

# The Kazungula Bridge Project

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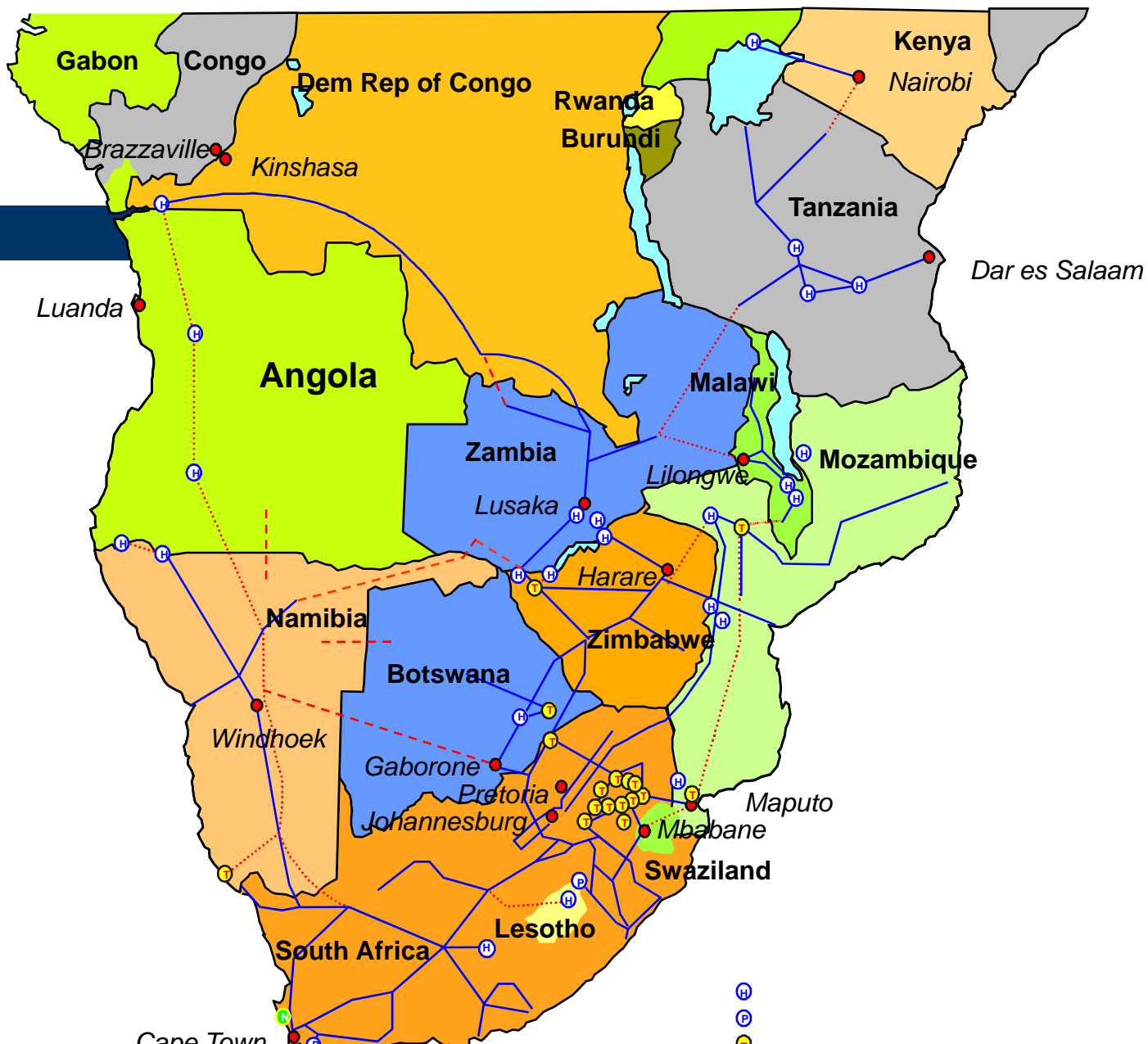


# IMPLEMENTATION STRUCTURE OF THIS REGIONAL TRANSPORT FLAGSHIP PROJECT

- Championed – Ministers Responsible for Transport
- Project Management-JSC-Permanent Secretaries
- Monitoring of Technical Aspects-Directors
- Project Implementation Team- (3 members)
- Overall Coordination the Project- SADC Secretariat

# Brief Background

- The Governments of Botswana and Zambia jointly requested the financial assistance from the African Development Bank and this request was approved in June 2006.
- This request was supported or submitted through the SADC Secretariat.
- The Bank set as one of the conditions of effectiveness that this project be coordinated by the SADC Secretariat.
- The proposed bridge will link Botswana and Zambia over the Zambezi River.



# COMPONENTS OF THE STUDY

The study is divided into three main component

- LOT1 (a,b,c)
- LOT 2
- LOT 3

# Scope of the Project-Lot 1 (a,b,c)

- **Lot 1a:** Economic Feasibility and Detailed Design studies of the Bridge, Border Control Facilities, and Tolling Facilities -720-m two-lane Bridge with 1-m sidewalk on both sides; other facilities include 3-km approach road, One-Stop-Border Posts, and tolling facilities;
- **Lot 1b:** Feasibility and Detailed Design of other corridor-related facilities along the North-South Corridor including inland container depots (ICD); weighbridge stations, truck rest areas, and roadside socio economic infrastructure;
- **Lot 1c:** Trade and Transport Facilitation for the North-South transport corridor (Lubumbashi-Durban);

# Scope of the Project-Lot 2

Review of Private Sector Participation and Project Financing - (duration of 6 months)

- Consulting and Advisory Services to determine the appropriate legal and institutional organization
- as well as the optimum financing and operating arrangements (Loan, BOT, Toll Concession) for the Kazungula Bridge;
- and advise the concerned governments in setting up the institution and finalizing the financing arrangements.

## Scope of the Project- Lot 3

- Transport Infrastructure Adviser – Recruitment of an Individual Consultant for a three-year fixed-term contract
- to assist the SADC secretariat in the formulation and preparation of regional transport programs,
- and the supervision of the SADC North-South Corridor Improvement Study and other ongoing transport projects.

# Progress to Date

Lot 1 was awarded to the Consortium of BCEOM/ Jean Muller International on 24 July, 2008.

Lot 2 is still undergoing the process of procurement and it is anticipated that it will be awarded before the end September, 2008

Lot 3 – procurement to be completed before the end of September, 2008

# Expected Outputs- Lot 1

- Feasibility Study and Detailed Engineering Designs
- Traffic Studies
- Geotechnical Investigation
- Environmental/Social
- Technical Data
- Economic assessment studies

## Expected Outputs- Lot 2

- to review the legal, financial and regulatory framework related to Private Investment in the 2 Member States.
- to prepare a Sponsors Agreement. This will be based on international law governing treaties. This has to be carried out in line with the requirements of the MoU.
- Prepare a structure of the Shareholding company (or essentially a Contracting Authority). This will reflect the consensus between the two countries. Issues to be addressed include

## **Review of Legal, Financial and Regulatory framework related to Private Sector Investment**

- that may hinder/enable bilateral arrangements
- that will enable toll collections
- Traffic laws in the two countries
- the existing customs and immigration laws will be structured to enable one border post
- Inaction of new laws if required.

# Sponsors Agreement

Will provide a comprehensive foundation for joint execution of the project by the two partners and It will mainly look into the following issues

- The Scope of the project (location, Phy.works, service to provide by private sector, governments)
- Project execution (Procurement method, Project Management, Monitoring and evaluation)
- Financial arrangements: Equity contributions, Financial guarantees; tax incentives
- Institutional arrangements

## Structure of the Shareholding Company

- Board of Directors (composition, appointments, terms of office)
- Functions and Power of the Board
- Condition of service and remunerations
- Corporate governance
- Share structure and classes

# Decisions still to be made on way-forward

- Pre-construction stage (Transaction Advisors)
- Construction and Operation of the bridge  
(Lot 2 to review all the procurement options for PPP and advise as appropriate)
- Once a preferred alternative for private sector participation has been identified the PIT will provide a guideline for the recommended process- effective implementation strategy for PPP

# Tentative Programme

- Studies - Sept, 2008-Sept, 2009
- Pre-construction- Sept, 2009- Mar, 2010
- Construction 2010 - 2014

# In Conclusion

The Kazungula Bridge will foster and support regional economic development for decades and it is for this reason through out the implementation process attention will be paid to prospects and potential impacts of additional 'spin off' economic developments that maybe engendered by the bridge. The has been an overwhelming private sector response and this can be take as a clear indicator that the business case is satisfactory.

**Thank you**

