at entry, the Manager and Director in charge of NEPAD are required to ensure the review of the draft memorandum through the Bank Group's review process, which specifically entail Internal Working Group, Inter-Departmental Working Group and Senior Management Committee meetings, depending on the approval level. If the memorandum is acceptable, the Letter of Agreement and its attachments will be formally cleared. Thereafter, the NEPAD-IPPF Special Fund memorandum will be forwarded for the approval of the Director, Vice President or the President of the Bank Group, in line with approval responsibilities highlighted in paragraph 3.5.2.

#### 4.3 Grant Approval

Approval of all grants under the NEPAD-IPPF Special Fund would be made in accordance with approval responsibilities stipulated in paragraph 3.5.2.

#### 4.4 Signing of the Letter of Agreement

On approval of the NEPAD-IPPF Special Fund grant, the responsible officer will arrange for the formal signing of the Letter of Agreement. All grant Agreements shall be signed by the Vice President responsible for NEPAD activities within the Bank. The deadline for signing of Grant Agreements is ninety (90) days from date of approval.

#### 4.5 Grant Effectiveness

The Grant shall enter into force on the date of counter signature by the Vice President in charge of NEPAD activities in the Bank.

## **5. Reporting Arrangements and Project Audit**

### **5.1 Reporting Arrangements**

5.1.1 The Beneficiary is required to submit to the Bank quarterly reports on the physical and financial status of the implementation of preparatory activities financed under the NEPAD-IPPF Special Fund. In addition, a final report would be submitted by the beneficiary on completion of the activity/project. On the basis of these quarterly reports and information derived from field supervision, the Fund Manager will prepare and submit Quarterly Progress Reports on all approved NEPAD-IPPF Special Fund grants for which disbursements have been made. These reports should provide physical and financial performance of the preparatory activities, problems if any, and any likelihood of achieving the objectives.

5.1.2 Management will submit to the Oversight Committee of the Fund and the Board of Directors of the ADB:

- i) a costed annual work plan to be updated semi-annually;
- ii) semi-annual progress reports on the activities of the IPPF including projects and programs financed out of the resources of the IPPF and the status of progress of financed preparatory projects/programs. The report shall include:
  - a) a description of each activity approved since the last progress report ;
  - b) gender (as may be applicable) and nationality of consultants contracted;
  - c) brief description of the progress of ongoing activities;
  - d) brief description of any proposed activities still under consideration;
  - e) a summary, in table form, of all funded activities as agreed to at the December 2005 Oversight Committee meeting; and
  - f) data on the approval process (e.g. number of requests received, number approved, time taken to approve, etc).
- iii) annual audited financial statement of funds received and disbursed from the NEPAD-IPPF Special Fund Account;
- iv) copy of the final version of each study completed.

### **5.2 Project Audit**

Grants released under the NEPAD-IPPF Special Fund are subject to audit by an independent external auditor acceptable to the Bank at the completion of the Preparation Activity. It is proposed that the cost of audit services be incorporated into the cost estimates for each approved project. However, for grants between USD 20,000 and USD250,000 the Fund Manager shall directly arrange for the audit of such operations.

### **5.3 Information Disclosure**

Subject to the Bank Group's Disclosure of Information Policy, information on the NEPAD-IPPF Special Fund will be disclosed and disseminated to the general public,

including governments, civil society organizations and the private sector, unless there is a compelling reason not to do so. The main outlets for disseminating these documents to the public include the Public Information Centre at the Bank, the Bank's field offices, and its website.

#### 5.4 Outputs and Performance Measurement

In the monitoring and reporting of performance for projects and programs supported by the NEPAD-IPPF Special Fund, a Results Based Management system would be adopted to ensure that the overall objectives of the facility are achieved with quantifiable and measurable outputs.

**NEPAD – Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF Special Fund)  
Application for NEPAD-IPPF Special Fund  
(to be completed by Originating Entity/Beneficiary)**

**A. Organisation Requesting NEPAD-IPPF Special Fund**

Organization:		
Address:		
Contact Person		Position:
Telephone:	Fax:	Email:

**B. Summary of Proposal**

**1. Geographic Area of Proposed Activity: *Please Tick Applicable Boxes***

Region(s) of Focus	
<input type="checkbox"/> East Africa	<input type="checkbox"/> West Africa
<input type="checkbox"/> North Africa	<input type="checkbox"/> Central Africa
<input type="checkbox"/> Southern Africa	<input type="checkbox"/> Continental Initiative

**2. Sectoral Focus of Proposed Activity: *Tick all that apply***

<input type="checkbox"/>	Transport Sector	<input type="checkbox"/>	Roads	<input type="checkbox"/>	Maritime
<input type="checkbox"/>		<input type="checkbox"/>	Aviation	<input type="checkbox"/>	Railways
<input type="checkbox"/>		<input type="checkbox"/>	Multi-Modal	<input type="checkbox"/>	
<input type="checkbox"/>	Energy Sector	<input type="checkbox"/>	Generation	<input type="checkbox"/>	Transmission
<input type="checkbox"/>		<input type="checkbox"/>	Distribution	<input type="checkbox"/>	Renewal Energy
<input type="checkbox"/>		<input type="checkbox"/>	Energy Efficiency	<input type="checkbox"/>	Oil/Gas
<input type="checkbox"/>		<input type="checkbox"/>	Electricity	<input type="checkbox"/>	Roads
<input type="checkbox"/>	ICT	<input type="checkbox"/>	Telecommunications	<input type="checkbox"/>	IT
<input type="checkbox"/>	Water	<input type="checkbox"/>		<input type="checkbox"/>	

**3. Expected Deliverable: *(e.g., Studies, Workshops and Seminars, Technical Assistance, etc.)***

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4. **Proposed Activity:** *Tick one box to specify the primary nature of the proposed activity (P) and where applicable, tick one or more boxes which reflect secondary natures (S).*

<i>Tick Appropriate Boxes</i>	
	<b>Project Preparation:</b> Support to the design and implementation of physical projects and/or specific transactions necessary to ensure project readiness for public/private financing.
	Update of Project Design and/or preparation of Bidding Documents
	Revision/Updating of Feasibility Studies
	Project Promotion Activities
	Preparation of Transaction documents for PPP's
	Financial/technical Analysis and Documentation
	Pre-Contract Analysis, Studies and Documentation
	Update of Technical/Financial Investigation to Establish Viability
	<b>Infrastructure Development Strategies:</b> Studies to elaborate on infrastructure strategies for a given region.
	<b>Workshops and Seminars:</b> Workshop and Seminars aimed at building consensus among stakeholders for appropriate policy, regulatory and institutional reforms.
	<b>Policy, Regulatory and Institutional Reforms:</b> Technical Assistance to assist in the design and implementation specific reforms, including studies and drafting of instruments.
	<b>Capacity Building:</b> Activities aimed at building capacity in the design and execution of infrastructure projects and programs.
	<b>Dissemination of Best Practice:</b> Activities designed to facilitate the identification, promotion and dissemination of best practices in infrastructure development, delivery and management.

C. Details of Proposal

5. **Summary of Proposed Activity:** *Describe briefly the specific activity for which NEPAD-IPPF Special Fund funding is being requested. Please attach all Supporting documentation (e.g., draft terms of reference, concept note).*

6. **Key Objectives of Activity:** *Summary of the key and specific objectives of the proposed activity and anticipated the key indicators for measuring progress and success of the activity.*

7. **Consistency with NEPAD Infrastructure Program:** *Brief description of how the proposed activity contributes to NEPAD program in Infrastructure Development.*

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8. **Rationale for NEPAD-IPPF Special Fund Funding:** *Indicate whether funding for the activity is available or being sought from some other source (including loans from international financial institutions, grants from other programs, or a government's own resources) and, if so, the rationale for requesting NEPAD-IPPF Special Fund funding.*

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9. **Approval of concerned REC and/or Governments:** *NEPAD-IPPF Special Fund funds may only be made available on approval of the activity by the respective REC(s) and concurrence by NEPAD Secretariat. In some cases, the concurrence of the countries concerned may be a requirement.*

Name of responsible official:		
Position:		
REC/Ministry(for countries):	NEPAD Secretariat:	
Tel:	Fax:	Email:

10. **Environmental and Social Issues:** *Describe measures to mitigate negative environmental/social impacts where proposed activity is expected to have environmental or social consequences.*

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**D IMPLEMENTATION AND FINANCING PLAN**

11. **Implementation Approach:** *Brief description of program implementation framework approach: (How would it be implemented, Who would be responsible for implementation, Capacity for Implementation, etc)*

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- 12. Implementation Schedule:** *Indicate the beginning and end date, as well as major activity milestones.*

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- 13. Financing Plan:** *Present a summary of the financing plan by the major components (the detailed budget should provide further breakdown by these components).*

Major Components	NEPAD - IPPF (US\$)	Other Sources of Finance		Total Cost (US\$)
		US\$	Source	
Consulting Services ( <i>fees, travel, per diem</i> )				
Task Team Supervision Cost ( <i>fees, travel, per diem</i> )				
Dissemination Costs ( <i>translation, editing, publication, etc.</i> )				
Logistics ( <i>workshops, conference facilities, etc.</i> )				
Other				
<b>Total Financing/Costs</b>				

**E. SUPPLEMENTARY INFORMATION AND MATERIALS**

- 14. Additional Information:** *Include any additional information that may be useful in evaluating the proposal (e.g., related activities which may have been undertaken; planned follow-on activities; etc.).*

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- 15. Supporting Material:** *List all supporting material including, where appropriate, government approval letters, terms of reference, and detailed budget.*

Supporting Material	Date and Form of Transmission to NEPAD/ADB

**NEPAD Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF Special Fund)**  
**FORMAT FOR PREPARATION OF NEPAD-IPPF Special Fund MEMORANDUM**

1. Introduction
  - 1.1 Background Information
  - 1.2 Project/Study or Programme Objectives
  - 1.3 Justification for the use of NEPAD-IPPF Special Fund
    - are there no other alternative sources of financing for the preparatory activities?
    - what is the probability that the activities are project targeted?
    - what are the economic justifications and rationale for the targeted project/study programme?
  
2. Project Description
  - 2.1 Description of preparatory activities for which grants are requested
  - 2.2 Description of the expected outputs and their linkages to the targeted project or programme (if applicable)
  
3. Cost Estimates for the Preparatory Activities
  - 3.1 Detailed cost estimates (broken down into foreign and local costs)
  - 3.2 Financing plan
  - 3.3 Cost estimates by components
  
4. Mode of Procurement of services and limited goods (if applicable)
  - 4.1 Mode of Procurement of Services
  - 4.2 Mode of Procurement of Goods
  
5. Implementation Schedule
  
6. Financing Arrangements (to be discussed and agreed with Government/Recipient)
  - 6.1 Financing Plan
  - 6.2 Suspension of disbursement of PPF grants
  - 6.3 Letter of Agreement and its annexes:
    - purposes, terms, and conditions of Grants;
    - special deposit account;
    - financial provisions applicable to NEPAD-IPPF Special Fund Grants
  
7. Conclusions and Recommendations for Bank's Consideration
  - 7.1 Conclusions
  - 7.2 Recommendations

8. Annexes:

- 1) Evidence of commitment to implement the targeted project or programme in form of duly signed by authorised person.
- 2) Draft Letter of Grant Approval duly cleared by the Director in charge of NEPAD.
- 3) Other relevant annexes including maps etc.

N.B The NEPAD-IPPF Special Fund Memorandum will be limited to 15 pages, including annexes

Draft Letter of Agreement for NEPAD-IPPF Special Fund Grant  
AFRICAN DEVELOPMENT BANK GROUP  
VICE PRESIDENT OPERATIONS

13 Avenue du Ghana  
BP 323  
1002 Tunis Belvédère  
Tunisia  
Telephone: (216) 71 102 002  
Fax : (216) 71 332 015  
Web Site : www.afdb.org



**VICE PRESIDENT**

REF. :  
Date:

*Name and Address of Beneficiary's Authorised Representative*

*Tel: + .....*

*Fax: + .....*

Dear .....

**NEPAD-Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF Special Fund) - Grant for [ ..... Name of Project ..... ] Letter of Agreement**

I am writing on behalf of the African Development Bank (the Bank) to inform you of the Bank's agreement to grant to the.....[ *Name of Recipient*.....], (the Recipient), a NEPAD-IPPF Special Fund Grant in an amount not exceeding .....[ *Grant Amount in figures*]..... (.....[ *Grant Amount in Words* ].....) (the Grant).

The purpose of the Grant is to finance certain expenditures required for the preparatory activities that would assist in ensuring the readiness for financing of the proposed .... [ *Name of Project* ] ....., a regional project within the [ ..... Sub regions or Countries of Project ..... ].

The Grant is made for the purposes and on the terms and conditions set forth in Attachments I, II, III, IV and V hereof, which shall be construed as part of this Letter of Agreement, and the Recipient hereby represents, by confirming its agreement hereunder, that it is authorised to contract, withdraw, and utilise the Grant for the said purposes and on the said terms and conditions.

The Grant funds shall be released on satisfactory proof of [ *Project or Implementation Agency*.....] or its assigns having secured funds from other co-financiers of the program and having opened a special account for receipt of the funds.

The amounts of the Grant withdrawn shall carry no service charge as per paragraph 5 of Attachment III hereof.

The provision of this Grant does not constitute or imply any commitment on the part of the Bank to assist in the financing of the project for the preparation of which the Grant is made.

Please confirm your agreement with the foregoing on behalf of the [... Recipient(s) or beneficiaries of the Grant.....], by signing, dating, and returning to us the enclosed copy of this letter, with each page thereof duly initialled. This agreement will become effective on the date of counter signature.

Yours sincerely,

AFRICAN DEVELOPMENT BANK

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Authorised Signatory

Date:-----

AGREED

Project and/or Executing Agency

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Authorised Signatory  
Designation

Date:-----

## Attachment I

### Purposes, Terms, and Conditions of the NEPAD-IPPF Special Fund Grant

1. This Grant is issued to the Recipient on behalf of *[Project Name or Project Beneficiaries]* for purposes of financing specified aspects of a due diligence exercise that would assist in ensuring the readiness for financing of the proposed *[Project Name]* project, as set out in Attachment IV hereof (herein after called the Project).
2. The Recipient shall:
  - i. Carry out the project preparation activities outlined in attachment IV, with due diligence and efficiency;
  - ii. Promptly provide the funds, facilities, services, and other resources required for the purpose:
  - iii. Furnish to Bank all information covering such activities and the use of the proceeds of the Grant as the Bank shall reasonably request; and
  - iv. From time to time exchange views with the Bank's representatives on the progress and results of such activities.
3. The obligation of the Bank to make the first disbursement of the Grant shall be conditional upon fulfilment of the following conditions by the Recipient, namely, the Recipient shall have submitted evidence satisfactory to the Bank that:
  - i. A special deposit account (the Special Account) in United States Dollars (US\$) has been opened in a commercial bank acceptable to the Bank.
  - ii. The depository bank of the Special Account has issued a confirmation, in a form acceptable to Bank that the funds in the Special Account will be segregated as a special deposit for the specific purposes for which the Grant is granted, and consequently shall not be subject to claims of setoff, seizure, or attachment.
  - iii. The Co-Financiers of the Project have approved their Funding of the project.
4. The Recipient shall employ consultants acceptable to Bank on terms and conditions satisfactory to the Bank. The consultants shall be selected in accordance with principles and procedures satisfactory to the Bank and on the basis of the Bank's *Rules of Procedure for Use of Consultants*, December 1996, as amended. No substitution of such consultants or modification of the terms and conditions of their employment shall be made except with the prior approval of the Bank. The procurement of goods will be carried out in accordance with Bank's *Rules of Procedure for the Procurement of Goods and Works*, December 1996, as amended. Procurement will be limited to member countries of the Bank Group as well as those Donor States that are non-members of the Bank, from which contributions have been made to the NEPAD-IPPF Special Fund.
5. The Recipient shall ensure that the proceeds of the Grant shall be used exclusively for the procurement in the territories of the State Participants or Member States, of goods produced in and services supplied from, those territories (the terms "State Participant" and "Member

State" being defined in Article 1 of the Agreement Establishing the African Development Fund and Article 3 of the Agreement Establishing the African Development Bank.

6. The Executing Agency for the Project shall be the [*name of Executing Agency*].
7. The closing date of the Grant is ..... No withdrawals of the Grant shall be made after said date, and any amount of the Grant then remaining unwithdrawn shall be cancelled, unless the Bank shall establish a later date.

## Attachment II

### Special Account

1. For the purposes of this Attachment:
  - (a) the term "categories" means categories of items to be financed out of the proceeds of the Grant as set forth in Attachment IV;
  - (b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the project preparation activities to be financed out of the proceeds of the Grant; and
  - (c) the term "Authorised Allocation" means an amount not less than USD 20,000 to be withdrawn from the Grant and deposited in the Special Account pursuant to paragraph 3 (a) of this Attachment.
2. Payments out of the Special Account shall be made exclusively for eligible expenditures.
3. Withdrawals of the Authorised Allocation from the Bank and subsequent withdrawals to replenish the Special Account shall be made as follows:
  - (b) The Recipient shall furnish to the Bank a request or requests for a deposit or deposits in accordance with the Authorised Allocation but not exceeding the total amount of the Grant that remains undisbursed at any given time. On the basis of such request or requests, the Bank shall, on behalf of the Recipient, deposit in the Special Account such amount out of the proceeds of the Grant as requested by the Recipient.
  - (c) For replenishment of the Special Account, the Recipient shall furnish to the Bank requests for deposits into the Special Account at such intervals, as the Bank shall specify.
  - (d) Prior to or at the time of each such request, the Recipient shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Attachment for the payment or payments in respect of which replenishment is requested.
  - (e) On the basis of each such request, the Bank shall, on behalf of the Recipient, deposit into the Special Account out of the proceeds of the Grant such amount as requested by the Recipient and shown by the said documents and other evidence to have been made out of the Special Account for eligible expenditures.
4. For each payment made by the Recipient out of the Special Account, the Recipient shall upon the Bank's request, forthwith furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.
5. Notwithstanding the provisions of paragraph 3 of this Attachment, the Bank shall not be required to make further deposits into the Special Account:

- (a) If at any time, the Bank determines that all further withdrawals of the Grant should be made directly by the Recipient; or
  - (b) Once the total withdrawn amounts of the Grant equals the equivalent amount of the approved Grant.
6. Furthermore, if the Bank determines at any time that any payment out of the Special Account was:
- (i) Made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Attachment; or
  - (ii) Not justified by the evidence furnished to the Bank, the Recipient shall, promptly upon notice from the Bank;
    - (a) Provide such additional evidence as Bank may request; or
    - (b) Deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified.

Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Recipient have provided such evidence or made such deposit or refund, as the case may be.

7. If the Bank determines at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.
8. The Recipient shall, upon notice from the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.
9. Refunds to the Bank made pursuant to paragraphs 6, 7, and 8 of this Attachment shall be added to the un-withdrawn amount of the Grant.

**Attachment III**

**Financial Provisions Applicable to the NEPAD-IPPF Special Fund Grant for Project Preparation**

1. The Bank shall disburse funds to the Recipient to meet expenditures specified in Attachment IV. The Recipient should submit a written application for withdrawal in the form specified by the Bank, signed on behalf of the Recipient (as provided in Paragraph 2 of this attachment) and accompanied by evidence of the expenditures made or, if the Bank shall so agree, to be made.
2. The (*authorised signatory*), or any person(s) designated in writing by said authorised Official shall sign withdrawal applications for the Grant on behalf of the Recipient. Authenticated specimen signatures of the designated persons shall be provided to the Bank with the first application
3. The Grant shall be disbursed in the currency agreed to by the Bank and the Recipient in accordance with the Bank's Rules of Disbursement.
4. Withdrawals shall be made only for expenditures for services supplied from, or goods produced in eligible countries as provided under Attachment I.
5. The amounts of the Grant withdrawn shall carry a service charge of zero percent per annum.
6. The Bank may, by notice to the Recipient, suspend at any time further withdrawals of the Grant if any of the following events of suspension shall have occurred:
  - a. Funds withdrawn have not been used for the purpose agreed between the Recipient and the Bank;
  - b. The preparation activities are not carried out in accordance with the standards or methods agreed between the Recipient and the Bank.
7. At any time after withdrawals of the Grant have been suspended pursuant to the provisions hereof, the Bank may, by notice to the Recipient, cancel any amount of the Grant remaining unwithdrawn.
8. For purposes of any correspondence, notice or demand provided herein, the following addresses shall apply:

**For the Bank:**

**Mail Address:**

**Headquarters Address:**

African Development Fund  
01 B.P. 1387 - Abidjan 01  
COTE D'IVOIRE

Tel: (225) 20-20-44-44 / 20-20-48-61

Fax: (225) 20-20-53-02 / 20-20-49-19

**Temporary Relocation Agency Address:**

African Development Bank  
Temporary Relocation Agency  
15, avenue du Ghana

Tunis Belvédère 1002 - TUNISIA  
Tel: (216) 71.10 3053/71.10 2592  
Fax: (216) 71.33 2694

**For the Recipient(s):**

**Mail Address:**

*Name and Address of Beneficiary's Authorised Representative*

Tel: +.....

Fax: +.....

**Attachment IV**

**Project Supervision and Audit**

1. During the implementation period, the [*name of Executing Agency*] will monitor the technical and financial aspects of the project.
2. The [*name of Executing Agency*].will prepare and forward to the Bank quarterly progress reports highlighting the status of preparatory activities, disbursements made and anticipated, problems encountered and solutions envisaged, as well as the projected program for subsequent quarters.
3. The Bank will monitor the project implementation through regular supervision missions at least once yearly.
4. At the end of the implementation phase, the [*name of Executing Agency*] will prepare and submit to the Bank a project completion report in line with the IPPF format. The Bank will use the report as a background document for preparing its own completion report.
5. At the completion of the project, the [*name of Executing Agency*] shall arrange for the audit (financial and technical) of the project by an independent external auditor acceptable to the Bank, and submit its report to the Fund. On the basis of the report(s), the Fund would commission a review of the project in line with Bank rules of procedures for audit of projects and project accounts.

**Attachment V**

**Expenditures to be Financed by the Grant**

	Beneficiary (USD)	Co-Financier (USD)	NEPAD-IPPF Special Fund (USD)	Total (USD)
Component A				
Contingency				
Sub-Total: Component A				
Component B				
Contingency				
Sub-Total: Component B				
Component C				
Contingency				
Sub-Total: Component C				
Component D				
Contingency				
Sub-Total: Component D				
Project Audit				
Contingency				
Total – Project Audit				
Total Base Cost				
Total Contingency				
Grand Total				

**CONFIDENTIAL**

AFRICAN DEVELOPMENT BANK

ADB/BD/WP/2007/01/Add.1  
31 January 2007  
Prepared by: ONRI  
Original: English

Probable Date of Board Presentation:  
TO BE DETERMINED

FOR CONSIDERATION

**MEMORANDUM**

**TO: THE BOARD OF DIRECTORS**

**FROM: Modibo I. TOURE**  
**Secretary General**

**SUBJECT: NEPAD - INFRASTRUCTURE PROJECT PREPARATION FACILITY**  
**SPECIAL FUND (NEPAD – IPPF Special Fund)**  
**OPERATIONAL GUIDELINES**

**ADDENDUM – ENGLISH VERSION ONLY\***

Please find attached an **Addendum** to the Operational Guidelines of the NEPAD-IPPF for the above-mentioned report.

**Attach:**

**Cc: The President**

**\*Questions on this document should be referred to:**

<b>Mr. M.S. GANTSHO</b>	<b>Vice-President</b>	<b>OIVP</b>	<b>Ext. 2002</b>
<b>Mr. M.I. MAH'MOUD</b>	<b>Ag. Director</b>	<b>ONRI</b>	<b>Ext. 2583</b>
<b>Mr. I. URUA</b>	<b>Ag. Division Manager</b>	<b>ONRI.1</b>	<b>Ext. 3053</b>
<b>Mr. M. SALAWOU</b>	<b>NEPAD-IPPF Task manager</b>	<b>ONRI.1</b>	<b>Ext. 3077</b>

**NEPAD - INFRASTRUCTURE PROJECT PREPARATION FACILITY SPECIAL FUND**  
**(NEPAD – IPPF Special Fund) OPERATIONAL GUIDELINES**

**OPERATIONAL GUIDELINES (ADB/BD/WP/2007/01, DATED 9 JANUARY, 2007)**

**ADDENDUM**

**Addendum 1-** Page 10, Paragraph 6 of the Operational Guidelines

At the end of Paragraph 5, the following section is added:

6. Amendments of the Operational Guidelines

6.1 Amendments of the Operational Guidelines shall be made by the Bank upon recommendations by the Oversight Committee.

**Addendum 2-** Annexes

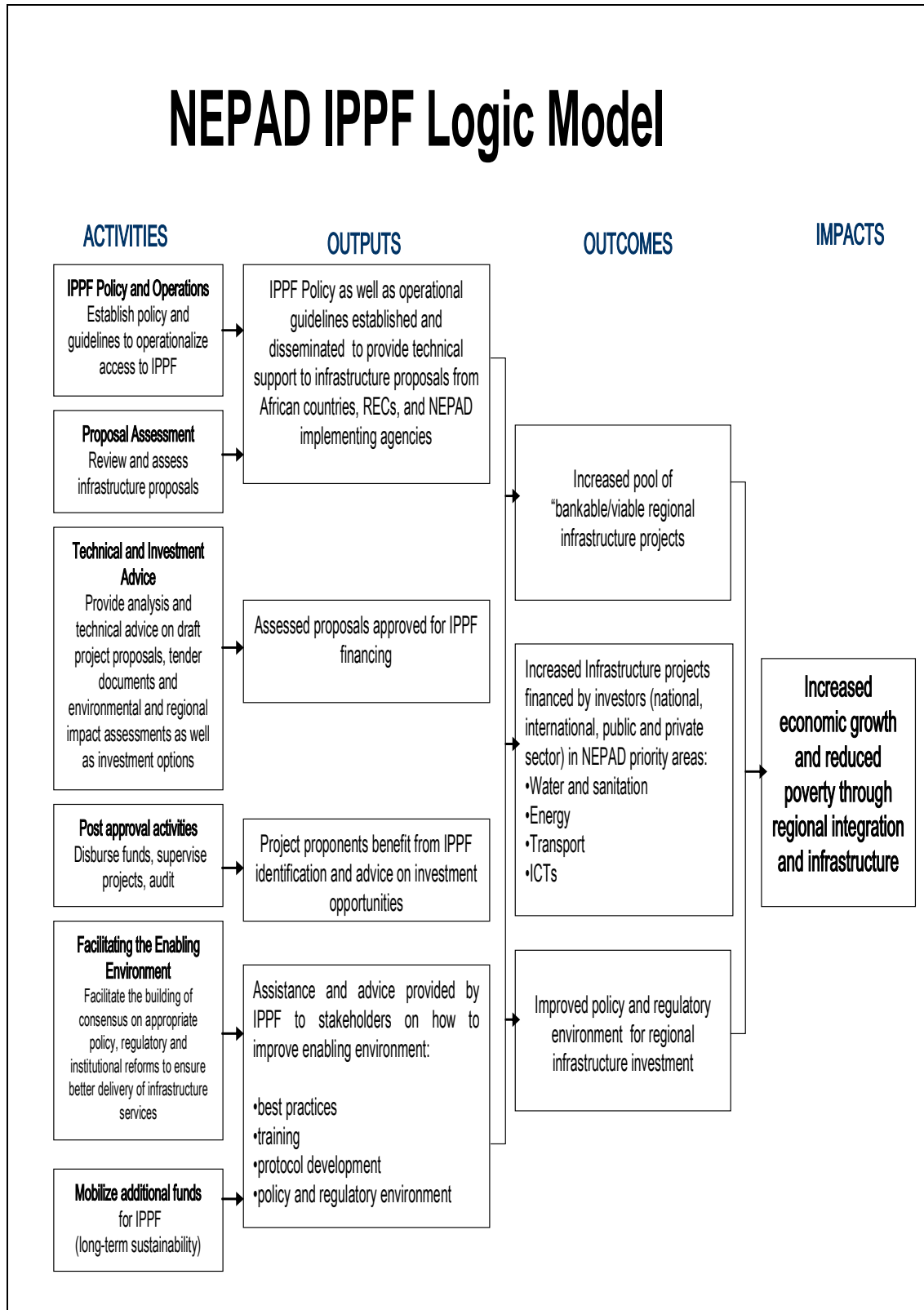
**Annex 1- NEPAD- IPPF Logical Framework Analysis** shall be added to the list of Annexes.

The annexes are now as follows:

**Annexes**

- |         |  |
|---------|--|
| Annex 1 | NEPAD- IPPF Logical framework Analysis   |
| Annex 2 | Application Form   |
| Annex 3 | Preparation Format   |
| Annex 4 | Draft Letter of Agreement for NEPAD-IPPF Special Fund Grant and its Attachments: |
|         | (i) Purposes, Terms, and Conditions of the NEPAD-IPPF Special Fund Grant;        |
|         | (ii) Special Account;  |
|         | (iii) Financial Provisions Applicable to NEPAD-IPPF Special Fund Grants          |
|         | (iv) Project Supervision and Audit   |

NEPAD Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF Special Fund)  
**Logical Framework Analysis for NEPAD-IPPF**



### Logical Framework Analysis for NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF)

OBJECTIVES	GOAL
To assist African countries and Regional Economic Communities (RECs) to prepare high quality, viable NEPAD infrastructure project proposals in energy, transport, ICTs and water that would be ready to solicit financing from public and private sources within a conducive environment that would attract investment on regional infrastructure projects.	To reduce Africa's economic marginalisation by ensuring sustainable regional economic development and integration through improved infrastructure.
<b>ROLE</b>	
<ol style="list-style-type: none"> <li>1. Assess requests for assistance from RECs and implementing agencies of NEPAD programs.</li> <li>2. Provide financial support to RECs and Special Regional Agencies for Project cycle activities, Enabling environment activities, Advisory Services, Capacity Building, Studies, Technical Assistance, Pré-contrat services including preparation of Tender Documents.</li> <li>3. Provide critical technical advice and assistance in analyzing projects, including review and revision of draft project proposals, tender documents, and environmental and regional impact analyses.</li> <li>4. Assess key opportunities for private/public partnerships and give critical and timely assistance in their preparation and implementation.</li> <li>5. Build consensus for appropriate policy, regulatory and institutional reforms, and provide critical assistance to programs that can improve the enabling environment for delivery of infrastructure services.</li> </ol>	
<b>OUTPUTS (SHORT TERM RESULTS)</b>	<b>OUTPUT PERFORMANCE INDICATORS</b>
<ol style="list-style-type: none"> <li>1. A fully operational Facility at the AfDB, with specific policy and operating guidelines, that would give technical support to RECs, African countries and implementing agencies of NEPAD programs.</li> <li>2. Requests for assistance have been assessed by the Facility resulting in an action plan for assistance.</li> <li>3. Project proponents have received critical technical advice needed to improve their proposals.</li> <li>4. Public/private partnership opportunities are identified and assisted as necessary.</li> <li>5. Key stakeholders have received critical technical assistance, e.g. protocol development, training, dissemination of best practices, and policy and regulatory advice conducive to an improved environment within which infrastructure projects operate</li> </ol>	<p>Use of relevant guidelines that direct NEPAD-IPPF operations. Number of requests for assistance received.</p> <ol style="list-style-type: none"> <li>3a) Number of requests and project proposals assessed and action plans defined.</li> <li>3b) Number of projects/programs that receive technical support and advice following the assessment stage.</li> <li>4. Number of partnership opportunities identified and assisted.</li> <li>5a) Number of enabling environment interventions.</li> <li>5b) Number of facilitation activities supported.</li> </ol>

<p align="center"><b>OUTCOMES (MEDIUM TERM RESULTS)</b></p>	<p align="center"><b>OUTCOME PERFORMANCE INDICATORS</b></p>
<ol style="list-style-type: none"> <li>1. African countries, RECs and implementing agencies of NEPAD programs have increased capacity to finalize the design of their infrastructure project proposals and ensure quality at entry.</li> <li>2. Viable infrastructure projects in energy, transport, ICTs and water sectors are submitted for financing to national and international private and public financing institutions, as well as other donors.</li> <li>3. An improved enabling environment, based on best practices, is in place for improved functioning and competitiveness of infrastructure projects.</li> </ol>	<ol style="list-style-type: none"> <li>1. Number of finalized project proposals emanating from RECs and African countries accepted for consideration.</li> <li>2a) Number of infrastructure projects in these 4 sectors submitted for financing.</li> <li>2b) No. of approved projects that have secured investment financing commitments.</li> <li>2c) Amount of co-financing mobilized.</li> <li>3a) Number of facilitation interventions that have been assisted.</li> <li>3b) Number of capacity building projects supported by the NEPAD-IPPF.</li> </ol>
<p align="center"><b>IMPACTS (LONG TERM RESULTS)</b></p>	<p align="center"><b>IMPACTS PERFORMANCE INDICATORS</b></p>
<ol style="list-style-type: none"> <li>1. African countries have upgraded and expanded their infrastructure assets and improved delivery of services through a combination of investment, policy changes and institutional reforms.</li> <li>2. Regional integration has been enhanced as a result of the implementation and facilitation of regional infrastructure projects.</li> <li>3. Promote PPP and attract critical investments in regional infrastructure development in Africa</li> </ol>	<ol style="list-style-type: none"> <li>1a) Number of projects implemented following the NEPAD-IPPF support;</li> <li>1b) Amounts in dollar value of investments in infrastructure projects as a result of NEPAD-IPPF support.</li> <li>2. REC's and other beneficiaries have improved Capacity strengthening of the beneficiaries of the NEPAD-IPPF support.</li> <li>3. PPP arrangements are widely used in all infrastructure sectors, at least 50% of new investments are in one or another form of PPP.</li> </ol>
<p align="center"><b>RISKS</b></p>	<p align="center"><b>MITIGATION MEASURES</b></p>
<ol style="list-style-type: none"> <li>1. Insufficient follow-on investment by financial institutions and other donors in infrastructure projects assisted by the Facility</li> <li>2. Policies in place (in countries) remain non-conducive to creating or enhancing an enabling environment</li> <li>3. The NEPAD-IPPF duplicating other project preparation facilities</li> <li>4. Diminished credibility and/or demand for IPPF support due to inadequate commitment capacity.</li> <li>5. Implementation overruns arising from weak recipient institutional capacity</li> </ol>	<ol style="list-style-type: none"> <li>1. AfDB's close consultations with key funding partners, such as WB and EU to ensure their early and ongoing support.</li> <li>2. By the existence of NEPAD and resulting peer pressures, as well as efforts of IPPF and other initiatives.</li> <li>3. Close consultations and exchanges, eg. AfDB through the Tunnel of Funds framework has a close coordination with a World Bank-funded facility (PPIAF) based in Nairobi, DBSA-AFD PPF based in Johannesburg and the USAID.</li> <li>4a) Aggressive resource mobilization to increase capital base of NEPAD-IPPF.</li> <li>4b) Strengthen co-financing and other collaborative relationships with other project facilities. (DBSA, EU/EIB, PPIAF etc.)</li> <li>5a) Full-time Fund Manager appointed, leveraging Bank's human resources in infrastructure to prepare and manage IPPF projects, incorporating capacity building components in approved operations, and staff secondment by donors and other partners.</li> <li>5b) Selectivity in projects to be supported through IPPF; adoption of results-based management approaches both for the Bank staff involved in IPPF projects and recipients.</li> </ol>

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AFRICAN DEVELOPMENT BANK

ADB/BD/WP/2007/01/Add.2  
3 April 2007  
Prepared by: GECL  
Original: English/French

Probable Date of Board Presentation:  
04 April 2007

FOR CONSIDERATION

**MEMORANDUM**

**TO :** THE BOARD OF DIRECTORS

**FROM :** Modibo I. TOURE  
Secretary General

**SUBJECT :** NEPAD - INFRASTRUCTURE PROJECT PREPARATION FACILITY SPECIAL FUND (NEPAD – IPPF Special Fund) OPERATIONAL GUIDELINES

**ADDENDUM\***

Please find attached **as addendum, the Draft Resolution** relating to the above-mentioned document.

The Guidelines, when approved, will be attached as annex to the Resolution.

Attch.

c.c.: The President

\* Questions on this document should be referred to:

Mr. A. AKIN-OLUGBADE	General Counsel and Director	GECL	Ext. 2032
Ms. C. AKINTOMIDE	Division Manager	GECL.1	Ext. 3028

SCCD:CH

**AFRICAN DEVELOPMENT BANK**

**BOARD OF DIRECTORS**

**Resolution N° B/[ ]/2007/[ ]**

Adopted at the [ ] Meeting of the Board, on [ ] April 2007

**Operational Guidelines for the NEPAD Infrastructure Project Preparation Facility Special Fund**

**THE BOARD OF DIRECTORS,**

**HAVING REGARD** to : (i) the Agreement Establishing the African Development Bank (the "Bank"), in particular Articles 1 (Purpose), 2 (Functions), 4 (Structure), 8 (Special Funds), 10 (Special Resources), 11 (Separation of Resources), and 32 (Board of Directors: Powers); and (ii) the Instrument for the Establishment of the NEPAD Infrastructure Project Preparation Facility Special Fund (the "NEPAD - IPPF Special Fund"), in particular Sections 1.1 (Establishment), 1.2 (Purpose), 1.3 (Areas of Intervention), 2.1 (Administration), 5.2 (Approval) and 5.3 (Operational Principles);

**RECALLING** Resolution B/BG/2005/12 adopted by the Board of Governors on 08 September 2005, adopting the Instrument for the Establishment of the NEPAD – IPPF Special Fund;

**CONSIDERING** Document ADB/BD/WP/2007/01 entitled "NEPAD - Infrastructure Project Preparation Facility Special Fund (NEPAD-IPPF Special Fund) - Operational Guidelines", and the recommendations contained therein;

**HEREBY** adopts the NEPAD-IPPF Special Fund Operational Guidelines, attached hereto as Annex I.