

# 2018 PIDA Progress Report

## Summary Update





# Foreword

## Dr. Ibrahim Assane Mayaki, CEO NEPAD Agency

Five years ago, Africa launched Agenda 2063 calling for “world class, integrated infrastructure that criss-crosses the continent.” This mirrored the spirit of the Programme for Infrastructure Development in Africa (PIDA); which was adopted a year earlier in 2012. The First Priority Action Plan of PIDA (PIDA PAP) aims to implement key transboundary infrastructure projects with the potential to interconnect, integrate and contribute to structural transformation of Africa’s geographic and economic regions by 2020.

During this year, together with the African Union Commission and our partners we have been able to record some successes towards the implementation of PIDA PAP and the first ten year implementation plan of Agenda 2063.

Currently 44 out of the 55 AU member states have signed the consolidated text of the African Continental Free Trade Area (AfCFTA) and the ratification process is underway. These 44 countries together could create a huge market with a combined population of more than one billion people and a combined gross domestic product of more than US \$3.4 trillion. The role of PIDA in contributing to the success of the AfCFTA cannot be over-stated and necessitates an integrated approach to infrastructure development. As regional integration arrangements deepen and intra-African trade increases, we need to focus on improved trans-continental highways in terms of road and rail networks; furthermore, deepening of financial markets and increased cross-border financial flows including money transfer will require us to make additional investments in ICT and digitalisation while growing industrialization and agro-industries will require more reliable and affordable power supply across the energy mix. The NEPAD Agency will thus pursue its integrated corridor development approach and aim to take advantage of synergies between the large trans-boundary projects in PIDA.

In January 2018, the AU Assembly also launched the Single African Air Transport Market (SAATM) and designated H.E. Faure Essozimna Gnassingbé, President of Togo as its champion. As acknowledged by the International Air-Transport Association (IATA), the SAATM has the potential for remarkable transformation that will build prosperity while connecting the African continent. The NEPAD Agency is leading the Sub-Core Team on SAATM Infrastructure and we are committed to working with the AUC, AfDB, ICAO and other partners to reduce fares and costs of travel by 50% to achieve air traffic double-digit growth rates in Africa by 2023.



Every year around 15 million people of working age enter the labour market in Africa and it is therefore important that we consider how large-scale infrastructure and PIDA in particular, can contribute to absorbing some of this latent labour force. With the support of the German Government through GIZ, the NEPAD Agency has over the last 2 years been working on the PIDA Job Creation Toolkit which includes a methodology to quantify the job creation impacts of infrastructure projects and guidelines on how to mainstream labour market effects into PIDA project planning and implementation. The Toolkit allows users to explore ways in which to maximize job creation from infrastructure projects and thus capitalize on Africa’s demographic dividend and opportunities for wider regional economic development. This innovative tool will be launched on the margins of the African Union Summit in February 2019.

With current projections that Africa’s population will reach 1.6 billion by 2030, there is enormous pressure to increase food production and increased pressure on water resources, including a projected tenfold increase in water needs for energy production. This, coupled with rapid urbanisation and industrialisation, will increase the demand for water and hence necessitate. With current projections that Africa’s population will reach 1.6 billion by 2030, there is enormous pressure to increase food production and increased pressure on water resources, including a projected tenfold increase in water needs for energy production. This, coupled with rapid urbanisation and industrialisation, will increase the demand for water and hence necessitate PIDA from 2019-2024. With a portfolio of nine-(9) transboundary water and ten (10) hydropower

projects, the goal of PIDA Water is to accelerate the preparation and financing of transboundary water projects and foster a water-food-energy nexus approach in the development of hydropower projects.

In 2016 we established the Continental Business Network (CBN) as a platform for high-level engagement with the private sector to facilitate investment in transboundary infrastructure projects. The work of the CBN is to continuously deliberate on how Africa can finance its infrastructure and how Africa's infrastructure can be de-risked to attract investments from the private sector as well as to explore innovative measures and instruments to close the US\$108 billion infrastructure gap on the continent. Following the launch of the 5% Agenda in 2017, this year the Continental Business Network (CBN) once again gathered international investors, pension funds, stock exchange CEO's, multi-lateral development banks and G7 representatives at the New York Stock Exchange, to follow up on the Agenda and consider how to structure an Africa Infrastructure Guarantee Mechanism (AIGM) that would attract participation from institutional and long-term investors.

Apart from a well-structured and resourced AIGM, enticing institutional investors to invest significantly in Africa's infrastructure requires that we have well-prepared and packaged projects. To this end we have continued to strengthen and promote the PIDA Service Delivery Mechanism (SDM) which aims to assist regional project owners with

advisory services for early-stage project preparation. Building on the lessons learned in applying this instrument to the Abidjan-Lagos Corridor, we are currently starting to apply it to the Lamu Port South Sudan Ethiopia Transport Corridor Project (LAPSSET).

In October we were pleased to receive Hon. Railia Odinga the High Representative for Infrastructure Development in Africa, appointed by the the Chairperson of the African Union Commission, H.E Moussa Faki Mahamat. Hon. Odinga will support us in PIDA implementation by championing the upgrading and modernisation of the missing links of the Trans-African Highways Network and the Continental High-Speed Freight Railways Network (C-HSfRN) - two important Infrastructure projects of Agenda 2063 – and its First Ten-Year Implementation Plan.

Partnership remains an integral element of PIDA implementation and we continue to work with partners such as GIZ, DBSA, the EU, AfDB, UNECA and others. In 2019, our cooperation with GIZ will enter a new phase as will the PIDA Capacity Building Support from the AfDB. We also look forward to working with the EU through their new phase of the Infrastructure Support Mechanism.

As we celebrate the successes of the past year, I look forward with much anticipation to future successes in 2019 and beyond.



## H.E. Dr Amani Abou-Zeid, Commissioner for Infrastructure and Energy, African Union Commission



Africa is home to approximately 17% of the global population, which is estimated to double to about 2.5 billion people by 2050. The United Nations estimates that Africa will be home to almost 1 billion young people by 2050, representing about 40% of the global total. This calls for accelerated efforts to ensure the promotion of transformative growth, social development, trade, industrialization as well as job creation. The impressive growth of African economies over the last one and a half decades has not translated into the desired transformative economic opportunities required to create jobs, alleviate poverty and promote sustainable development.

One of the major barriers to transformative development on the continent is the low levels of infrastructure to promote trade, industrialization and economic growth, which is having negative impacts on Africa's competitiveness and participation in the global markets and the development of its domestic markets. The poor state of infrastructure, most especially in Sub-Saharan Africa in respect of its electricity, water, roads and ICT, reduces national economic growth by 2% annually and reduces productivity by as much as 40%. The African Development Bank's (AfDB) Private Sector Development Strategy estimates that infrastructure services in Africa cost twice as much on average as those in other developing regions and notes that tariffs are exceptionally high. East Asian firms save close to 70% in transportation costs relative to their African counterparts, while Latin American and South Asian firms save approximately 50%.

The African Union Agenda 2063 highlights the need to enhance regional and continental efforts for accelerated and integrated infrastructure development and the effective & sustainable

deployment of energy resources in Africa, through high-level policy development and engagement, consensus building, promotion of regional integration, as well as mobilisation of financial and technical resources to support African Member States.

The Programme for Infrastructure Development in Africa (PIDA), as the reference continental framework for regional infrastructure development on the Africa, continues to provide a platform for all stakeholders to invest in the provision of efficient infrastructure services on the continent. Since the adoption of the PIDA framework, the implementing partners – the African Union Commission (AUC), the NEPAD Planning and Coordinating Agency (NPCA), the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA) and the Regional Economic Communities (RECs) – have been concentrating on ensuring the delivery of the PIDA Priority Action Plans (PIDA PAP). The PIDA initiative has achieved some laudable results that include: (i) Addition of 16,066 km and 4,077 km of roads and railways, respectively to the transport sector; (ii) Addition of the 3,506 km of transmission line to the African power grid; (iii) A total of 17 countries are connected with regional fibre optic cables; (iv) Through the construction and operation of PIDA projects, 112,900 direct jobs and 49,400 indirect jobs were created.

Advocacy for infrastructure development in the continent continued to reflect the AUC's key priorities. To this end, the Chairperson of the African Union Commission, H.E. Mr. Moussa Faki Mahamat, appointed, in October 2018, Honorable Raila Odinga of Kenya as High Representative for Infrastructure Development in Africa. This decision is part of the African Union's drive to expedite the integration of the continent through infrastructure, in order to promote economic growth and sustainable development.

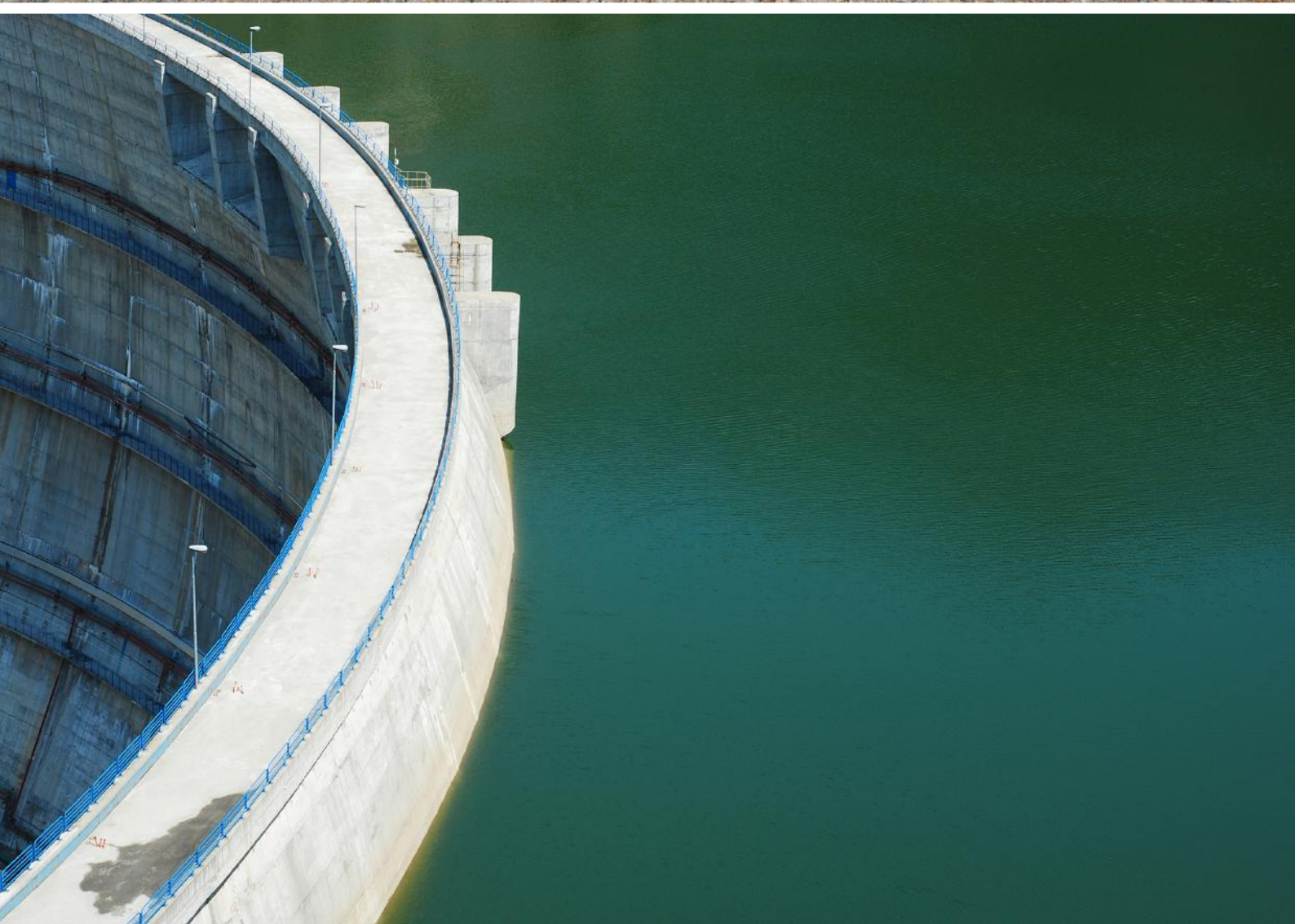
Meanwhile, the continent's integration agenda is experiencing a critical and momentous epoch with the recently launched African Continental Free Trade Area (AfCFTA) and the creation of a Single African Air Transport Market (SAATM) earlier this year. Both these initiatives rely heavily on infrastructure development across all the four PIDA sectors. A united and integrated Africa is a market of more than one billion consumers, the majority of them young and upcoming entrepreneurs.

I thank all our African and international partners and stakeholders for their continued commitment to infrastructure development efforts on the continent and call upon your support and count on your usual determination in ensuring that Africa's infrastructure projects are effectively and efficiently implemented.





Zambia-Tanzania-Kenya Power Interconnector Project



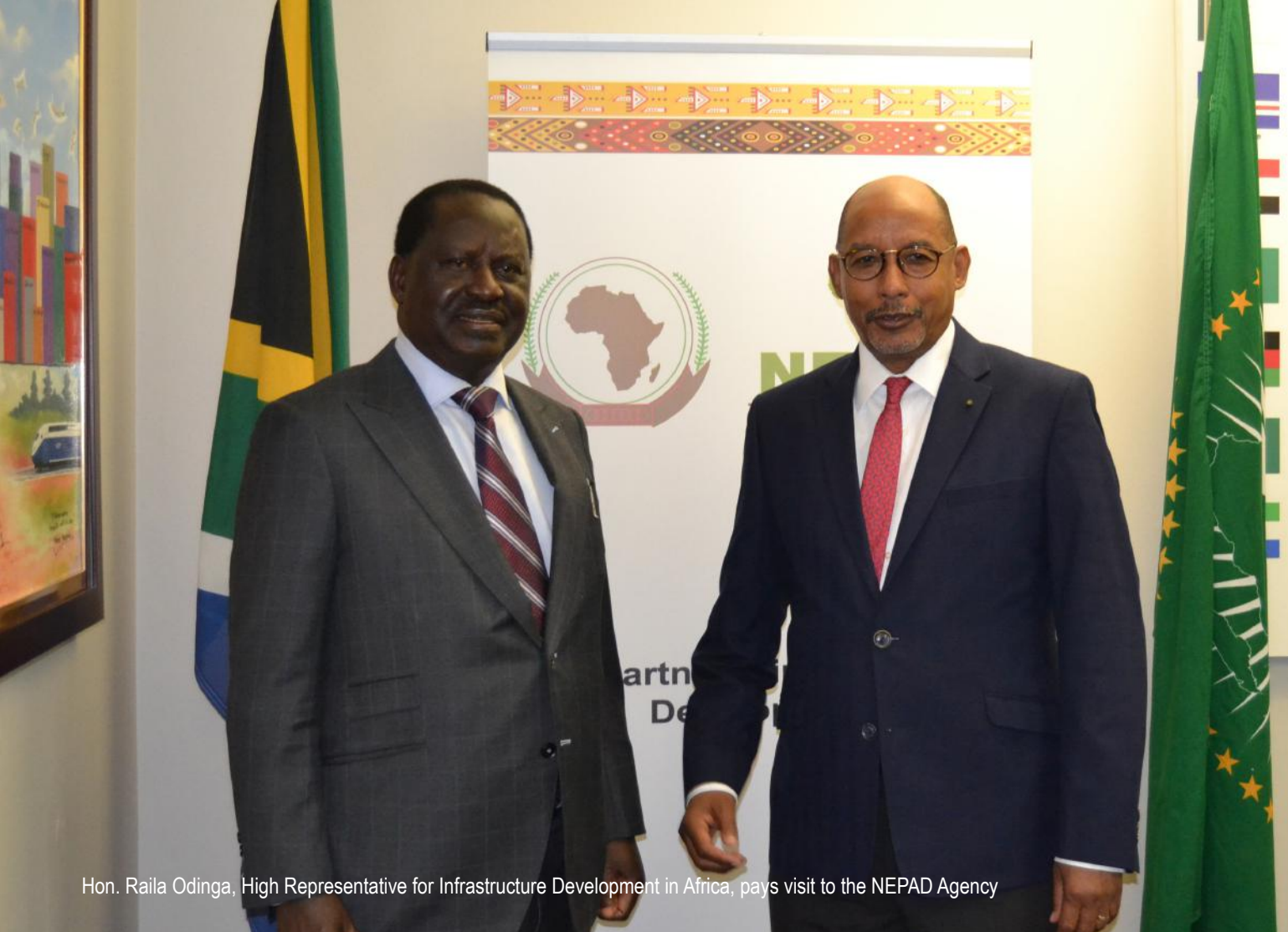


## Status of PIDA Projects

The Virtual PIDA Information Centre (<http://www.au-pida.org/>) has been providing infrastructure related information including project updates on a continuous basis. PIDA e-newsletter was used to provide regular news updates on activities undertaken during the year.

The following tables below present the status of PIDA projects as per the information collected in 2018.

Project Stage	Continental	AMU	COMESA	EAC	ECCAS	ECOWAS	IGAD	SADC	Total
S1: Project Definition		2	2	13	3	9	4	13	46
S2A: Pre-Feasibility		4	5	6	12	1	2	8	38
S2B: Feasibility			4	5	4	7		7	27
S3A: Project Structuring		1	2	11	2	5	2	8	31
S3B: Transaction Support & Financial Close		1		9	2	1		4	17
S4A: Tendering			9	5	1	4	1		20
S4B: Constructure	1	1	4	19	19	22	2	12	80
S4C: Operation	1	4	7	19	2	15	1	8	57
Total	2	13	33	87	45	64	12	60	316



Hon. Raila Odinga, High Representative for Infrastructure Development in Africa, pays visit to the NEPAD Agency



Establishment of the African Continental Free Trade Area agreement (AfCFTA) at the 10th Extraordinary Session of the AU Assembly



# 2018 Highlights

## Appointment of Hon. Odinga as High Representative for Infrastructure Development in Africa

Bridging the gap in infrastructure is vital to economic advancement and sustainable development. However, this can only be achieved through regional and continental co-operation and solution-finding, which calls for greater political will and buy-in.

The Chairperson of the African Union Commission, Moussa Faki Mahamat, appointed Honourable Raila Odinga of Kenya as High Representative for Infrastructure Development in Africa on 20 October 2018. This decision is part of the African Union's drive to expedite the integration of the continent through infrastructure, in order to promote economic growth and sustainable development. It comes against the backdrop of renewed efforts in this regard, as exemplified by the adoption, last March in Kigali, of the Agreement on the African Continental Free Trade Area (AfCFTA) and the Protocol on Free Movement of Persons and the African Passport, as well as by the launching of the Single African Air Transport Market (SAATM), in Addis Ababa in January 2018. The Chairperson of the Commission expressed appreciation to President Uhuru Kenyatta for his support to this decision, consistent with his commitment to African integration.

As High Representative for Infrastructure, Hon. Odinga will work to support and strengthen the efforts of the Commission's relevant Departments and those of the NEPAD Agency, within the framework of the Programme for Infrastructure Development in Africa (PIDA). In this respect, his mandate includes mobilising further political support and development assistance from Member States and Regional Economic Communities, as well as facilitating greater ownership by all concerned stakeholders on the continent. He will also support the NEPAD Agency initiatives to encourage increased commitment from development partners.

In the discharge of his mandate, and building on the work and leadership of the PIDA Presidential Infrastructure Champion Initiative, the High Representative will pay particular attention to the missing links along the transnational highway corridors identified as part of the Trans-African Highways Network, with a view to facilitating their development and modernization. He will also focus on the continental high-speed train, which is one of the flagship projects of the First Ten-Year Implementation Plan of Agenda 2063.

## PIDA Job Creation Toolkit

The NEPAD Agency developed the PIDA infrastructure Job Creation Toolkit (Toolkit) with support from the German Government through the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). The Toolkit is designed to serve as an on-line platform that enables users to estimate the job creation potential of PIDA and other African infrastructure projects. The Toolkit allows users to explore ways in which to maximize job creation from infrastructure projects and thus capitalize on Africa's demographic dividend and opportunities for wider regional economic development. The tool kit is aimed at infrastructure project owners, technical partners, as well as policymakers, development partners, and both public and private providers of project preparation support and finance.

Demonstration of job creation potential and labour market effects offered by the Toolkit is intended to mobilize the significant political and financial commitment necessary for the accelerated development and finance of PIDA and other African infrastructure projects. Moreover, project owners and their partners can use the Toolkit as a planning and policy tool to help them assess how alternative project designs may impact African jobs and skills development. The Toolkit is thus expected to serve as a planning and labour market information system to inform education and skills planning on national and regional levels and to formulate guidelines for development, local content, and procurement policies. The innovative PIDA Job Creation Toolkit will be launched on the margins of the African Union Summit in February 2019 with the aim of sensitizing policy makers and partners on how to create decent African jobs through large-scale infrastructure investments.


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## THE PIDA JOB CREATION TOOLKIT

### PROGRAM FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA)

Welcome to the Job Creation Toolkit aimed at maximizing the African jobs resulting from the preparation, construction, and operation of Africa Infrastructure projects. Project Owners, technical partners, and government policy makers can estimate the total job impact from their projects (including indirect, induced, and economic spill-over jobs) and also think through possible ways to increase the number and quality of African jobs. Click one of the four buttons below to estimate jobs, access the job database, review options to maximize jobs, and telescope into case studies.

[ESTIMATE JOBS HERE](#)
[ACCESS JOBS PROJECTIONS](#)
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Exhibit 1: Highway Project: Amount and Location of Investment per Project Phase



Location Where Project Investment Spent	Total Project Preparation Costs	Total Construction Costs	Annual Cost of Operations & Maintenance	Over Project Life Cycle
Total Costs (US\$ MM)	300	3000.00	150	7,800
INVESTMENT SPENT IN AFRICA (percent total investment)				
Togo	5.0%	11.4%	9.9%	10.3%
Nigeria	5.0%	11.4%	9.9%	10.3%
Ghana	5.0%	11.4%	9.9%	10.3%
Cote d'Ivoire	5.0%	11.4%	9.9%	10.3%
Benin	5.0%	11.4%	9.9%	10.3%
INVESTMENT SPENT OUTSIDE AFRICA ("investment leakage")				
Other	65.0%	39.5%	47.2%	44.9%
Total	90.0%	96.5%	96.5%	96.3%



The NEPAD Agency held a training workshop in Pretoria on the 17th – 18th July 2018 to train PIDA project owners and officials from the Regional Economic Communities and the African Union Commission in applying the Toolkit for their respective projects. Users were trained on how to input their project's data to generate job estimations and analyse the Toolkit output for further use. An illustrative example of data generated by the Toolkit is presented for a highway project.

### **PIDA Water - Accelerating Project Preparation and Financing of PIDA Water Priority Transboundary and Hydropower Projects**

PIDA Water comprises a portfolio of transboundary water and hydropower projects and will be implemented by the NEPAD Agency, Regional Economic Communities (RECs), River Basin Organisations, member states and executed by GWP in collaboration with other partners.

In March 2018, the High Level Panel on Water (HLPW), released its outcome document and called for the launch of an Africa Water Investment Programme (AIP). The HLPW was co-convened in 2016 by UN Secretary- General and World Bank. It comprised of 11 sitting Heads of State and Government from Australia, Bangladesh, Hungary, Jordan, South Africa, Mauritius, Mexico, Netherlands, Peru, Senegal and Tajikistan; and a Special Advisor. In response, the AIP has been developed by Global Water Partnership (GWP) in collaboration with African Union, African Development Bank (AfDB), Africa Water Facility and the Africa Ministers Council on Water (AMCOW).

The African Water Investment Program (AIP) has been developed to transform and improve the investment outlook for water security and sustainable sanitation in Africa through accelerating project preparations and mobilizing partnerships and resources.

In November 2017, the NEPAD Agency and the African Ministers Council on Water (AMCOW) commissioned a review of the implementation of transboundary water projects under PIDA. According to the review water projects showed little progress compared to projects in other PIDA focus areas (Transport, Energy and ICT).

To address the limited progress from conceptualization to implementation of water projects, the NEPAD Planning and Coordination Agency in collaboration with the Global Water Partnership (GWP) has established 'PIDA Water' as part of the second Phase of PIDA from 2019-2024. PIDA Water will be implemented within the framework of AIP.

The goal of PIDA Water is to accelerate the preparation and financing of transboundary water projects and foster a water-food-energy nexus approach in the development of hydropower Projects. The objective is to enhance job creation through project preparation and financing of gender sensitive investments in transboundary water and hydropower projects, industrialization and climate resilient development." The AIP support Programme to PIDA Water will contribute to African Union Agenda 2063, the Heads of State and African Union AU Sharm el-Sheikh Declaration on water and sanitation; the N'Gor Declaration on Water Security, Sanitation and Hygiene; and the Africa Water investment Programme objectives. PIDA Water comprises a portfolio of transboundary water and hydropower projects: Nexus Approach.

### **Targeted Outcomes**

- Delivery of critical PIDA Water infrastructure accelerated, meeting the needs of water dependent growth sectors and addressing the needs to the poor.
- Bankable projects prepared on water-energy-food-ecosystems nexus and governments assisted to access finance for implementation through innovative public-private partnerships
- SDG 6 'Investment and Business Cases' developed- motivating for high level political support, increased budgets and investments to advance support job creation, gender empowerment and industrialisation
- Transaction management related blockages and log-jams removed for transformational transboundary and national water projects
- Water security and climate resilience integrated in project development
- Improved water governance, knowledge and capacity of institutions strengthened

PIDA Water implementation will facilitate project preparation and investment into nine prioritized PIDA PAP Water Projects (three (3) water aquifer projects, one (1) River basin Management Project, five (5) Multipurpose reservoir project) and the ten (10) PIDA hydro Energy projects as follows:

- **Palambo:** Regulation dam to improve navigability of Obangui River with added hydropower component; Congo River Basin.
- **Lesotho HWP Phase II:** water transfer component: Orange-Senqu River Basin.

- **North-West Sahara Aquifer System:** Pre-feasibility studies for the improved use of the aquifer system.
- **Fomi:** Hydropower station in Guinea with irrigation water supply for Mali and regulation of the Niger River; Niger River Basin.
- **Multi-Sectoral Investment opportunity studies:** Identification and preparation of investment programs in the basin; Okavango River Basin.
- **Gourbassy:** Multipurpose dam located in Guinea; regulation of the Senegal River; Senegal River Basin.
- **Nubian Sandstone Aquifer System:** Implementation of regional strategy for the use of the aquifer system; North-West Sahara Aquifer Systems.
- **Lullemeden Aquifer System:** Pre-feasibility studies for the improved use of the aquifer system; North-West Sahara Aquifer System; Lullemeden and Taoudent/Tanezrouft Aquifer System.

PIDA Water Hydro Projects for Water-Energy- Food Nexus:

Grand Ethiopian Renaissance	Batoka Gorge
Sambangalou Dam	Ruzizi III
Rusumo Falls III	Polihali Hydropower Dam and Transfer Tunnel to Katse Dam
Mpanda Nkuwa	Kobong Pumped Storage Dam
Kalong	INGA 3

PIDA Water was officially unveiled during the Water Week in Stockholm on the 29th of August 2018. The collaboration with GWP will be formalized with the signing of an MoU during PIDA Week 2018.

### MoveAfrica & One-Stop Border Posts

Complementing PIDA and infrastructure development efforts, Move Africa was launched in 2016 to address challenges pertaining to trans-boundary trade and logistical challenges. During the launch one recommendation was for the NEPAD Agency to develop a Seminal Annual Report Ranking and Tracking the continent's ability to move goods and services across the continent. This has resulted in the development of The Traffic Light System (TLS), a tool to monitor and evaluate the performance of transport and trade corridors. In July 2017 SADC Ministers endorsed MoveAfrica and adopted the TLS for piloting on 4 border posts (Beitbridge, Kazungula, Kasumbalesa and Chirundu).

In February 2018, a team from the NEPAD Agency visited and made consultations with representatives of SADC, COMESA, the Zambia Ministry of Industry & Commerce and the Zimbabwe Ministry of Commerce, Trade & Industry to establish baselines on indicators and agree on a TLS pilot Implementation Road Map. The TLS is currently being developed as an online tool and the prototype with data populated for the selected border posts will be launched in 2019.

NEPAD Agency organised the 2nd Humanitarian Dialogue on the margins of the 73rd UN General Assembly on the 28th of September 2018. The meeting brought together high-level private sector stakeholders, African permanent representatives to the United Nations and development agencies to dialogue on solutions to improving the movement of goods and services for humanitarian assistance in Africa. With the establishment of the AfCFTA, experts estimated that the continent can expect a growth of more than 50% in the intra-African trade by 2022. Within this we cannot ignore the portion that is channelled for humanitarian use. It was concluded that the findings of the Traffic (TLS) Light System must be published in newspapers, magazines, and journals so the public is informed and can influence policy makers. The 'policy space'; the continental free-trade agreement is a major step in boosting African country's economic activities; however, it must ensure that issues such as axle load restriction and customs fees which are different from country to country are harmonized throughout the continent.

There are around 80 OSBPs in various stages of implementation, while a small number of them are operational. Considering that OSBPs are now one of the continent's highest priorities and integral part of PIDA, NEPAD, ICA and AfDB, along with JICA, updated and revised the OSBP Sourcebook on the basis of recent good practices and lessons learned.

The Agency is establishing an OSBP practitioners' network to enable stakeholders to learn from each other as well as to regularly update the Sourcebook. The Agency is also working to set up the monitoring framework for those prioritized OSBP projects in alignment with VPIC data collection process and come up with a continental and regional capacity development plan for OSBP. The monitoring framework is linking up with the work of Traffic Light System (TLS) for MoveAfrica to assess cross-border transport starting with land borders.

### The Single African Air Transport Market – A Flagship Project of Agenda 2063

During the 30th Ordinary Summit of the African Union Assembly of Heads of States and Government Summit held in Addis Ababa, Ethiopia, the Single African Air Transport Market was established on 29 January 2018. The decision establishing the SAATM Assembly/AU/Dec.665 (XXX) request the Commission, the Regional Economic Communities and Champions, in collaboration with air transport stakeholders, take effective



steps to engage the African States who are not yet members to sign on to the Solemn Commitment. Currently, twenty-seven countries have subscribed to the solemn commitment of the SAATM namely: Benin, Burkina Faso, Botswana, Capo Verde, Central African Republic, Republic of Congo, Côte d'Ivoire, Chad, Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Mali, Mozambique, Niger, Nigeria, Rwanda, Sierra Leone, South Africa, Eswatini, Togo and Zimbabwe. The assembly decision also request the African Union Commission to work on a framework of establishing the Single African sky architecture by 2023 that will strengthen aviation safety, security as well as ensure efficient and harmonised seamless air navigational and communication systems.

In March 2018, the African Union Commission organised a multi-stakeholders consultative meeting in Abidjan, Cote D'Ivoire. The meeting established a prioritised and join action plan for 2018-2019 for the operationalisation of the SAATM. The main activities on the prioritised action plan include advocacy for more states to join, capacity strengthening of the implementing agencies, enhancing the level of safety and security oversight and ensuring cooperation between the various stakeholders, in particular cooperation between African airlines.

### SAATM Prioritised Action Plan

#### Pillar 1: Advocacy for the effective implementation of the SAATM

- Develop and implement effective advocacy and communication strategies
- More States to subscribe to the SAATM by 2018
- SAATM Member States to implement SAATM concrete measures

#### Pillar 2: Ensuring the SAATM Regulatory Texts – harmonisation and domestication of the existing texts

- Ensure availability of the appropriate regulations for the oversight of the SAATM
- Member States and RECs are sensitised on the YD texts

#### Pillar 3: Operationalisation of the SAATM with a focus on operationalisation of the Executing Agency of the SAATM

- Facilitate the execution of a continent-wide study on benefits of aviation to Africa's socio-economic landscape and audio-visual material
- Capacity strengthening of implementing entities
- Facilitate Airline cooperation and adoption of SAATM
- Harmonization of policies on aeronautical related taxes and charges and other non-tariff barriers
- Monitoring and Evaluation of the SAATM

#### Pillar 4: Planning for future growth: SAATM Infrastructure

- Planning for future traffic growth
- Single African Sky Architecture is established by 2023

#### Pillar 5: Enhancing Safety and Security –ensuring all countries attain the minimum standard (at least 60% EI)

- All SAATM countries meet the Abuja safety targets
- Windhoek security and facilitation targets implemented
- Improve continental safety oversight
- All airlines meeting minimum safety standards

#### Pillar 6: Financing the aviation industry

- Access to sustainable funding
- Ensure the Executing Agency has sufficient resources





## PIDA Good Practice Guide for Integrated Corridor Development

In the context of the PIDA Priority Action Plan (PAP), the NEPAD Agency is facilitating the implementation of projects along a number of transport and energy corridors and is promoting an integrated approach to corridor development. This takes cognizance of the evolution of PIDA implementation as well as recommendations of key policy organs that underscore the need for integrated approaches. In promoting this approach, the NEPAD Agency has developed the PIDA Good Practice Guide for Integrated Corridor Development which considers:

- The positioning of corridors as anchors of economic development
- Integrated approaches that look at corridor development from the perspective of all PIDA sectors (Energy, ICT, Transport, Water)
- Intersections with the Smart Corridors Initiatives adopted by the African Union Commission and other initiatives related to PIDA and regional integration.
- The use of the NEPAD Agency's infrastructure development instruments in planning and implementation of projects

The Guide documents good practices in corridor development with respect to a number of key attributes that include:

- 1) Appropriate Legal and Regulatory Frameworks
- 2) Institutional Models for corridor development and management
- 3) Project Preparation and Implementation
- 4) Positioning Corridors as Anchors of Economic Development
- 5) Attracting Private Sector Financing

The Guide is intended to be a useful knowledge product and reference material for stakeholders, that include the Regional Economic Communities; Corridor Agencies; and the NEPAD Agency itself, on how to plan, prepare and implement trans-boundary corridors in a holistic and integrated manner, in other words, integrated multi-sectorial corridor development. The Guide provides examples, guidelines and practical checklists for project implementers, taking into consideration the experience of

the NEPAD Agency, the Central Corridor Trade and Transit Facilitation Agency (CCTTFA), ECOWAS and SADC in preparing, planning and developing the Central Corridor, the Abidjan-Lagos Corridor and the North South Corridor. The Guide will be formally launched in mid-2019.

## PIDA Journalists' Training

The AUC as part of its communication strategy for PIDA implementation has carried out training activities for African journalists in order to enhance visibility of PIDA projects at the global, regional and national levels. PIDA Journalists' Training Workshops were held in Accra, Ghana, in May, 2018 and Addis Ababa, in November, 2018. The main objectives of the workshop was to (1) provide training for selected journalists to effectively report on PIDA projects and enhance PIDA as a brand and framework for regional infrastructure development; and (2) deepen the journalists' understanding and appreciation of the role of PIDA in boosting economic growth through infrastructure development, as well as to share and learn from one another's experiences, whilst exploring the latest approaches and techniques in reporting on PIDA.

A key objective in these trainings, was to ensure that journalists get a deeper understanding of PIDA projects and report about them whilst leveraging on new media.

## Journalists Visit the Grand Ethiopian Renaissance Dam, Courtesy of the AUC

The African Union Commission took journalists from across the continent on a tour of the largest hydropower project in Africa, the Grand Ethiopian Renaissance Dam (GERD) today.

The GERD, which is one of the projects under the Programme for Infrastructure Development in Africa (PIDA), is at an advanced stage with an installed capacity of 6,000 MW. Construction of the Dam started in April 2011 and is currently employing 12,000 jobs.

The visit to the Dam was preceded by a third media workshop held on 5 and 6 November 2018 in Addis Ababa, Ethiopia to hone the skills of 24 journalists to effectively cover the Programme for Infrastructure Development in Africa (PIDA).

The workshop brought together 24 media practitioners from across Africa. The journalists were exposed to the workings of PIDA, how to analyze the impact of its work, and where to find the right data and information for news and features stories.

The low internet penetration levels were mentioned as one of the growth inhibitors as many said it is, at times, out of reach or not reliable especially while on PIDA site visits. The interest by journalists to participate in PIDA also showed that many had the quest for knowledge in personal improvement, particularly

in infrastructure. This interest, honed can be a great asset for stakeholders to not only add on media exposure but also boost content for PIDA's Virtual site (<http://www.au-pida.org>) which is a resource tool kit for a great international audience.

It was concluded that the PIDA Journalists' network has the potential to be elevated to be one of Africa's media database of professionals who can be equipped with knowledge and skills on business reporting in Africa. The interest drawn from this training is a testament that there is great potential in this with the help of PIDA stakeholders.

The event is part of the PIDA Capacity Building Project (CAP) supported by the African Development Bank and whose main objective is to strengthen the capacity of the African Union Commission, the NEPAD Agency and the Regional Economic Communities (RECs) for planning, facilitation and coordination of implementation of regional infrastructure programmes and projects necessary for enhancing Africa's physical and economic integration and socio economic development.

#### Mid-Term Review of the PIDA Priority Action Plan (PAP)

As part of the process for the development of the second phase (2020 -2030) of the Programme for Infrastructure Development Africa (PIDA), the African Union Commission (AUC) initiated a Mid-Term Review of the PIDA Priority Action Plan (PAP). The main objectives of the Review is to take stock of the implementation of the program to date, assess progress achieved so far and highlight the strengths and success stories as well as weaknesses of the processes and instruments put in place for the achievement of the 2020 targets. It is expected that the review will indicate the way forward to fast-track the implementation of the PIDA-PAP and actions that need to be undertaken thereof. The analysis will also provide the basis and way forward in the formulation of the second phase of the PIDA programme. The AUC over the past year has carried out the following activities:

#### Consultation Workshops

The AUC in collaboration with the NEPAD Planning and Coordinating Agency (NPCA) organized three (3) PIDA Mid - Term Review Consultation Workshops with Regional Economic Communities (RECs) and their respective Member States including:

- Arab and the Maghreb Union (AMU/UMA) and the Intergovernmental Authority on Development (IGAD) from 08 – 10 May, 2018 in Tunis, Tunisia.
- East African Community (EAC) from 25 – 26 May, 2018 in Nairobi, Kenya.
- Economic Community of West African States (ECOWAS) from 25 – 28 June, 2018 in Accra, Ghana.

The main objectives of the workshops include sensitization of Member States on the process of the development of the second phase of the PIDA PAP and to work together on questionnaires to assess the progress achieved so far in PIDA implementation and highlight the strengths and success stories as well as the weaknesses of the processes and instruments put in place for achieving the 2020 targets set in the PIDA-PAP. Some of the recommendations included (1) calls for greater coordination amongst continental, regional and national stakeholders; (2) the need to mobilise more financing for project implementation; (3) the need for capacity building for projects preparation in Member States; and (4) the need for more advocacy activities for regional projects.

#### Procurement of Consultancy Services

The AUC has concluded the procurement of the services of a consulting firm to carry out an independent review of the implementation of the PIDA-PAP – the PIDA Mid-Term Review - including its Governing Architecture. The study is expected to start in December, 2018 and it will be completed by April 2019.

#### Continental Business Network (CBN): 5% Agenda

In response to African institutional investors' calls for additional African risk mitigation, the African Union (AU) and NEPAD are advocating for the establishment of an "African Infrastructure Guarantee Mechanism" (AIGM) that can enable the immediate scaling up of institutional investment in Africa's infrastructure.

*"The ultimate goal will be for Africa to establish a "Big Infrastructure Guarantee Mechanism" which will provide for significant financial guarantees as required for institutional investors to invest in Africa's infrastructure and trans-boundary infrastructure projects."*

From the 25th to the 26th of June 2018, a technical meeting in Victoria Falls, Zimbabwe organized by the NEPAD Agency brought together a range of experts (including technical policymakers, development practitioners, infrastructure experts, financiers, risk mitigation and project preparation facility providers, and private sector representatives). This multi-stakeholder consultation was aimed at defining concrete policy recommendations for Africa's leadership that advance infrastructure project implementation within the framework of the Programme for Infrastructure Development in Africa (PIDA). The participants in the NEPAD Strategic Dialogue on Advancing Infrastructure Development in Africa endorsed the urgent need for the 5% Agenda and African Infrastructure Guarantee Mechanism.

On the 25th of September 2018, at the NASDAQ in New York, NEPAD Agency Continental Business Network gathered once again international investors, Pension funds, Stock Exchange CEO's, Multi-lateral Development Banks and G7 Forum to



follow up on the launch of the 5% Agenda. The meeting hosted together with Africa investor, was to dialogue and follow up on the 'the 5% Agenda', recommendation: "The need for the establishment of an African Infrastructure Guarantee Mechanism (AIGM)" aimed at encouraging pension and sovereign investment into Africa's infrastructure.

The NEPAD Agency has already taken in mapping out the strategy for the AIGM. This included the breakdown of the 4 options of what the mechanism could look like:

- Option 1: Create a new African Infrastructure Guarantee Facility providing institutional investors with 100% financial guarantees for their investment in Africa's infrastructure assets (including project development and operation and other infrastructure investment vehicles such as bonds, funds, companies, etc.).
- Option 2: Crowd-in existing risk mitigation support through an African Infrastructure Guarantee Mechanism that serves as a one-stop shop referral system to existing providers of risk mitigation, facilitating the access of project owners and developers to existing risk mitigation instruments.
- Option 3: Request existing risk mitigation providers to implement a joint application process that would be managed by the African Infrastructure Guarantee Mechanism.
- Option 4: Blended Market-Based Scheme: This option is aimed at using market incentives to catalyse the creation of an expanded African market in specialist infrastructure risk mitigation and reinsurance, scaling the commercial use of guarantees and credit enhancements that meet the strict investment requirements of institutional investors. The approach implemented through the African Infrastructure Guarantee Mechanism would be to create a one-stop-market aggregating the sources of demand (infrastructure assets) and supply (providers of risk mitigation), crowding in existing public and private providers of risk mitigation, global investment insurers, and credit enhancement leaders and instruments from private and public sector institutions.

Option 4, after technical and consultative deliberations has come out to be the most ideal option to follow through.

### **Service Delivery Mechanism (SDM)**

Regional strategic dialogue on advancing infrastructure development, through the meeting an action plan was developed for an integrated approach towards project preparation and finance. This leads to the launch of the Africa Infrastructure Guarantee Mechanism (AIGM) under the NEPAD 5% Agenda, in September 2018 in New York.

Development of Project Information Memorandums for the LAMU Port (remaining terminals) and Ruzizi III. The PIMS will enhance the attractiveness of these projects and ultimately bring them in further stage of development and finance.

### ***Cross-border harmonization and Commercial viability studies on the North South Corridor Railway Projects***

The NEPAD Agency is currently working with SADC secretariat and the NEPAD Business Foundation, under SADC request, to provide technical assistance on the implementation of the North South Corridor Railway Network. This will include the study of the revenue sharing model and pricing as well as the required policy, legal and institutional harmonization across the stakeholders countries all along the railway network.

### ***Support to the Zambezi River Authority (ZRA) on the development of Batoka Gorge Hydropower Scheme (BGHPS) project***

The NEPAD Agency has carried out an assessment of the job creation potential of the project and estimated that this at 59 000 years jobs across the project development, construction and operation phases. The Agency has equally provided the ZRA with policy advices on how to optimize this potential to harness local industries and small and medium enterprises within Zambia and Zimbabwe.

Additionally, ZRA has requested NEPAD assistance to provide them with TA to access the Green Climate Fund, a fund established within the framework of the UNFCCC as an operating entity of the Financial Mechanism to assist developing countries in adaptation and mitigation practices to counter climate change.

Technical Support to LAPSET Authority for early stage preparation of LAPSET Grande high falls hydropower dam project

### **Renewable Energy Access Programme (REAP)**

Focus in 2018 was placed on concluding NEPAD support to both The Gambia and Madagascar.

#### **In the Gambia**

The feasibility study of the 6 MW Wind project was updated by NEPAD and ibis. In addition, an investor's round table was organized and held with support from both NEPAD and ibis. The investors round table resulted in identifying a private investor who entered into negotiation with the Ministry and recently signed an MoU with the Ministry for the finance ,build ,operate and maintain the 6 MW Wind Project.

#### **In Madagascar**

NEPAD completed an engineering design for the solar system to power the Government Main Building which houses four

Ministries. The engineering design covered a number of options; namely solar PV without storage, solar pv with storage and a hybrid system of solar and diesel generator,

### Microgrid update

Microgrid programme is focussing on community empowerment through the provision of clean energy for light and stimulation of S&M industries in rural areas.

This year four countries were identified for the development and implementation of four microgrid projects. These are Zimbabwe, Malawi, Ghana and Mali. Missions are planned for closer examinations of the micro projects submitted by the four countries to assess its status and determine NEPAD specific intervention to develop and implement the identified projects.

### Presidential Infrastructure Champions Initiative (PICI)

This mission to Kenya was undertaken to co-host the Presidential Infrastructure Champion Initiative (PICI) Technical Task Team (TTT) Workshop with NEPAD Kenya, and to undertake a site visit to Lamu Port to follow-up on the construction of the LAPSET Project (which is one of the PICI Projects championed by President Uhuru Kenyatta). The last TTT workshop was held in January 2017 in South Africa. The overarching objective of these TTT Workshops is to provide a platform for Country Focal Points to share and exchange ideas on the challenges and success factors for their respective PICI projects. In addition, the Focal Points are required to present a factual account of the progress of their respective projects. The outcome of the Workshop is used to prepare a Comprehensive PICI Project Status Report which is submitted to the PICI Chair for presentation at the HSGOC meeting and subsequently at the AU Assembly for adoption.

The Workshop was attended by all the Country Focal Points or their Representatives with the exception of the: Congo-Republic, Senegal and South Africa. The following Representatives and Institutions were in attendance: The African Development Bank (AfDB); the United Nations Economic Commission for Africa (UNECA); the Department of International Relations and Cooperation of South Africa (DIRCO); EAC; CCTTFA; UMA; COMESA; IGAD and ECOWAS.

Based on the presentations made by the Focal Points, most of the PICI projects have made progress since January 2017. Listed below is a summary of the progress:

- **Missing-Link of the Trans-Sahara Highway (Algeria)**
  - Construction is in progress for the two road packages although there have been some challenges in making payments. The first package Lot 1 of 125 Km will now be completed in December 2018. The second package of 100 km will be completed in July 2019.
- **Optic Fibre from Algeria to Nigeria via Niger (Algeria)**
  - No progress was reported on this project due to the absence of the Focal Point. This was the same case in January 2017. However, the Algeria component of this project was completed in 2016 and the studies for Niger and Chad have been completed.
- **Dakar-Ndjamena-Djibouti Road/Rail (Senegal)** - No progress was reported on this project as of 2017 due to the absence of the Focal Point. This was the same case in January 2017. However the representative from ECOWAS presented a status report of this project from the ECOWAS's stand point. The project is awaiting financial closure.
- **Nigeria–Algeria Gas Pipeline: Trans-Saharan Gas Pipeline (TSGP) (Nigeria)** - It was reported that the Nigerian government is committed to the actualization of the project particularly, the Nigeria's pipeline segment in the next 3 years (2018-2021). Financial close is expected by December 2018. Commencement of construction is planned for the second quarter of 2019. The project is being managed by NNPC; and the Project model is a Build and Transfer (BT) model through 100% Contractor Financing.
- **Kinshasa-Brazzaville Bridge Road/Rail (Rep. of Congo)**
  - Structuring of the project to make it bankable is ongoing. Discussions were held with the AfDB Africa 50 Fund. A joint mission of Africa 50 and AfDB to Libreville, Brazzaville and Kinshasa took place from the 30th April to 13th May 2018. The Governments and the Bank seem to be comfortable with the project to be developed by Africa 50. The parties agreed to sign a MOU to define the condition of intervention of AFRICA 50. The drafting of this MOU is ongoing. It is expected that AFRICA 50 will start to work before the end of June 2018.
- **The Unblocking of Political Bottlenecks for ICT Broadband and Fibre optic projects in the neighbouring states and the SMART Africa Project (Rwanda)** - The ICT Broadband and Optic Fibre Project for all the EAC countries was completed in 2013. Today One Network area is also being implemented between Gabon and Rwanda; the two countries have started on voice services while SMS and Data will follow later (Rwanda, Uganda, Kenya and South Sudan already have ONA). In addition, among ECOWAS states, seven (7) countries have implemented similar initiative with different termination rates. The ONA concept is being extended to all SMART AFRICA Member States to become a "One African Network (OAN)" and a resolution document was developed and shall be validated by all Regulators from Member states (so far 24 countries have joined).

- **Establishment of a Navigational Line from Lake Victoria to the Mediterranean Sea –VICMED (Egypt) -** Inception report for the Phase 1 Feasibility was completed and sent to COMESA in May 2017 to be submitted to footprint countries and it was approved with comments during 3rd SCM (Steering Committee Meeting of which NEPAD is a member). The zero Draft Interim report was sent to the PMU (Egyptian Project Management Unit) at the end of April 2018 for review. The First draft will be sent to the Footprint countries for comments in July 2018. One of the proposed scenarios for the Institutional and legal framework of the VICMED project recommended that the two operational (main and connection) units will be under the auspices in order to NEPAD to play a role as the Regional Strategic Unit (RSU). This is included in the draft report. The government is looking for funding to start Phase II of the Feasibility study. The TOR for Phase II is part of the work of Phase I including the training of footprint states (some of these trainings have already taken place).
- **Lamu Port South Sudan Ethiopia Transport Corridor Project (LAPSSET) (Kenya) -** The Crude Oil Pipeline from Lamu to Isiolo, Isiolo to Nakodok, and Nakodok to Juba (South Sudan): Joint Development Agreement (JDA) signed between the upstream companies and GOK took place in 2017. The EPC Tender to be issued upon Completion of FEED Studies (Front End Engineering Design). FEED and ESIA studies commenced in April 2018. First oil flow is expected by 2021/22. Product Oil Pipeline from Lamu to Isiolo, Isiolo to Moyale (Kenya) and Moyale to Addis Ababa (Ethiopia): Bilateral Agreement between Kenya and Ethiopia to jointly develop the pipeline was signed in 2018. Interregional Standard Gauge Railway lines from Lamu to Isiolo, Isiolo to Nakodok (Kenya/South Sudan border) and Juba (South Sudan), Isiolo to Moyale (Kenya/Ethiopia border) and Addis Ababa (Ethiopia), and Nairobi to Isiolo: Preliminary Engineering and feasibility studies carried out on the project lines. Ethiopia/Kenya Technical Coordination Committee was set up to develop a joint implementation Plan and Funding Strategy. The construction of the 3 berths at a cost of US\$480 million is progressing very well and currently about 48% completed. The first berth will be completed in 2019, the other two in 2020. The developments of the remaining 29 berths will commence in 2021.
- **International Logistics Hub Projects (Namibia) -** After its admission to the PICI family, the Government of Namibia undertook consultation missions to all the footprint states; Botswana, Malawi, Zambia, Zimbabwe, DRC and Angola. The government is requesting the NEPAD Agency to assist them with the technical and operational structuring of their projects in line with the PICI modalities and process.

### Site Visit to Lamu Port:

Together with representatives from NEPAD Kenya and the LAPSSET Office, the team made a site visit to the construction site of the three berths at Lamu Port. Three 400m berths are being constructed concurrently by a Chinese contractor and a South Korean supervising engineering company. The total berth length is 1.2Km and a yard of 1Km. The channel width is 500m with future expansion to 1Km and a draft of 18m. Piles of 52metres length and 1.2metres diameter are being installed and almost at completion stage with decking on the first berth almost completed. The berths have a draft of 17.5m and the port has tide difference of about 4m, thus extending the draft to 21.5m. When a site visit was undertaken in 2016, there was no construction or work was in progress only the port office, a few construction dwelling houses, site office and the police station were in place. Without any doubt this is the most impressive of all the PICI projects in terms of rapid project implementation. The government of Kenya must be commended for this rapid and impressive progress in the space of 2 years.

### High Speed Rail Project (HSR)

The continental Integrated High Speed Rail network is one of the 12 flagship projects of Agenda 2063 that forms the backbone of the continental strategy. The continental network will be a facilitator for infrastructure provision on the continent, which will drive regional integration.

As an important flagship project of “Agenda 2063,” the African high-speed railway integration project aims to promote the integration of the continent.

The coordinating body for the coordination of the technical feasibility process, of Agenda 2063 Continental High Speed Railway flagship Project - to date is as follows:

- The Steering Committee of the Coordinating Mechanism of the Continental High Speed Railway Network Project, the NEPAD Agency, organized the inaugural Steering Committee meeting of Stakeholders in Dakar, Senegal, in September 2017, to give account of the status of the project, and the way forward.
- Sequel to that meeting the Technical Coordinating Team (TCT), led by NEPAD, and comprising of select African Railway Experts had series of Retreats/Workshops in South Africa, to review and comment on the HSR Procurement process, through the initial submission of Expression of Interests (Eols), and subsequently - Request for Proposals (RfPs) - received from the eight (8) most responsive shortlisted Consultancy firms.



- Technical and Financial bids were received subsequently, from the 8 shortlisted firms through the NEPAD Agency Procurement Unit. The Technical Proposals were initially evaluated by NEPAD/TCT, and the three (3) most responsive firms, in terms of Quality of Proposals (QCBS), vis a vis the Terms of Reference (TOR) of the Study, were evaluated and ranked in terms of technical efficacy.
- Approval was sought from AUC-IPC – to proceed and open the financial bids of the three shortlisted firms (WS Atkins International-UK, ITALFERR-Italy, and CPCS-Canada).
- On 26th March 2018, the financial bids were opened, and three firms offered.
- Following a combined technical and financial scores analysis by NEPAD Procurement Unit, CPCS, was ranked the most cost-effective, and value-for-money, for the Client (AUC/NEPAD).
- An Evaluation Report was compiled, and submitted to AU-IPC for recommendation of CPCS; and final approval – for NEPAD Agency, to proceed with negotiations with the Awarded firm on their bid price.
- The AUC-IPC commission has appointed this consultant since July and the actual work is expected to start in order to present the result to the Head of State at the next AU Summit in January 2019.

The Chairperson of the African Union Commission, Moussa Faki Mahamat appointed Honorable Raila Odinga of Kenya as High Representative for Infrastructure Development in Africa on 20 October 2018.

### **AUC, NEPAD and GIZ discuss new 7 million Euro envelope dedicated to the next phase of PIDA**

The next phase of GiZ support to the Programme for Infrastructure Development in Africa (PIDA) Priority Action Plan (PAP) 2 with an envelope of Euro 7 million for the next three years was at the heart of discussions of the two-day meeting held in Addis Ababa, Ethiopia on 12 and 13 November 2018.

In his remarks, the Director for Infrastructure and Energy at the African Union Commission, Mr. Cheikh Bedda stated that this meeting is happening at a strategic time in the life of PIDA as the implementation of the first phase, running from 2012 to 2020, has almost reached its end.

*“It is therefore necessary and important for AUC, NEPAD, GiZ and all involved that their activities and programmes should be harmonised and coordinated so that we can all put our financial and human resources to achieve our common goal for PIDA.*

*This calls for stronger partnerships and collaborations among regional, continental and international institutions as well as active engagement with our member States,”* Mr. Bedda asserted.

On his part, Mr. Symerre Grey-Johnson, Head of Regional Integration Infrastructure and Trade at the NEPAD Planning and Coordinating Agency appealed for tangible results from PIDA that can impact the lives of Africans while emphasizing the essential importance of strengthened collaboration from PIDA's implementing partners.

GIZ started its new PIDA-support phase in August 2018 with four output areas covering EURO 7 million. The objective of the meeting was to garner joint understanding of objectives and content on next GIZ-PIDA support phase; clarify on modes of cooperation, communication, monitoring progress and develop a joint workplan for GIZ Support to PIDA Phase 2018-2021. The two-day meeting was jointly organized by the African Union Commission (AUC), the NEPAD Planning and Coordinating Agency (NPCA) and GIZ. About 30 delegates representing the three institutions were in attendance.

### **AUC and NEPAD Rally Partners for Next Phase of PIDA**

The African Union Commission and the NEPAD Planning and Coordinating Agency today convened partners in Addis Ababa, Ethiopia to rally support for the next phase of the Programme for Infrastructure Development in Africa (PIDA), which is currently under formulation.

The event gathered representatives from GiZ, European Union, Chinese Mission to the African Union and the Embassies of the Republic of Indonesia and Korea, representing the Group MIKTA, which is an informal partnership between Mexico, Indonesia, South Korea, Turkey and Australia.

A number of key themes emerged in the main discussion, covering a wide range of issues including: strengthened involvement of the private sector in infrastructure, formulation of project selection criteria, pre-screening of projects against these criteria, support to the expert pool under the Service Delivery Mechanism (SDM) for early-stage project preparation and support to the optimization of the Continental Business Network (CBN) for an increased private sector engagement.

Partners lauded the AUC and the NEPAD Agency for organizing such an event early in the process of the preparation of the next phase of PIDA and they agreed that going forward there should be an effort to reduce overlaps and duplication of efforts from partners to ensure increased efficiency.

It was also agreed that AUC and NEPAD will organize bilateral meetings with each partner in the coming two months to iron out the work plan and find common areas of cooperation.

This first time gathering of these key partners to PIDA was jointly organized by the African Union Commission (AUC) and the NEPAD Planning and Coordinating Agency (NPCA). About 20 delegates were in attendance.

### **Final Session for the PPP Training for NEPAD, AUC, GIZ and the RECs, PIDA Projects**

The NEPAD Agency in collaboration with, the African Union Commission (AUC) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) held the second round of the PIDA Executive workshop on Public Private Partnerships (PPP) in Kigali-Rwanda, from the 2nd to 6th of July 2018. The training focused on strengthening the competences of public sector project implementers within NEPAD, AUC, Regional Economic Communities (RECs) and specialized sectoral and national institutions to enable them to coordinate/conduct/steer effective project preparation activities with a focus on planning and preparing PPPs.

The workshop was the second and the final in a two-part series, the first of which was held in Dakar, Senegal from 26 to 30 October 2017. Each workshop, built on the numbers of PIDA implementation technical experts who are trained in PPP Fundamental Strategies and Techniques, Infrastructure Project Finance/preparation and PPP Procurement Strategies (from marketing to financial closure).

Lectures and working sessions during the workshop were focused on guaranteeing that participants can return to their home countries to steer effective project preparation activities and to address the challenges of implementing PIDA projects. The initiative is part of the PIDA Capacity Building Programme funded by the African Development Bank (AfDB) and saw PIDA

implementation technical experts across the continent being trained in areas that will accelerate the implementation of PIDA projects, encourage private sector participation in infrastructure development in Africa as well as structure projects to improve domestic resource mobilization.

The training programme was conducted by a specialised PPP training institute, the Institute of Public Private Partnerships (IP3) based in Washington DC. It complements the many interventions that NEPAD Agency and the AUC, with the support of their partners, have developed to address the challenges of implementing PIDA projects identified during the Dakar Financing Summit.

A total of 35 participants, coming from 17 different countries attended the training workshop including representatives from the African Union Commission, the NEPAD Agency, Regional Economic Communities (RECs), PIDA project teams and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

The workshops facilitated learning and insights on the strategic and practical considerations, and the critical success factors in developing and operationalizing PPP projects. Subjects covered included a recap of the first training (where 42 participants were trained), overview of project finance fundamentals, financing agreements, contractual agreements between financiers and lenders, project risks, role of financial models in project finance, creating and cash waterfall and financial modelling.

Due to overwhelming demand and over subscription for the PPP training. It is anticipated that a second group of 40 participants will be trained in 2019.









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For further information, see the Virtual PIDA Information Center (VPIC) under

[www.au-pida.org](http://www.au-pida.org)

