

AFRICAN DEVELOPMENT BANK



COTE D'IVOIRE

ABIDJAN URBAN TRANSPORT PROJECT

APPRAISAL REPORT

Translated Document

RDGW
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COTE D'IVOIRE: ABIDJAN URBAN TRANSPORT PROJECT

ADDENDUM

I. Introduction

1.1 The Abidjan Urban Transport Project (PTUA), costing a total EUR 769.78 million, is financed to the tune of EUR 566.99 million by an ADB loan, EUR 6.40 million by a GEF grant, EUR 63.49 million by a JICA loan, and EUR 132.90 million by the Government. It will be recalled that: (i) the Board of Directors of the Bank had approved an ADB loan¹ of EUR 237.52 million to the Republic of Côte d'Ivoire to finance the first phase of the Abidjan Urban Transport Project (the "Project"); (ii) the Boards of Directors of the Bank and the Fund had approved² the implementation of the project components financed from the Global Environment Facility (GEF) resources for USD 7.10 million, under the terms and conditions set out in the Project Appraisal Report; and (iii) in 2017, Management was authorised to submit, for approval by the Bank's Board of Directors, a proposal for an additional indicative ADB loan of EUR 329.47 million to finance the second phase of the project.

1.2 The ADB loan agreement ("Initial Loan Agreement") and the Protocol of Agreement for the GEF grant were signed on 29 December 2016.

1.3 As mentioned above, an additional indicative ADB loan of EUR 329.47 million was to have been submitted to the Bank's Board for approval in 2017 to finance the second phase of the project. However, due to constraints on commitment of ADB resources in 2017, the second tranche of EUR 329.47 million could only be mobilised this year - 2018.

II. The Project

2.1 Project Objectives: At sector level, the project aims to establish infrastructure for urban transport use, improve the quality of life, and facilitate economic activities by easing mobility and ensuring a healthy living environment. Specifically, the project objective is to improve: (i) accessibility to economic activity zones; (ii) the living conditions of the population; and (iii) Abidjan's urban management capacity.

2.2 Project Description: Given its size and complexity, the project was designed to be implemented in phases. Its components are presented in the table below. Phase 1 activities are ongoing. This proposal concerns Phase 2 (2018) for EUR 329.47 million (UA 261.49 million) which covers all remaining activities. Phase 2 components and activities are described below.

¹ Resolution No. B/CI/2016/81 adopted on 16 December 2016 by the Board of Directors of the Bank.

² Resolutions B/CI/2016/82 and F/CI/2016/114 adopted on 16 December 2016 by the Boards of Directors of the Bank and the Fund.

	Ref.	Component Title	Description of Components
PHASE 1	A	Construction of the Yopougon-Plateau Bridge (4th Bridge)	(i) Construction of the 4 th Bridge with its access viaduct (1 400 m) and 7 km of access roads, including implementation of the ESMP (ii) Works control and supervision, and sensitisation of the population
	B	Clearing of the right-of-way	(i) Displacement of networks (water, electricity, telephone) (ii) Compensation of persons affected by the bridge
	C	Project Management	(iv) Delegated Contracting Authority (MOD), Technical Assistance for the Delegated Contracting Authority, and project communication
PHASE 2	D	Development of transformative roads	(i) Dualisation of the roads to Dabou (19 km) and to the civil prison (23 km)
			(ii) Development of the Y4 bypass (24.4 km) and extension of Boulevard Latrille (10.5 km)
			(iii) Construction of three (3) interchanges on Boulevard François Mitterrand
			(iv) Rehabilitation of traffic lights at 89 intersections
			(v) Support for landscaping and tree planting
			(vi) Works control and supervision, and sensitisation of the population
	E	Clearing of the right-of-way	(i) Displacement of networks (water, electricity, telephone) (ii) Compensation of project-affected persons
	F	Related development works and measures for women	(i) Supply of equipment for income-generating activities to 3 000 women
			(ii) Construction of 4 multifunctional centres and rehabilitation of premises for women
			(iii) Rehabilitation of Koumassi market
(iv) Development of a parking lot in Yopougon			
(v) Logistical support for the Women's Traffic Control Unit			
(vi) Training of 50 young people in traffic light maintenance and support for employability of 10 young construction graduates			
G	Project Management and Institution Building	(i) Monitoring/evaluation of project impacts	
		(ii) Project financial, accounting, technical and road safety audit	
		(v) Support for urban management (traffic plan, stormwater drainage, parking regulations, detailed master plans, pollution sensors, georeferenced taxpayer system, integrated traffic management system, technical equipment/capacity building of the DAA, waste recycling, Banco Park, hydrocarbon quality regulations, BRT feasibility, VGE study, 4 th Bridge toll, restructuring of Boribana neighbourhoods, etc.).	
		(vi) Support for road safety (GIS on accidents, road safety education programme for schools, and 10 radars).	

2.3 Project Cost and Financing Arrangements

Project Cost

2.3.1 The total project cost estimate, excluding taxes and customs duties, amounts to UA 610.94 million (EUR 769.78 million). Phase 1 was financed in 2016. Phase 2 costs are presented in the table below. The costs are based on unit prices in similar procurements in November 2016, less than two years ago. Cost variations are small and can be absorbed by the provision for physical contingencies representing 10% of the works

base cost and the provision for financial contingencies representing 3.5% of the base cost plus physical contingencies. The project cost includes these provisions for contingencies.

Project Sources of Financing

2.3.2 The project is jointly financed by the Bank, GEF, the Government of Cote d'Ivoire and JICA. GEF (EUR 6.40 million), JICA (EUR 63.49 million) and the Government (EUR 32.90 million) mobilised their contributions in 2016 for Phase 1. The resources will be disbursed in accordance with the disbursement schedule set out in the appraisal report.

In view of commitment constraints, it was agreed with the Government that the ADB EUR 566.99 million financing will be approved for both phases: (i) an ADB loan of EUR 237.52 million, already approved in 2016: it will finance the construction of the 4th Bridge, whose works are currently at the start-up phase; (ii) an additional indicative ADB loan of EUR 329.47 million as presented in this Addendum: this loan will finance activities under components D, F and G.

2.3.3 The JICA loan will exclusively finance the cost of the three (3) interchanges on Boulevard F. Mitterrand. The counterpart contribution, which will exclusively finance all costs related to clearing the rights-of-way and is estimated at 17% of the total project cost, is less than the 50% required by the ADB window's lending policy. A memorandum justifying this

Source	Amount (UA Million)	Equivalent (EUR Million)	Equivalent (USD Million)	Instrument
ADB Loan 2016	188.51	237.52	263.70	Loan (Project)
ADB Loan 2018	261.49	329.47	365.78	Loan (Project)
JICA	50.39	63.49	70.48	Loan (Project)
GEF (approved in 2016)	5.08	6.40	7.10	Grant (Project)
Government (approved in 2016)	105.48	132.90	147.55	Capital Budget (counterpart contribution)
TOTAL COST	610.94	769.78	854.61	

waiver is attached as Annex IV of the Project Appraisal Report, which is appended to this Addendum.

Sources of Financing for Phase 2

2.3.4 The sources of financing are presented in the table below, in foreign exchange and local currency. The counterpart contribution, the GEF grant, and the JICA loan, already fully mobilised in 2016, are included in the table as a reminder. The related counterpart contribution account has already been opened in fulfilment of the conditions precedent to first disbursement of the ADB loan approved in 2016.

SOURCES	EUR Million			CFAF Billion			%
	F.E.	L.C.	Total	F.E.	L.C.	Total	
ADB LOAN	254.35	75.12	329.47	166.84	49.28	216.12	68%
GEF GRANT	3.85	2.55	6.40	2.52	1.67	4.19	1%
JICA LOAN	49.68	13.81	63.49	32.59	9.06	41.65	13%
GOVT. OF COTE D'IVOIRE	12.37	70.62	82.99	8.12	46.32	54.44	17%
Project Total	320.25	162.10	482.35	210.07	106.33	316.40	100%

Breakdown of the 2018 additional loan by expenditure category

2.1.1 The breakdown of the additional loan of EUR 329.47 million by expenditure category is presented in the table below.

CATEGORIES	Costs in CFAF Billion			Costs in UA Million			Costs in EUR Million		
	F.E.	L.C.	Total	F.E.	L.C.	Total	F.E.	L.C.	Total
WORKS	133.84	34.08	167.91	161.93	41.23	203.16	204.03	51.95	255.98
SERVICES	8.86	10.59	19.44	10.72	12.81	23.53	13.50	16.14	29.64
GOODS	2.86	0.75	3.61	3.46	0.91	4.37	4.36	1.15	5.50
MISCELLANEOUS	0.24	0.75	0.99	0.28	0.91	1.20	0.36	1.15	1.51
BASE COST	145.78	46.17	191.96	176.39	55.87	232.25	222.25	70.39	292.64
Physical Contingencies	13.40	3.46	16.85	16.21	4.18	20.39	20.42	5.27	25.69
Financial Contingencies	5.57	1.74	7.31	6.74	2.10	8.84	8.49	2.65	11.14
TOTAL COST	164.75	51.37	216.12	199.34	62.15	261.49	251.16	78.31	329.47

2.4 Environmental and Social Impact and Involuntary Resettlement

2.4.1 The project has been classified in Category 1 by the Bank based on the scope of works and number of persons affected. Summaries of the project's Environmental and Social Impact Assessment (ESIA) and Comprehensive Compensation and Resettlement Plan (CCRP) (Phases 1 and 2) were posted on the Bank's website on 16 August 2016. The CCRP of Phase 1 has been updated in accordance with Bank policies, and received the Bank's no objection opinion in early August 2018. The project will affect at least 76,445 people, including 10,687 in the right-of-way of structures financed under Phase 2. To that end, a CCRP has been prepared in accordance with Bank policies. The plan will be updated before its implementation. The PAPs will only be relocated after their compensation and resettlement - before effective works start-up. The PAPs will choose between compensation in kind or cash. The total cost of the Resettlement Action Plan for the affected persons stands at CFAF 70,651,878,298 including CFAF 34,069,610,659 for the current Phase 2. The costs are detailed in the table below. The resettlement plan will be financed by the Ivorian Government.

Phases	Description	Cost (in CFAF)
Phase 1	Construction of the 4 th Bridge and access roads	34 296 453 931
	Construction of ORCA and Palmeraie interchanges on Boulevard François Mitterrand	2 285 813 708
Phase 2	Dualisation of the road to the civil prison (East Exit)	1 041 445 731
	Dualisation of the road to Dabou (West Exit)	19 649 923 238
	Construction of the Y4 motorway and extension of Boulevard Latrille	13 378 241 690
	TOTAL COST	70 651 878 298

2.5 Implementation and Supervision Schedule

2.5.1 Using the Advance Contracting (AC) procedure, the activities financed by the 2018 additional ADB loan will be carried out from December 2018 to December 2020, and the final disbursement deadline for the additional loan will be set at 31/12/2021, the same date as for the initial loan. Therefore, approval of the additional loan will not delay project completion in 2020. Upon approval of the additional loan, the Bank will undertake supervision missions every six (6) months, in accordance with its Operations Manual.

2.6 Project Context and Risks

2.6.1 Potential risks are those that may occur during achievement of outputs and outcomes. Those identified in 2016 and covered by Section 4.5.1 of the PAR remain relevant, and the mitigation measures are still appropriate. However, the political climate in Côte d'Ivoire has been marked by attempts to reconfigure the political framework and position the actors through alliances and power struggles, in preparation for the 2020 presidential elections. This situation could present some risks during the upcoming presidential elections. However, such risks are mitigated by Government's efforts to improve the political climate, particularly through recent amnesty measures and continued dialogue with the political class. In addition, the existing mediation mechanisms at sub-regional level will help to calm the situation.

2.7 Phase 1 Implementation Status

As described in the components table, the implementation status of the three (3) components under Phase 1 is as follows:

2.7.1 **Preliminary activities:** Following project approval on 16/12/2016, the ADB loan and the GEF grant were signed on 29/12/2016, the day the GEF grant became effective. The ADB loan became effective on 06/06/2017, and the conditions precedent to the first disbursement of both instruments were fulfilled on 20/09/2017. The disbursement rate stands at 0.38% and 0.53% for the loan and grant respectively, which is low, but could reach 20% before loan approval, with the payment of start-up advances for works and services representing 95% of the ADB loan.

2.7.2 **Construction of the bridge linking Yopougon to Plateau (4th Bridge):** Following the pre-qualification of the candidates launched in July 2017, eleven (11) candidates were selected and sent the bidding documents. The bids were submitted in January 2018 and the Bank on 30/04/2018 gave its no objection opinion concerning the Government's proposal to award the contract to CSCEC for CFAF 103,944,168,601 excluding taxes and customs duties, with a 30-month performance period. The works were launched by the Government on 30/07/2018, and the related contract was approved on 02/08/2018. The first disbursement for the contract will probably take place before the end of September 2018.

2.7.3 The works control and supervision services for the 4th Bridge were procured in accordance with Bank rules and procedures. On 01/07/2018, the Bank gave its no objection opinion concerning the proposal to award the contract to SETEC TPI/SETEC CI/SETEC CI/SETEC International/TERRABO/Studi International Consortium for CFAF 3,585,567,467 including taxes and customs duties. The contract was approved on 02/08/2018.

2.7.4 **Clearing the rights-of-way:** The Bank gave its no objection opinion for the updated project's Resettlement Plan in early August 2018. The cost of the resettlement, entirely borne by the Government, for both phases of the project has been mobilised to the tune of CFAF 6.5 billion in the counterpart contribution account opened for that purpose. Works to relocate the telephone, water and electricity networks, as well as compensation of project-affected persons (PAPs) are underway concerning the right-of-way of the 4th Bridge. Approximately 6,000 PAPs have already signed compensation certificates with the Project Unit, and payments are being made.

2.7.5 **Project management:** Project management activities concern the Delegated Contracting Authority (MOD), technical assistance to the Delegated Contracting Authority, and project communication. The Delegated Contracting Agreement has been signed and approved by the Government, and the related services are ongoing. The Project Coordination Unit is already in place, and has been provided with resources to implement the project.

III. Legal Framework of the 2018 Additional ADB loan

3.1 Conditions for Bank Intervention

3.1.1 A loan agreement shall be signed between the Republic of Côte d'Ivoire and the Bank.

3.1.2 Effectiveness of the Loan Agreement shall be subject to the Borrower fulfilling, to the satisfaction of the Bank, the conditions set out in Section 12.01 of the *General Conditions Applicable to Loan Agreements and Loan Guarantee Agreements (Sovereign Entities)*.

3.1.3 The conditions precedent to first disbursement of the additional loan resources, the other conditions, and the undertakings shall be the same as the conditions and undertakings specified in the initial Loan Agreement and shall be confirmed during negotiations with the Government.

4 Recommendation

Management recommends that the Bank's Board of Directors approve the granting of an ADB loan of EUR 329.47 million to finance the second phase of the project under the terms and conditions set out in this Addendum and the Project Appraisal Report.