

**U.S. Position on the World Bank's Investment Liberia-West African Power Pool (WAPP) -  
Cote d'Ivoire, Sierra Leone, Liberia and Guinea  
(CLSG) Power Interconnection Project and West African Power Pool- Integration and  
Technical Assistance Project (APL I)  
May 31, 2012**

This project offers a unique developmental opportunity to a group of West African countries. As the Bank has noted, this is the first time that a grant is directly extended to the West African Power Pool (WAPP), which sends a strong signal of the Bank's commitment to regional integration as a way to promote economic growth and development in Africa. The Bank, and its co-financing partners, the WAPP and especially the governments of Cote d'Ivoire, Sierra Leone, Liberia and Guinea should maintain their commitment over the long term to make this highly challenging project a success.

The U.S. government strongly believes that regional integration is essential to Africa's economic development. By leveraging the costs of large-scale electricity production across several markets, projects such as this make electricity generation affordable to the firms and individuals who will drive the region's economic growth. However, such projects are also a challenge in implementation because of the coordination that is required across multiple countries.

The most innovative aspects of this project involve the partnership between Bank staff and the WAPP to establish the Regional Transmission Company (RTC), and between the RTC and country governments on the transmission and payment. The Bank staff, the WAPP and participating governments have come together to agree to a legal arrangement that commits the parties to a regional energy partnership.

The involvement of other donors including the AfDB, EIB and KfW – is also a welcome help to finance the ambitious scope of this project. Given the high cost of infrastructure development, the United States recognizes the efforts of these donors for working toward this common goal. The United States encourages all donors to adhere to the same high standards for project implementation.

Several conditions for effectiveness of the project and the timeline for meeting these conditions are due by the end of 2012. The United States urges the Bank, co-financiers and country governments to remain committed to this schedule. Moreover, the United States urges the member governments to maintain their financial commitments to the RTC and to settle payments for use of the transmission line in a timely manner. Maintaining the economic viability of RTC is crucial to increasing access to electricity in the region. Moving toward more cost reflective tariffs at the national level can also help mitigate some of the project's financial risk and contribute to its long term sustainability.

The success of this project would also send a strong message to donors as well as the private sector about the viability of regional infrastructure development in Africa. So important is this project as a potential precursor to future investments in regional infrastructure that the Bank management should keep the Board apprised of any significant slippages in project timelines as well as any significant payment issues that could threaten the project's viability over the course of its implementation.

On the environmental front, the United States would have strongly preferred to see OP4.01 be fully implemented. However, the United States can accept the request for a waiver of the one provision in this case, provided that it is not seen as a precedent. There also could have been more analysis on induced impacts from the project. The United States requests that the Board be apprised of any challenges that the project encounters with resettlement or environmental mitigation measures.