



GRUPE DE LA BANQUE AFRICAINE
DE DÉVELOPPEMENT
AFRICAN DEVELOPMENT BANK GROUP

**MULTINATIONAL: BENIN, COTE D'IVOIRE, GHANA, NIGERIA & TOGO AND THE
ECOWAS COMMISSION**

ABIDJAN – LAGOS CORRIDOR HIGHWAY DEVELOPMENT PROJECT STUDY

MINUTES OF NEGOTIATIONS

(Abidjan, October 7-9, 2015)

1. INTRODUCTION

1.1. The negotiations relating to the Board consideration of UA6.0million ADF Grant and UA3.0 million ADF Loan, totaling UA9.0million, to the Economic Community of West African States (ECOWAS) Commission, and the five Participating Member Countries (PMCs) namely; the Republic of Benin, the Republic of Cote d'Ivoire, the Republic of Ghana, the Federal Republic of Nigeria and the Togolese Republic for the Study of the Abidjan Lagos Corridor Highway project was held between the representatives of the countries and the ECOWAS Commission and the African Development Bank (AfDB), at the Bank's Headquarters in Abidjan from 07 to 09 October 2015.

1.2. The LIST of participants is attached as Annex I.

1.3. After the introduction of the delegates and welcome remarks by the ECOWAS and AfDB, the heads of delegation of the PMCs made some comments about the importance of the corridor. They all emphasized the economic and social importance of the corridor and stated their commitment to make the project a reality. The negotiations started with the review and adoption of the agenda, which is summarized below:

- a. Review of the Project Appraisal Report (PAR)
- b. Examination of the Draft Protocol of Grant Agreements (Cote d'Ivoire, Togo and ECOWAS) and Loan Agreements (Benin, Ghana and Nigeria)
- c. Examination of the six Disbursement Letters

2. REVIEW OF THE PAR

2.1. The Meeting reviewed the PAR and the following are the key amendments and additions made:

- (i) Composition of the Study Delivery Team (SDT) was clarified. The PMCs wanted some clarifications on their participation in the SDT as well as its composition. They also insisted on the need for the early formation of the SDT so that the implementation of the corridor highway could be fast-tracked;
- (ii) There is a need for existing corridor related activities to be considered and integrated in the design study;

- (iii) Provision was to be made to ensure that the Executing Agency (ECOWAS) report on the fiduciary aspects of the management of the study;
- (iv) The modalities of coordination between the PMCs and ECOWAS were discussed and it was agreed that a mechanism was already established by the Treaty for the Abidjan-Lagos corridor project;
- (v) The PMCs emphasized on the need to ensure proper sequencing and synergy among the various components of the study;
- (vi) The PMCs requested that further clarifications on the complementarity of the AU support with regards to the study be made in the PAR;
- (vii) Some of the cost tables contained in the document were corrected for errors;

3. FINANCING AGREEMENTS

3.1. There were 6 financing agreements which were discussed: i) 3 Loan agreements for Ghana, Nigeria and Benin; and ii) 3 Protocols of Grant Agreement for Cote d'Ivoire, Togo and ECOWAS. These financing agreements were reviewed and below are the comments/corrections which were made:

A. PMCs financing agreements

General provisions

- i. All the 5 country financing agreements would be harmonized to the extent possible;
- ii. The difference between the 'African Development Fund' and the 'African Development Bank' was explained to the PMCs
- iii. Paragraph 3 of the preamble: The reason why the study was mentioned as technically feasible, economically viable was clarified
- iv. Paragraph 4 of the preamble was amended to read "*4. WHEREAS the Project is multinational involving five (5) countries of the Economic Community of West African States (ECOWAS) namely: the Republic of Benin, the Republic of Cote d'Ivoire, the Republic of Ghana, the Federal Republic of Nigeria and the Togolese Republic (hereinafter referred to as the Participating Member Countries (PMCs)) which have executed a Treaty relating to the establishment, development and management of the Project*". A footnote was added to give further details on the said Treaty.
- v. Another paragraph was inserted in the preamble to read "*WHEREAS the PMCs under Article 5(8) of the Treaty entrusted the ECOWAS Commission with the power to open an account and receive the proceeds of the present Loan/ Grant on behalf of the PMCs for the execution of the Project*".
- vi. The PMCs were urged to consult the Bank's General Conditions Applicable to Loan and Guarantee Agreements for the relevant sections cited in the Agreements.
- vii. Article relating to Procurement of Services: Components names should be fully specified.
- viii. Article relating to Procurement of Services: Components names should be fully specified. Furthermore the PMCs requested some explanation of the procurement mode (Quality Based selection) for the selection of Consultants for the design study.
- ix. The procurement mode (Quality Based Selection) was chosen to ensure the selection of high quality consultants for the design study.
- x. The section on "*Conditions Precedent to first Disbursement*" under "*Article relating to Conditions Precedent to first Disbursement and other conditions*" was deleted as the meeting agreed that there was no need for a Memorandum of Understanding by virtue of the Treaty establishing the Abidjan Lagos Corridor Highway Project.

[Handwritten signatures and initials in blue ink]

PMC Loan and (Grant) Protocol of Agreements

- i) Article III Section 3.06 Accelerated Repayment: Given that the proceeds of the Loan would be disbursed directly to the Executing Agency, Ghana requested a three (3) months notification period instead of the stipulated two (2) months period for the selection of various options (the principal option, the interest option or the combination option).
- ii) Article V – An additional section 5.04 must be added in the Loan Agreement to reflect the disbursement of the loan proceeds of the PMCs financing to ECOWAS. It shall read: *“Notwithstanding Section 5.03, the Executing Agency shall issue disbursement authorization to the Fund for the purpose of utilizing the proceeds of the loan”*
- iii) The PMCs requested clarifications on how they could ensure that ECOWAS carries out the fiduciary aspects. It was agreed that the existing oversight structures stipulated in the Treaty makes provisions for this.
- iv) As indicated in the “Preamble” there was a call to ensure consistency in the name of the Executing Agency throughout the Agreement.
- v) Article IX – Section 9.02 –Authorized representatives – shall be updated (names, addresses and telephone numbers)
- vi) Project Component Table in Annex I shall be corrected.

B. ECOWAS (Grant) Protocol of Agreements

- i) The amendment of paragraph 4 of the preamble of the PMCs agreement shall be reflected for ECOWAS agreement.
- ii) Article III – Section 3.03 i): A three-month timeline for the appointment of the project coordinator was agreed.
- iii) Article V Section 5.02 i) shall be amended to read: “Procurement for miscellaneous goods such as office equipment will be awarded under shopping procedures”.
- iv) Article V Section 5.04 shall be amended to read “ Except for Shopping, all procurement financed by the Bank shall be subject to prior review by the Bank”
- v) Article V Section 5.03: ECOWAS Commission shall be referred to as “the Recipient”

4. DISBURSEMENT LETTER

4.1. The draft Disbursement Letters were also reviewed and the following corrections and revisions were made:

- i) The details of the addressees on the Disbursement Letter were confirmed
- ii) Errors on the cost tables were corrected.
- iii) The paragraph on “Channeling Request” was clarified to indicate that all requests for payment will be channeled to the Bank’s Abuja office. This is because all payment requests will be made by ECOWAS, which has its headquarters in Abuja.
- iv) Section 10. Reference to the currency of disbursement will be deleted as this is not applicable. It was noted that similar references in the grant and loan agreement would be deleted.
- v) The PMC sought Bank clarification on the relationship between authorized signatories of the PMC for disbursement vis-à-vis authorized signatories of ECOWAS. It was agreed that as per Article 3 of the disbursement letter, the authorized PMC signatories would need to designate ECOWAS as signatories for disbursement of the funds.
- vi) Fiduciary actions of the PMC as per the requirements of the Bank, shall be assigned to ECOWAS as the Executing Agency.

5. AOB

- i) The meeting agreed to have all the documents translated in both languages.

- ii) The ECOWAS Commission informed the delegates of the Dakar-Abidjan corridor project meeting which is scheduled for December 14-18, 2015 in Banjul, The Gambia. It was agreed that, in order to benefit from the Abidjan-Lagos corridor development experience, invitations could be extended to the other countries not concerned by the project.

6. CONCLUSION

After the negotiations, the Final Draft Protocols of Agreement, Loan Agreements and Disbursement Letters were initialed by the six parties.

Abidjan, October 9th, 2015

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**FOR THE AFRICAN DEVELOPMENT
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ANNEX I- LIST OF PARTICIPANTS TO THE NEGOTIATIONS

For the Republic of Benin

1. Mr. Hyppolite HOUNKPE, Coordonnateur des Projet, Ministère des Travaux Publics et des Transports
2. Mr. Seréki OUMOROU, Directeur des Etudes, Ministère de l'Economie, des Finances et des Programmes de Dénationalisation
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4. Mr. Issa OUATTARA, Directeur des Etudes et Ouvrages, AGEROUTE
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For the Republic of Ghana

1. Mr. Godwin BROCKE, Chief Director, Ministry of Roads and Transport
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4. Mrs. Efua EFFAH, Senior Engineer, Ministry of Roads and Highways
5. Mr. Victor ANNAN, Chief Engineer, Ghana Highway Authority
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For the Federal Republic of Nigeria

1. Dr. ONI Omotayo Francis, Federal Ministry of Justice.
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For the ECOWAS Commission

1. Mr. Ebrima NJIE, Commissioner for Infrastructure
2. Mr. Daniel LAGO, Director of Legal
3. Mr. Sediko DOUKA, Director ECOWAS PPDU
4. Mr. SHOKUNBI Olumuyiwu, Programme Officer, ECOWAS PPDU
5. Mr. Jules GOGOUA, Principal Programme Officer, Transport
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7. Mr. Parkinson AZAGBA, Transport Specialist
8. Ms. Bertha OFORI, Protocol Officer

For the African Development Bank

1. Mr Jean Kizito KABANGUKA, Division Manager, OITC.1
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