



TRANSPORT

LOWER MIDDLE INCOME *

TRADE ENABLING

GHANA

Boankra Inland Port and Eastern Rail Line

GIF FUNDING & LEVERAGE

GIF Project Definition Grant:

\$485,000

Anticipated GIF Project
Structuring Support:

\$1.0 – \$1.5 million

Potential Private Investment
Mobilized:

\$300 million

The Port of Tema is an important trade gateway for both Ghana and the West African region, but is severely congested. In response, the government of Ghana is exploring options for improving the country's freight transportation system. The GIF is assisting the government to assess options for a new inland port at Boankra and the rehabilitation of the Eastern Rail Line to increase logistical efficiencies and facilitate trade.

EXPECTED PROJECT OUTCOMES

- ◆ Facilitate import and export services, particularly in northern Ghana
- ◆ Benefit neighboring landlocked countries that rely on the Tema Port, such as Burkina Faso, Mali and Niger
- ◆ Mobilize investments of approximately \$1.5 to \$2.0 billion, of which \$300 to \$500 million would come from the private sector
- ◆ Improve Ghana's trade competitiveness

TECHNICAL PARTNERS



THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP

* Based on World Bank Group classification by income

BACKGROUND

The Port of Tema is the largest port in Ghana and one of the main ports in the West African region. In 2004, a 20-year concession for the Tema Port container terminal was awarded to Meridian Port Services (MPS)—the only public-private partnership (PPP) in Ghana's transport sector.

MPS has expanded the capacity of the Tema container terminal from 0.5 million twenty-foot equivalent units (TEUs) to 1.0 million since operations began in 2007, and will further increase capacity to 3.5 million TEUs by December 2018.

Takoradi Port, Ghana's primary export port, accounting for about 70 percent of outbound seaborne trade, is operated by the Ports and Harbours Authority (GPHA), an agency of the Ministry of Transport. The port focuses on bulk cargo and oil, with limited container traffic (approximately 50,000 TEUs).

The GPHA has the authority to enter commercial arrangements, including PPPs. Since 2000, the GPHA has implemented reforms to increase the role of the private sector in port operations and maintenance.

PROJECT FEATURES

The proposed project's objective is to enable trade by easing congestion at Tema Port and expanding import/export services to northern Ghana. It consists of two potential components, each of which has different financing and implementation needs:

- ◆ The development of Boankra Inland Port
- ◆ The reconstruction and rehabilitation of the Eastern Rail Line from Tema to northern Ghana

The government of Ghana has undertaken a feasibility study to assess the viability of these options. However, the study lacks a detailed assessment of the business case for developing the Eastern Rail Line and inland port with private sector investment. The World Bank and the Ministry of Finance of Ghana have requested GIF support with assessing the logistic challenges at the Port of Tema, and whether the project can overcome these challenges.

WHY GIF

The GIF's funding through a Project Definition Activity will be used to recruit consultants to undertake the requested assessment which will include:

- ◆ Revising demand forecasts for railway and inland port
- ◆ Optimizing the technical design for both project components
- ◆ Developing operational models for the railway and inland port
- ◆ Preparing a timeline for tendering, financial close, construction, operations
- ◆ Developing and recommending the most optimal PPP options for Eastern Rail and Boankra Port

The GIF support will also review the complex interfaces that are critical to the project's success (railway/port and railway/inland port) and recommend options for managing these interfaces. If the project option selected by the Ghanaian government involves raising private finance and is proven viable, then a full GIF application may be made to provide additional transaction advisory support until financial close.

The Global Infrastructure Facility, or GIF, is a partnership of governments, multilateral development banks and private sector financiers that facilitates private-sector investment in complex infrastructure projects in emerging economies. We serve as a platform through which governments collaborate with international financial institutions and private sector investors to design, structure and implement these complex projects.

The comprehensive project-preparation support provided by the GIF draws on the expertise of its advisory partners which includes commercial banks and institutional investors. The broad partnership ensures that well-structured and bankable infrastructure projects are brought to market in a way that meets the needs of governments and service users in a sustainable way.