



PIDA
INTERCONNECTING
INTEGRATING & TRANSFORMING

Programme for Infrastructure Development in Africa

PIDA PAP IMPLEMENTATION PROGRESS REPORT

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During consultations and preparation of the Report, a number of useful suggestions were also received from a broad range of stakeholders comprising RECs; Institutional partners and PIDA stakeholders to guide its development.

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List of Abbreviations

AUC	African Union Commission	IAG	Infrastructure Advisory Group
ASII	Africa Infrastructure Initiative (ASII)	JICA	Japan International Cooperation Agency
Ai	Africa Investor Magazine	LAPSSET	Lamu Port South Sudan Ethiopia Transport Corridor
AAPF	Africa Australia Partnership Facility	MIGA	Multilateral Investment Guarantee Agency
AFDB	African Development Bank	NBF	NEAPD Business Foundation
AID	Africa Infrastructure Database	NEPAD IPPF	NEPAD Infrastructure Project Preparation Fund
EAC	East Africa community	NPCA	NEPAD Planning and Coordinating Agency VPIC – Virtual PIDA Information Centre
EADI	The African Development Institute (ADI)	OMVG	Organisation de Mise en Valeur du Fleuve Gambia
BWG	Business Working Group	PCI	Presidential Infrastructure Championship Initiative
CC TTFA	Central Corridor Transit transport Facilitation Agency	PPF	Project Preparation Fund
CID	Council for Infrastructure Development	PPDU	Project Preparation Development Unit
COMESA	Common Market for Eastern and Southern Africa	PPP	Public Private Partnership
CEPGL	Communauté Économique des Pays des Grand Lacs	SADC	Southern African Development Community
ECCAS	Economic Community of Central African States	SAPP	South African Power Pool
DIRCO	Department of International Relations and Cooperation	SADC DFRC	Southern African Development Community Development Finance Resource Centre
ECOWAS	Economic Community of West African States	SADC PPDF	Southern Africa Development Community Project Preparation Development
ECA	United Nations Economic Commission for Africa	TPA	Tanzania Ports Authority
EU IIPSA	European Union Infrastructure Investment Programme for Southern Africa	UA	Unit of Accountability
EADI	African Development Institute	WEF	World Economic Forum
DBSA	Development Bank of South Africa	UEMOA	The West African Economic and Monetary Union
GIZ	Deutsche Gesellschaft für Internationale		
ICA	Infrastructure Consortium for Africa		

Foreword

The ambitious targets that undergird the Programme for Infrastructure Development in Africa (PIDA) are a direct result of the collective effort of Africa's major stakeholders. By working together the African Union Commission, the NEPAD Planning and Coordinating Agency, the African Development Bank, the United Nations Economic Commission for Africa and the Regional Economic Communities, have developed a robust 2012-2040 framework that is strategic in its focus and outlook. The continental initiative is a direct response to the gaps, challenges and needs identified across four key target sectors: energy, transport, water and information and communication technology. The approach is a measured one organized so that options are presented for the short and medium term (through 2020 and 2030) but with a long-term view for additional projects to meet demand through 2040.

The Priority Action Plan (PAP) is the project and programme list for short- and medium-term implementation and details the immediate way forward by presenting actionable projects and programmes that promote sound regional integration between 2012 and 2020. During 2014, challenges that impede the accelerated implementation of projects were identified and documented for remedial action. In particular, at the Dakar Financing Summit in June, 2014, among the key challenges that were recognized and discussed for solutions included: the lack of capacity for early stage project preparation; the need to strengthen engagement of the private sector in priority infrastructure projects across Africa; the need to create a robust enabling legal, policy and regulatory environment to enhance transboundary infrastructure project bankability and investment and, the lack of finance for project development.

While we should be sensitive to the lack of resources among partner countries, it is important to recognize that funding is not the primary impediment to implementation. A lack of bankable projects is an ongoing challenge, but certainly not insurmountable. We need to invest in capacity. In the reporting period, complementary instruments have been developed to build the necessary capacity for early-stage project preparation, while the Africa50 Fund has been developed to finance the implementation

of PIDA and other regional infrastructure projects. There have been some gains through the Regional Economic Communities in providing the enabling environment for project implementation, through harmonised policies and regulatory frameworks.

As 2015 draws to an end, it is imperative that we undertake a clear assessment of the progress achieved as well as the challenges that lay ahead. The year 2020 is fast approaching. This report seeks to present the gains that have been made thus far in the implementation of PIDA, as well as to present a candid review of the challenges and lessons learnt to ensure accelerated implementation. In doing so, the report presents interventions undertaken to facilitate PIDA's implementation in Volume 1, while Volume 2 focuses on a selection of PIDA projects, for which data is available, sharing update on the infrastructure projects. A steady flow of verified and reliable data on project progress is a function of good reporting, and although we have made some steps towards establishing consistent information sharing and mechanisms to support this, there still remains much more to be done.

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Résumé

A travers la coordination de la Commission de l'Union africaine, de l'Agence de coordination et de planification du NEPAD, de la Banque africaine de développement, de la Commission économique des Nations Unies pour l'Afrique et des communautés économiques régionales, la planification stratégique complexe de long terme du PIDA pour l'infrastructure régionale de l'Afrique (2012-40) a été menée en coopération avec toutes les parties prenantes africaines. Le cadre d'action résultant du PIDA est une réponse directe aux lacunes, aux défis et aux besoins identifiés dans quatre secteurs clés cibles : l'énergie, les transports, l'eau et les TIC, organisés de sorte que les options sont présentées pour le court et le moyen terme (jusqu'en 2020 et 2030), mais avec une vision à long terme pour des projets supplémentaires afin de satisfaire la demande jusqu'en 2040.

Le Plan d'action prioritaire (PAP), constitué de la liste des programmes et des projets mis en œuvre à court et moyen terme, est le cœur du Programme du PIDA. Fondé sur l'appropriation africaine, le PAP détaille la marche à suivre en présentant des projets et des programmes réalisables qui favorisent l'intégration régionale entre 2012 et 2020. Néanmoins, comme indiqué dans le courant de l'année 2014, les défis qui entravent les progrès pour la mise en œuvre accélérée ont été identifiés et documentés pour déterminer les actions futures.

En particulier, lors du Sommet de financement de Dakar en juin 2014, parmi les défis ont été identifiés et examinés : le manque de capacités pour la préparation de projets au stade précoce; la nécessité de renforcer l'engagement du secteur privé dans des projets d'infrastructure prioritaires à travers toute l'Afrique; la nécessité de créer une capacité juridique, politique et réglementaire solides pour améliorer les infrastructures transfrontalières et la bancabilité du projet et de l'investissement, et le manque de financements pour le développement de projets. Sur la période considérée, des progrès ont été faits pour répondre directement aux obstacles immédiats identifiés lors du Sommet de Dakar.

Pour relever les défis relatifs au manque de capacité pour des projets au stade précoce, le mécanisme de prestation de services du PIDA a été mis en place. Le « PIDA MPS » est destiné à acheter de la capacité ; par conséquent, il ne remplace ni ne réplique les fonctions d'autres PPF, mais les complète, en particulier le NEPAD

IPPF. Le mécanisme de prestation de services du PIDA consiste notamment à maintenir une base de données de consultants internationaux de haut niveau, étant donné que la préparation de projets d'infrastructures transfrontalières en Afrique est très complexe. Bien qu'un montant initial de 500 000 dollars US ait été investi par l'Agence du NEPAD pour mettre en place ce mécanisme, la participation et la collaboration des intervenants du PIDA seront nécessaire pour assurer la durabilité de ce mécanisme.

Les efforts visant à renforcer l'engagement du secteur privé dans les projets prioritaires en Afrique ont été encourageants. Il faut noter que le Continental Business Network (CBN) est un résultat direct du Sommet de financement de Dakar sur l'infrastructure et le développement de l'Afrique, organisé par le Président sénégalais Macky Sall, président des chefs d'État et du Comité d'Orientation (HSGOC) du NEPAD. Le CBN agit comme une plate-forme exclusive de conseil en infrastructure pour les dirigeants africains, fournit un leadership et un engagement fort sur un éventail de questions stratégiques comme les politiques, l'évaluation du risque de placement, la structuration de projets et en particulier les contraintes existantes à la mise en œuvre des projets du PIDA.

L'Initiative de l'infrastructure stratégique africaine (ASII) représente un autre jalon pour engager l'intérêt du secteur privé, initié lors du Forum économique mondial pour l'Afrique (WEF) à Addis-Abeba, en mai 2012. Cette initiative a été menée par le WEF en partenariat avec la Banque africaine de développement et été soutenu et guidé par la Commission de l'Union africaine et l'Agence du NEPAD - les agences globales de coordination pour la mise en œuvre du PAP-PIDA. Sous l'ASII, l'un des projets du PIDA, le Projet de Corridor central, était le pilote pour une méthodologie spécifique d'élaboration des projets en préparation de l'accélération de projets utilisant les perspectives du secteur privé. D'autres résultats de l'initiative ASII et du projet pilote du Corridor central comprennent : l'amélioration de la confiance des investisseurs; le marketing et la visibilité du Corridor et de ses projets; une meilleure compréhension par le secteur public des exigences de financement privé; et des relations plus fortes entre public et privé (locales et internationales).

La question du renforcement des cadres politiques, juridiques et réglementaires pour la mise en œuvre des projets d'infrastructure transfrontières est centrale pour la mise en œuvre réussie des projets du PIDA. En 2015, la Commission économique pour l'Afrique (CEA) a commencé une étude détaillée des divers cadres politiques, juridiques et réglementaires relatifs au financement des infrastructures en Afrique comme contribution technique pour l'accélération de la mise en œuvre des 16 projets DFS. Il est prévu que les résultats seront partagés en 2016. Des interventions régionales dans le domaine de l'harmonisation des politiques, des cadres juridiques et réglementaires au niveau des CER ont également été entreprises cette année.

Une des réponses à l'absence de financement pour le développement de projets a inclus la création du Fonds Africa50, qui a tenu sa session constitutive à la fin du mois de juillet à Casablanca, au Maroc, et où 20 pays et la BAD ont souscrit pour un montant total initial de 830 millions de dollars US en capital. Africa50 devrait démarrer le développement et le financement des projets avant la fin de l'année 2015. Les progrès en cours dans le domaine du développement et de financement de projets ont été rapportés par les partenaires du PIDA et par les parties prenantes, y compris les interventions par le biais de la Banque de développement de l'Afrique australe, la BAD et le Consortium pour les infrastructures en Afrique.

Le manque de capacités aux niveaux institutionnel et humains continuent de focaliser l'attention. Bien que des efforts soient déployés pour y faire face comme l'illustrent les interventions menées avec des partenaires comme le JICA (Japon) et la GIZ (Allemagne), davantage doit être fait. Le PIDA Capacity Building Project, financé par la BAD et dont l'objectif est de fournir de l'assistance technique à la Commission de l'UA, la NPCA et les 8 Communautés économiques régionales reconnues par l'UA (COMESA, CAE, SADC, IGAD, CEEAC, CEDEAO, CEN-SAD, UMA) a entrepris en amont un travail de pré-investissement pour accélérer la préparation de projets pour le PAP PIDA afin d'accélérer le financement de ces projets, leur bancabilité et leur mise en œuvre. Son opérationnalisation a commencé en 2015. Cependant, il y a beaucoup à



faire au cours de l'année à venir pour atteindre les objectifs du projet.

Les initiatives spécifiques au secteur nouvellement lancé comme la Africa Power Vision - un plan de long terme pour accroître l'accès à une énergie fiable et abordable en utilisant les ressources énergétiques diversifiées de l'Afrique d'une manière cohérente et équilibrée - vise à conduire rapidement et à accélérer la mise en œuvre de projets d'énergie critiques en Afrique sous l'égide du PIDA, en accord avec l'Agenda 2063.

Liée au renforcement de l'engagement politique et à la défense des projets du PIDA, l'Initiative PICI a démontré les progrès à accomplir dans ce domaine, avec l'exemple de l'achèvement par la CAE de l'initiative régionale de fibre optique, sous le leadership stratégique de Son Excellence le Président du Rwanda Paul Kagame. Le projet, mis en œuvre par chaque pays, mais avec l'objectif de connecter les cinq capitales de la région a été achevé en 2013. Les cinq pays sont désormais interconnectés.

Le suivi et l'évaluation pour le PIDA a enregistré quelques progrès, notamment avec l'achèvement d'un projet cadre de suivi et d'évaluation du PIDA. Les indicateurs proposés pour suivre les progrès dans les étapes de mise en œuvre du projet ainsi que le deuxième rapport de progrès dans la mise en œuvre du PIDA 2015 ont été publiés. En outre, grâce à l'appui du suivi-évaluation du PIDA, le développement de la base de données de l'infrastructure en Afrique (AID) et la base de données communes sur l'architecture contenant des informations régionales sur les projets d'infrastructures pour l'Afrique et le Centre d'information PIDA sur le Web (VPIC), lié à la base de données, ont marqué une étape importante. Mais il reste des améliorations à faire dans le système de gestion de l'information, dans le cadre de suivi-évaluation ainsi que dans les efforts concertés pour renforcer les capacités des CER et des agences nationales de mise en œuvre pour la maîtrise de ces outils. Des améliorations dans la mesure des progrès du PIDA, grâce à la coordination et à un leadership efficace, continuent d'être réalisés, y compris en termes de renforcement des partenariats et de collaboration entre les parties prenantes.

Ce rapport vise donc à présenter les progrès qui ont été réalisés

jusqu'à présent dans la mise en œuvre du PIDA. Il vise aussi à présenter un examen sincère des défis et des leçons apprises afin d'assurer la mise en œuvre accélérée. Ce faisant, le rapport présente les interventions menées pour faciliter la mise en œuvre de PIDA dans le premier volume, tandis que le deuxième volume porte sur une sélection de projets du PIDA, pour lesquels des données sont disponibles et le partage d'une mise à jour sur les projets d'infrastructures. Un flux constant de données vérifiées et fiables sur l'avancement de projets dépend de la qualité des rapports, et même si nous avons fait quelques pas vers l'établissement de mécanismes de partage pour soutenir la cohérence de cette information, il reste encore beaucoup à faire.





Executive Summary

Through the coordination of the African Union Commission, NEPAD Planning and Coordinating Agency, the African Development Bank, United Nations Economic Commission for Africa and the Regional Economic Communities, PIDA's complex and long-term strategic planning for Africa's regional infrastructure (2012–40) has been conducted in cooperation with all African stakeholders. The resulting framework of PIDA is a direct response to the gaps, challenges and needs identified across four key target sectors: energy, transport, water and ICT, organized so that options are presented for the short and medium term (through 2020 and 2030) but with a long-term view for additional projects to meet demand through 2040.

The Priority Action Plan (PAP) thus, is the Project and Programme list for short- and medium-term implementation, the heart of PIDA. The PIDA Priority Action Plan based on African ownership details the immediate way forward by presenting actionable projects and programmes that promote sound regional integration between 2012 and 2020. Nevertheless, as reported during 2014, challenges that impede the accelerated implementation progress have been identified and documented for action.

In particular at the Dakar Financing Summit in June, 2014, among the key challenges that were recognized and discussed for solutions included: the lack of capacity for early stage project preparation; the need to strengthen engagement of the private sector in priority infrastructure projects across Africa; the need to create a robust enabling legal, policy and regulatory environment to enhance transboundary infrastructure project bankability and investment and, the lack of finance for project development. In the reporting period, progress has been made to respond directly to the immediate obstacles identified at the DFS which curtail accelerated implementation of PIDA.

To address challenges in capacity for early stage project preparation, the PIDA Service Delivery Mechanism has been set up. The PIDA SDM is intended to purchase capacity hence it does not replace or replicate the functions of other PPFs, but complements them, especially, the NEPAD IPPF. The PIDA Service Delivery Mechanism will maintain a database of highly qualified and experienced quality assured, international consultants, given that the preparation of cross border infrastructure in Africa is highly complex. Although an initial amount of US\$ 500,000.00 has been invested by NPCA to set

up the mechanism, there will be a need for participation and collaboration from PIDA stakeholders for sustainability of the PIDA SDM.

Efforts to strengthen private sector engagement in priority projects in Africa has been encouraging. Of note is the Continental Business Network (CBN) which is a direct outcome of the Dakar Financing Summit on Africa's Infrastructure Development, hosted by Senegal's President Macky Sall, Chairperson of the NEPAD Heads of State and Orientation Committee (HSGOC). The CBN acts as an exclusive Infrastructure Investment Advisory platform for African leaders, providing thought leadership and engagement on a range of strategic issues like policy, investment risk rating(s), project structuring and specifically the existing constraints to the implementation of the PIDA projects.

The African Strategic Infrastructure Initiative (ASII) is also a milestone reached for engaging private sector interest, initiated at the World Economic Forum (WEF) in Africa in Addis Ababa, in May 2012. This initiative was led by the WEF in partnership with the African Development Bank, and supported and guided by the African Union Commission and the NEPAD Agency - the overall coordinating agencies for the implementation of the PIDA PAP. Under the ASII one of the PIDA projects, the Central Corridor Project was the pilot for a specific methodology to package projects in preparation of project acceleration using private sector perspectives. Additional outcomes of the ASII initiative and pilot of the Central Corridor Project include: enhanced investor confidence; increased marketing and visibility of the corridor potential and its projects; improved public sector understanding of private finance requirements; enabled agencies (through hands-on training and capacity building); and overall stronger public-private relationships (local and international).

The issue of enhancing policy, legal and regulatory frameworks for transboundary infrastructure project implementation is central for successful implementation of PIDA projects. The Economic Commission for Africa (ECA) in 2015 commenced a detailed study into the various policy, legal and regulatory frameworks pertaining

to infrastructure financing in Africa as a technical input into accelerating implementation of DFS 16 projects. Findings are set to be shared in 2016. Regional interventions the area of harmonizing policies, legal and regulatory frameworks at REC level have also been undertaken this year, further complimenting overall work in creating and an enabling environment for PIDA.

A response to the lack of finance for project development has included the creation of Africa50 fund, which held its constitutive session at the end of July in Casablanca, Morocco, on 20 July 2015, and where 20 countries and AfDB have subscribed for an initial aggregate amount of US\$ 830 million in share capital. Africa50 expects to start developing and financing projects before the end of 2015. Ongoing progress in the area of project development and finance has been reported by PIDA partners and stakeholders including interventions through the Development Bank of Southern Africa, AfDB and the Infrastructure Consortium of Africa.

Lack of capacity at both institutional and human levels continues to require attention. Although there are efforts being made to address illustrated by interventions undertaken with partners JICA and GIZ, more will need to be done. The PIDA Capacity Building Project funding by the AfDB whose objective is to provide technical assistance support to the AUC, NPCA and the 8 AU recognized RECs (COMESA, EAC, SADC, IGAD, ECCAS, ECOWAS, CEN-SAD, UMA) to undertake upstream pre-investment work to accelerate project preparation for the PIDA PAP in order to move these projects to bankability financing and implementation, commenced operationalization during 2015 however, there is much to be accomplished in the next year to reach the objectives of the project.

Newly launched sector specific initiatives such as the Africa Power Vision - a long-term plan for increasing access to reliable and affordable energy by using Africa's diversified energy resources in a coherent and well balanced manner aims to drive and rapidly accelerate the implementation of critical energy projects in Africa under PIDA, consistent with Agenda 2063.

Related to enhancing political engagement and



championing for PIDA projects, the PICI Initiative demonstrated gains to be made in this area, with the example of the completion in the EAC of the regional optic fibre initiative, under the strategic leadership and advocacy by His Excellency President Paul Kagame of Rwanda. The project, implemented by each individual country, but with the objective to connect all the 5 Capital Cities was completed in 2013. All the 5 countries are now interconnected.

Monitoring and evaluation (M&E) for PIDA has recorded some progress, in particular with the completion of a draft PIDA Monitoring and Evaluation Framework and proposed indicators for monitoring progress in the outlined stages of project implementation as well as the publication of the second PIDA Implementation Progress Report for 2015. In addition, in support of PIDA M&E the development of the Africa Infrastructure Database (AID) as the one common database architecture containing regional infrastructure project information for Africa and PIDA and the web-based Virtual PIDA Information Centre (VPIC) linked to the database has marked an important milestone, however there are improvements that remain to be made in the information management system, in the M&E Framework as a well as concerted drive for capacitating RECs and national implementing agencies in the proficiency of these tools. Improvements in enhancing PIDA progress through effective coordination and leadership continues to be made, including strengthening partnerships and collaboration among stakeholders.

This Report therefore seeks to present the gains that have been made thus far in the implementation of PIDA, as well as to present a candid review of the challenges and lessons learnt to ensure accelerated implementation. In doing so the report presents interventions undertaken to facilitate PIDA's implementation in Volume 1, while Volume 2 focuses on a selection of PIDA projects, for which data is available, sharing an update on the infrastructure projects. A steady flow of verified and reliable data on project progress is a function of good reporting, and although we have made some steps towards establishing consistent information sharing and mechanisms to support this, there still remains much more to be done.

Introduction

The Programme for Infrastructure Development in Africa (PIDA) is an African Union Commission (AUC) initiative, in partnership with the NEPAD Agency, the AFDB and the ECA.

PIDA was approved by the AU Assembly (Assembly/AU/Decl.2 (XVIII)) during the eighteenth ordinary session of the African Union (AU) held in Addis Ababa, Ethiopia from 29th – 30th January 2012.

The PIDA Priority Action Plan (PIDA-PAP) comprises 51 programmes decomposed into about 400 projects covering transport, energy, information and communication technology (ICT) and transboundary water sectors. PIDA will allow countries to meet forecast demand for infrastructure services and boost competitiveness by:

- (i) Increasing efficiencies;
- (ii) Accelerating growth;
- (iii) Facilitating integration in the world economy;
- (iv) Improving living standards and;
- (v) Unleashing intra-African trade.

In order to realize the goals of the PIDA PAP with its implementation horizon of 2012-2020, the imperatives to accelerate implementation are more pressing than ever.

As documented in the African Development Report 2014 although Africa's infrastructure is improving it is doing so from a low base. As yet an effective model for infrastructure development based on multimodal private public partnerships, prevalent elsewhere has not been definitively determined for the continent and needs to be established. Nonetheless, the case for a regional approach to infrastructure development in Africa, particularly in the sectors of energy, water, transport, and information and communication technology remains strong. Not only must African countries be better linked through roads, railways, ICT, power infrastructure networks, and ports and harbors, but the issue of inclusivity needs to remain on the agenda. However, not all infrastructure development is inclusive. As documented, infrastructure facilitates inclusive growth only when it supports productive employment, poverty alleviation and the reduction of inequality. Further close to 25 % of African countries are landlocked, with relatively high costs for doing business.

Well-conceived regional infrastructure can, therefore, help integrate marginalized populations and broaden the scope for their economic participation.

This document is the second PIDA Implementation Progress Report comprising Volume I and Volume II, compiled with the purpose of informing and updating PIDA stakeholders on the work carried out in 2014/2015 to facilitate the implementation of infrastructure projects in PIDA PAP as well to update on the evolution of the PIDA PAP projects. It also aims to outline next steps and recommendations for consideration.

Thus Volume 1 reports on the various initiatives undertaken to progress the PIDA programme, as well as create an enabling environment for infrastructure implementation while Volume 2 will outline the progress on selected physical infrastructure and ICT projects for which data has been made available.

Section I

Initiatives aimed at greater facilitation of PIDA

During 2014/2015, some progress has been achieved under PIDA towards the goal of implementing the Priority Action Plan (PIDA PAP) to 2020. The various interventions have focused on responding to key identified challenges to accelerating the implementation of PIDA, reinforcing enabling and success factors and strengthening coordination and engagement among stakeholders. Updates on related projects and activities are also reported on.

Update On Key Challenges Identified At Dakar Financing Summit (DFS).

The Dakar Financing Summit, held in June 2014 in Senegal identified the below challenges among others:

1. the lack of capacity for early stage project preparations;
2. the need to strengthen engagement of the private sector in priority infrastructure projects across Africa;
3. the need to create a robust enabling legal, policy and regulatory environment to enhance transboundary infrastructure project bankability and investment and
4. the lack of finance for project development.

Since then there has been progress made to address these specific obstacles by developing targeted responses and mechanisms.

1. Addressing lack of capacity for early stage project preparation.

PIDA Service Delivery Mechanism (SDM)

In order to innovatively respond to the challenges of early stage project preparation for the majority of PIDA projects, the NEPAD Agency convened a meeting on 25th November 2014, in Cape Town with stakeholders to discuss the conceptualization of this mechanism including modalities. The PIDA SDM is a pool of resources used to procure high-quality expertise, to provide



project preparation, origination and enabling environment advisory services - for national lead agencies and RECs - involved in the implementation of the PIDA-PAP projects, in order to get projects ready for feasibility studies. The mechanism is a key response to the capacity constraints identified by the DFS as articulated in the Dakar Agenda for Action. It is a key instrument to give momentum to PIDA-PAP projects to be tunneled through the project preparation cycle.

The PIDA SDM is intended to purchase capacity hence it does not replace or replicate the functions of other PPFs, but complements them, especially, the NEPAD IPPF. The PIDA SDM will maintain a database of highly qualified and experienced quality assured, international consultants, given that the preparation of cross border infrastructure in Africa is highly complex. These include specialized infrastructure engineers, economists and experts in finance, legal, environment, and environmental health issues. Consultants will be contracted on framework contracts (or standing offer arrangements) and will be available for deployment within three weeks of notification.

The PIDA SDM will have quality assurance processes for all technical assistance activities through a peer review framework and a stringent review of work output, which provides both qualitative and quantitative assessments of performance. Following input and development into the concept, the PIDA Steering Committee Meeting of March 2015 was presented with a refined strategy document for endorsement.

The recruitment of PIDA SDM Project Manager was finalized this year, to oversee its day to day operations. NEPAD has earmarked US\$ 500,000.00 of its own resources as seed funding to the PIDA SDM, to demonstrate that the AU Commission and NEPAD Agency are taking ownership of the mechanism. In addition, key partners have shown interest in providing seed funding towards the PIDA SDM.

In this regard, the AUC and NEPAD Agency are seeking further support from partners who share the AU vision of a prosperous and integrated Africa as envisaged under Agenda 2063, regional infrastructure development strategy of PIDA, and its priority action plan.

So far, the Abidjan-Lagos Coastal Corridor is the first pilot project of the PIDA SDM. Submitted offers received in from consultants to undertake project preparation assignments are currently being evaluated by AUC, NPCA, ECOWAS and GIZ. Selected consultants are expected to start working at the end of 2015. Assignments include: consultant services for early-stage project preparation, namely technical advisory; scoping study; financial advisory; financial market briefs and analyses; marketing of project and communications; and legal and institutional advisory services to set up a multi-county project management unit.

2. Strengthening private sector engagement in priority infrastructure projects across Africa

▪ Africa Strategic Infrastructure Initiative (ASII)/ Business Working Group

The African Strategic Infrastructure Initiative was initiated at the World Economic Forum, Africa in Addis Ababa, in May 2012, led by the WEF in partnership with the AFDB, and supported and guided by the AUC and the NEPAD Agency - the overall coordinating agencies for the implementation of the PIDA PAP.

The Initiative aims to:

- Help the public sector benefit from objective, transparent and informed input from the private sector to prioritize and systematically select projects for acceleration from PIDA, including a pilot project
- Develop innovative ideas and informative publications on project acceleration (including enablement and capacity building), transnational infrastructure programme management and early stage project financing to improve infrastructure delivery in Africa.

Ultimately, it will provide a model to be replicated across Africa, creating an enabling environment for private sector involvement in infrastructure development, with a core focus on accelerating the implementation of the PIDA-PAP.



The Initiative has been structured into two phases, with the first focusing on “Project Prioritisation and Pilot Selection”. Phase I therefore focused on groundwork fostering strong relationships between the public and private sectors to ensure the future success of the Initiative. Key outcomes of Phase I included the formation of the Business Working Group (BWG), and four modules. Phase II focuses on “Pilot Project Acceleration”.

To ensure a coordinated business voice to review, prioritize and accelerate the PIDA programmes, a Business Working Group (BWG) for the Initiative was established. Currently the BWG consists of more than 40 institutions. The CEO of the Development Bank of Southern Africa (DBSA) Patrick Dlamini and CEO of General Electric Africa (GE) Jay Ireland, act as co-chairs to the Initiative, and The Boston Consulting Group serves as the project adviser.

The BWG was recognized and endorsed at the 20th Assembly of the African Union Heads of State in January 2013. It draws on Forum Partners in the infrastructure and urban development industries, on multilateral and regional development banks, and other relevant industry sector experts. The BWG during 2015 held regular meetings to guide the initiative and enable the public sector to benefit from objective, transparent and informed input from the private sector.

Following the selection of the Central Corridor Programme as the pilot PIDA project for acceleration during Phase II of the initiative in June 2014, there has been strong collaboration between the WEF, NPCA, AUC and AfDB as well as private sector inputs on a range of programme design issues. Strong partnership with local agencies including CCTTFA, TPA, Uganda Investment Authority, and institutions such as the Roads Agency Holding Company, (Tanzania) yielded major milestones of the process including the development of a plan to gather omitted project data, to standardize project fiches and to consolidate more than 121 sub-project within the Central Corridor countries and sectors.

In Phase II of the initiative key outcomes include a consolidated data book of the

High Level Political Engagement and Ownership

With the aim of providing a high level forum as a platform to consider the 23 projects reports under the Central Corridor Infrastructure development acceleration process and to provide political direction and sustainability for the initiative, at the invitation of H.E Dr. Jakaya Kikwete, President of the United Republic of Tanzania; H.E. Yoweri Kaguta Museveni, President of the Republic of Uganda; H.E Pierre Nkurunziza, President of the Republic of Burundi; Hon. James Musoni, Minister of Infrastructure, Representing H.E Paul Kagame, President of the Republic of Rwanda; Hon. Justin Kalumba Mwana Ngongo, Minister for Transport and Communication Ways Representing H.E Joseph Kabila Kabange, President of the Democratic Republic of Congo (DRC), the 1st Central Corridor Infrastructure Development Acceleration Process on Transnational Projects - Presidential Round Table was held on 25th March, 2015, in Dar es Salaam, Tanzania. The High Level Industry and Investor Forum was held on 26 March 2015 in Dar es Salaam, Tanzania, focused on the Central Corridor to showcase the projects to the private sector, following dedicated collaboration between DBSA, WEF, NPCA and AfDB in collaboration with CCTTFA along with a dedicated Regional Task Force Group working to identify the projects, prioritize, prepare and package them for this forum.

120+ Central Corridor sub-projects; a staged road map for the implementation of the corridor projects; 18 shortlisted projects for immediate consideration as cornerstones of the corridor; and the idea to develop a value (rather than an extraction) corridor. As the assessment continued, the final list of projects ended up to be 23 projects in total. Not all stage 1 projects have private sector potential as stand-alone projects but comprehensively provide the cornerstones of the corridor.

Additional outcomes of the ASII initiative and pilot of the Central Corridor Project include enhanced investor confidence; increased marketing and visibility of the corridor potential and its projects; improved public sector understanding of private finance requirements; enabled agencies (through hands-on training and capacity building); and overall stronger public-private relationships (local and international). The Initiative has also facilitated the mobilization of much needed technical resources from BWG members, sponsored by the DBSA including a technical advisor, to complete required project packaging exercises of the Stage 1 projects in preparation for their showcasing and market sounding which was undertaken during the Presidential Roundtable and Central Corridor Industry and Investors' Forum in March 2015 in Dar Es Salaam, Tanzania. The shortlisted projects were packaged and presented at the presidential roundtable and the investor's forum to an audience of about 250 stakeholders. The booklet presenting the projects and the full document describing the PIDA programme were distributed to all stakeholders at the conference and are still being distributed by the Central Corridor TTFA. Other partners that collaborated in the WEF ASII include the ICA Secretariat in supporting the conclusion of the pilot framework application for the Central Corridor and the showcasing of projects at the Forum. In addition, the EAC also assisted the TTFA in organizing the forum. In June 2015, the ASII BWG Secretariat was transitioned to be located at the NEPAD Agency. The next PIDA project Corridors targeted for acceleration using this methodology will be the Beira - Nacala Multi-modal Corridor in the SADC region, the North South Corridor and the West Africa Corridor (Hub Ports and Rail Programme) in the ECOWAS region.

▪ **The PIDA Continental Business Network (CBN)**

Progress has been made towards engaging the private sector in implementing PIDA projects including the mobilization of resources.

On the 1st of June 2015, in Cape Town, South Africa, the NEPAD Agency launched the Continental Business Network (CBN) as a high-level platform for private sector involvement in the PIDA projects. The launch event supported by GIZ, brought together more than 40 top global and African CEOs to make a concrete commitment toward the development of Africa's regional infrastructure. They identified the CBN as an African-led movement to fast-track high-level private sector investment into Africa's regional infrastructure.

The CBN is a direct outcome of the DFS held in 2014 in Dakar. It acts as an exclusive Infrastructure investment advisory platform for African leaders, providing thought leadership and engagement on a range of strategic issues like policy, investment risk rating(s), project structuring and specifically the existing constraints to the implementation of the PIDA projects. The CBN serves as the highest level platform for private sector involvement in the PIDA projects. The network will comprise leading African and global business and finance bodies as well as regional and international organizations. Its main aim is to facilitate private sector advice and leadership in priority continent-wide infrastructure projects. The CBN therefore aims to crowd-in financing and support for infrastructure projects by creating a platform for collaboration between the public and private sectors.

Prior to the launch, a consistent framework of the network has been developed describing the rational, functioning and the management structure of the CBN. Private sector executives delivered a joint Communiqué at the CBN launch to African policy makers. The Communiqué highlighted the private sector's priority issues for further dialogue with Heads of State, particularly regarding business' proposed partnerships in support of PIDA specifically, and regional infrastructure investments in Africa more generally.



Ownership of the CBN belongs to the private sector, and in this respect private sector actors reaffirmed their will to take on this ownership in the Communiqué by defining the eight key objectives of the CBN in line with the NEPAD spirit of African transformation in a public private partnership perspective.

Most importantly in the Communiqué the private sector executives proposed a roadmap for the CBN focused on these five initial priority themes:

1. Mobilizing public sector support & private sector engagement for Early Stage PIDA Project Development
2. Project Structuring, Finance, and Operation
3. Managing project investment risks
4. Fast-Tracking and incentivizing Private Sector procurement
5. Developing a practical and effective working relationship with African Heads of State and Government

From 13 to 15 of July 2015 NPCA as key continental stakeholders, attended the Third International Conference on Financing for Development in Addis Ababa, Ethiopia. A new financing framework is being advanced by UN members as the foundation for the Post-2015 Development Agenda. On 16th October CBN Council was inaugurated during Africa Week at the United Nations in New York USA, on 16 October 2015. During the next NEPAD HSGOC Summit, the CBN roadmap will be presented to the Heads of States within the new development financing frameworks. The CBN executives will also give an update on the activities and actions undertaken by the Network during 2015.

The following are the next steps:

- The CBN secretariat is to be established at NPCA and will leverage the new financing framework advanced by UN member states in Addis Ababa, Ethiopia as the foundation for the Post-2015 Development Agenda
- The NEPAD Agency will formulate a work plan, working with private sector leaders, which will inform the next CBN meeting during the January 2016 Heads of State Summit.
- CBN private sector leaders will advance critical action items at the follow-up roundtable with Heads of State at the Ai – NEPAD – AUC CEO Private Sector Forum during the AU Heads of State Summit in January 2016 in Addis Ababa.

It is envisaged that the Ai-AUC-NEPAD CEO Investment Summit in January 2016 will be an exclusive, high-level gathering of senior business leaders and investors from across Africa and the globe, providing the opportunity for engagement in support of the AUC Agenda 2063, and the agenda of other AU-related units and entities, such as the AU Foundation.

- **Other activities in the region strengthening private sector engagement**

The EAC Secretary General held his annual roundtable meeting with the private sector under the auspices of the East African Business Council during which private sector participation in infrastructure development was high on the agenda.

At SADC, the Secretariat in collaboration with the SADC DFRC PPP Network convened a Public-Private Dialogue in March 2015 where potentially bankable projects were presented to prospective investors, which includes projects under PIDA.

The SADC PPP Network will deal with capacity building for project development and provision of regional PPP advisory services. Related to this, a Regional Framework for PPP Harmonization, Policy Framework and Institutional Arrangements was approved by the region's Ministers of Finance in May 2013. (KPMG was engaged to conduct a PPP scan of the regional infrastructure plan in 2013).

Going forward, a number of projects have been identified with an aim of pushing them to procurement. The projects will use the PPDF to fund complete feasibility studies. The private sector is being approached to fund project preparation and development. Further to this, a Regional DFIs Scan was conducted in 2014 while and Private Public Dialogue Process have been initiated for the region.

3. Creating a robust enabling legal, policy and regulatory environment to enhance transboundary infrastructure project bankability and investment

One of the key impediments identified at the DFS that hamper infrastructure implementation and greater engagement of the private sector is the lack of harmonized

regulatory, policy and legislative frameworks for infrastructure implementation. Notable gains were made in 2015 towards redressing this situation and creating an enabling environment.

- **Study on policy, legal and regulatory frameworks for infrastructure financing.**

The Economic Commission for Africa (ECA) had commissioned a study into the various policy, legal and regulatory frameworks pertaining to infrastructure financing in Africa as a technical input into the DFS. The study gave an in-depth look into the situation in four countries: South Africa, Nigeria, Cote d'Ivoire and Egypt. Among other areas, the study outlined the different regimes (regulatory, legal, etc.) which affect private sector interest and investment in transboundary infrastructure in Africa. In July 2014, about 25 global experts (including lawyers, regulators, investors and fund managers) were convened by ECA to review the technical study and make concrete recommendations on how to respond to critical issues. Some of these issues included the discordance and disharmony in policies, laws and regulations affecting infrastructure financing in Africa, relative to the 51 priority projects of PIDA with particular attention to the 16 DFS projects¹. The recommendation arising from the review was that a common framework should be designed to enhance private sector financing of transboundary infrastructure projects in Africa. Further, in January 2015, the 24th Ordinary Session of the Assembly of the Heads of State of the African Union, in Addis Ababa, took a decision (Assembly/AU/Dec.563 (XXIV) calling on ECA, NEPAD Agency, the RECs and other relevant stakeholders, to propose a regional framework to harmonize policies, laws and regulations pertaining to private sector investment in transboundary infrastructure projects.

¹**Dakar Financing Summit (DFS) 16 Projects:** 1. Ruzizi III Hydropower Project; 2. Dar es Salaam Port Expansion; 3. Serengeti-Nakonde Road (T2); 4. Nigeria-Algeria Gas Pipeline; 5. Modernization of Dakar-Bamako Rail Line; 6. Sambangalou Hydropower Project; 7. Abidjan-Lagos Coastal Corridor; 8. Lusaka-Lilongwe ICT Terrestrial Fibre Optic; 9. Zambia-Tanzania-Kenya Transmission Line; 10. North Africa Transmission Corridor; 11. Abidjan Ouagadougou Road-Rail Projects; 12. Douala Bangui Ndjamenia Corridor Road-Rail Project; 13. Kampala Jinja Road Upgrading; 14. Juba Torit Kapoeta Nadapal Eldoret Road Project; 15. Batoka Gorge Hydropower Project; 16. Brazzaville Kinshasa Road Rail Bridge Project and the Kinshasa Illebo Railways



In May 2015 a two day inception meeting and discussion was held with the Representatives of NPCA, Capacity Development Division (CDD) (ECA); Representatives from RECS (EAC, SADC, COMESA, ECOWAS); legal representatives from private sector groups; members of academia and the Consultant for the study. The meeting convened to move this work further and to discuss the modalities of the study, and study methodology addressing qualitative and quantitative data collection on: The study methodology incorporated a questionnaire and data collection methods focused on: Common and cross cutting legal provisions for harmonization; a specific sector by sector review of the PLR pertinent to the DFS 16 projects and a review of charters and treaties.

The project although regional, will be implemented on a sub-regional basis beginning with a comprehensive mapping of all the laws, policies and regulations pertaining to private sector investment in transboundary infrastructure in the regions.

Specific objectives of the study include:

- To harvest comprehensive data on the available policies, laws and regulations pertaining to private sector financing of transboundary infrastructure;
- To increase understanding on the degree of disharmony of the available policies, laws and regulations on infrastructure financing;
- To accelerate the implementation of Dakar Agenda for Action, and, in particular, private sector investment of the 16 DFS projects.

An initial data collection exercise was undertaken in August 2015. The initial findings of the study will be shared in 2016.

Selected interventions at regional Level

▪ East Africa Region

In the EAC progress was made in support of sector policy review & reforms for regional infrastructure development. The EAC's major objective is harmonization of standards. The EAC has developed the EAC Transport Facilitation Strategy, aimed at harmonizing road sector policies, regulations and standards. A study has also been conducted which has made proposals for harmonized standards. What remains is to conduct sufficient stakeholder

consultations and develop the supporting legal documents to be signed by the countries. Development of harmonized standards will among other things, reduce the cost of road construction and result in more efficient and safe corridors.

In line with the EAC Treaty objectives to harmonize national laws, the EAC has been developing since 2012, regional laws for vehicle load control and One Stop Border Posts (OSBPs). In 2015, the main activities have been the development of regulations to support the two laws. In addition, the EAC is participating in the development of a continental OSBP Source Book, which will be used to support the operations of OSBPs in Africa. Work has also been conducted in developing OSBP Operational Regulations. The main lessons learnt include the need to plan ahead and ensure the enabling support documents for any legislation are prepared in a timely fashion. In addition the need to have regular reviews of existing technical data and update these in line with emerging trends worldwide was reported.

The next steps in the region include planning for the conclusion of legal text for several proposed laws under the EAC Transport Facilitation Strategy. Mass production of the document, for dissemination to stakeholders, has been going on during 2015.

The Central Corridor TTFA in collaboration with the EAC, and other Corridor Institutions and Government sectors were involved in the formulation and development of the East African Community Railway Enhancement Project whose major assignment is to prepare bankable projects for investment and policy related documents to assist in reforming the railway sector in the EAC region. It consists of undertaking prefeasibility of potential links for the EAC rail-network expansion involving 21 links. It also includes a strategic environmental and social impact Assessment and a legal/regulatory harmonization study.

In working to formulate a Regional Railway Regulatory Authority, one of the key deliverables of the project, the emerging lesson learnt was the significant challenges in addressing the issue of financial sustainability of a regulatory authority and ensuring its capacity for enforcement of legal and regulatory regimes.

Next steps at Central Corridor TTFA include developing a Regional Policy on Long Term Performance based Road Maintenance Management. The ToRs will be launched towards the end of 2015.

▪ **West Africa Region**

In this region, the Authority of Heads of State and Government during their February 2012 Summit approved the Supplementary Act relating to the Harmonization of Standards and Procedures for the Control of Dimensions, Weight and Axle Load of Goods Vehicle within ECOWAS Member States. The Act subsequently received the full signature of all Heads of State and Government in June, 2013. A Roadmap with timelines and specific activities for national Governments, private sector, seaports and other stakeholders, was approved by Sector Ministers of Member States and annexed to the Act. Copies of the signed Act were communicated to all Member States in June, 2014 to begin implementation. Full implementation is expected by July, 2015. The Commission intends to liaise closely with development partners to support Member States with Equipment and Policies to help implement the Regional Act harmoniously.



- **Southern Africa Region**

In the Southern Africa region, the SADC Secretariat has a policy and legislative framework and guidelines for PPPs which are spearheaded by the SADC-DFRC-PPP Network, a subsidiarity organization of SADC. The PPP Network also has an ongoing capacity building programme for Member States and their institutions.

- **Ongoing work by stakeholders and partners.**

In 2015, JICA undertook initiatives for sector policy review & reforms concerning regional infrastructure development such as the Project for the Strengthening of Capacity on Roads Maintenance Management through Contracting (Extension) (in collaboration with Ministry of Transport and Infrastructure, Kenya). In terms of support for enabling regulatory approaches/frameworks for infrastructure, JICA provided technical advice on elaborating OSBP regulations and Vehicle Load Control regulations to the EAC.

4. Addressing the lack of finance for project development

- **Africa50**

Africa50 is an innovative vehicle promoted by the African Development Bank and designed to help accelerate infrastructure development in Africa. Africa50 has two main operating windows:

- Project Financing
- Project Development.

While adopting a strong public private sector approach in the development of its business, Africa50 is founded on the highest standards of corporate governance, ethical, financial, environmental and social.

Africa50 held its constitutive session at the end of July in Casablanca, Morocco, on 20 July 2015, where 20 countries and AfDB have subscribed for an initial aggregate amount of US\$ 830 million in share capital. The new and innovative infrastructure investment platform promoted by AfDB has the following founding African countries: Benin, Cameroon,

Congo, Djibouti, Egypt, Gabon, Ghana, Côte d'Ivoire, Madagascar, Malawi, Mali, Mauritania, Morocco, Nigeria, Niger, Senegal, Sierra Leone, Sudan, The Gambia and Togo. While this first closing was available only to African countries, it is anticipated that the second and subsequent closings will be available not only to African countries that are yet to invest in Africa50, but to also non-sovereign investors both in and outside Africa. The second closing is expected before the end of 2015.

During the Constitutive General Meeting, Africa50's founding members signed the articles of incorporation, which enshrine the highest standards of corporate governance. Africa50 is headquartered in Casablanca, Morocco. A headquarters agreement was signed with the Kingdom of Morocco that confers upon Africa50 a range of privileges and immunities similar to those enjoyed by the AfDB. Other decisions taken at the meeting included the appointments of the members of the Boards of Directors of the Project Finance and Project Development vehicles and also the appointment of KPMG as external auditors. The newly elected Boards of Directors met after the Constitutive General Assembly and launched the recruitment of the CEO of Africa50 through an international competitive selection process. In the interim, the Board has appointed Mr. Alassane Ba as the acting CEO, as part of measures to immediately operationalize Africa50.

On 6 October 2015, the Boards of Directors of Africa50 Project Development and Project Finance met on in Abidjan, Côte d'Ivoire and approved appointment of Dr Akinwumi A. Adesina, President of the African Development Bank, as the new Chairperson of both Boards. At the occasion, Dr Adesina pledged to continue to "strengthen the complementary relationship between Africa50 and the African Development Bank in the delivery of infrastructure in Africa, particularly in addressing the most binding constraint, which is the development of bankable projects."²

The Boards discussed the upcoming second financial close for Africa50, which is expected to increase the number of subscribed countries from the current twenty (20) and bring the total subscribed capital to the near-term target of US\$ 1 billion. The Boards also discussed the status

² Source: <http://www.afdb.org/en/news-and-events/article/afdb-president-akinwumi-adesina-appointed-chair-of-africa50-boards-of-directors-14794/> accessed on 03.11.15

of ratification of the Protocol accords by the member countries and the recruitment of the senior management team. Africa50 expects to start developing and financing projects before the end of 2015.

- **Development Bank of Southern Africa (DBSA)**

DBSA is one of the leading development financial institutions on the continent offering an integrated value chain which includes project consulting, project preparation, deal syndication, finance, implementation and maintenance solutions for socio-economic infrastructure developments in (South) Africa. The infrastructure sectors of focus include economic infrastructure such as transportation (i.e. roads, rail, airports, harbours/ports, logistic hubs, pipelines), water and sanitation, energy (generation, transmission and distribution), telecommunications, and infrastructure for oil and gas (liquid fuels).

DBSA has taken a strategic approach in focusing its selection of projects for investments on those projects that are of regional importance, which include all PIDA programmes (corridors) and projects. In 2015 DBSA managed the SADC PPDF and the EU IIPSA funds. Projects selection are still ongoing and a review for projects that falls under the PIDA banner for preparation is also underway. In other activities geared to strengthen PIDA acceleration, DBSA with the IISS had a two day session after the completion of the Central Corridor Investors' forum held in March 2015, with relevant officials on the Central Corridor going through the online platform to raise awareness on key projects whereby CC TIFA participants capacity and awareness was reinforced on key principles of PPP projects as well as their understanding financial models and related assumptions.



Update on Ongoing Projects and Activities to Facilitate PIDA

1. Strengthening political engagement and championing of PIDA projects

Presidential Infrastructure Champions initiative (PICI)

The PICI was born out of a proposal by President Jacob Zuma to accelerate regional infrastructure development enabled through the political championing of projects. This proposal was made during the 23rd HSGOC meeting in Kampala, Uganda, in July 2010. The role of the Champions is to bring visibility, unblock bottlenecks, co-ordinate resource mobilization and ensure project implementation. It presents the opportunity for African Heads of State and Government to be actively involved in the development and implementation of projects. The Initiative recorded notable accomplishments in 2015.

On 15 January 2015 the Technical Task Team for PICI convened at a workshop held at the Department of International Relations and Co-operation (DIRCO), in Pretoria, South Africa, co-hosted by the South African Office of the Presidency and NPCA. The objectives of the technical Task Team workshop is to serve as a platform where all the country focal points and other members of the technical task teams can meet and exchange lessons learnt as well as document progress in order to enhance the implementation of the PICI projects. The Country Focal Points in attendance represented the following countries: Algeria, Egypt, Nigeria, Republic of Congo, Rwanda, Senegal and South Africa. Other members of the Technical Task Team also present were represented by RECs and institutions namely AUC, UNECA, COMESA, in addition to ambassadors from Algeria, Republic of Congo and Egypt.

This event was followed by the PICI Ministerial Working Group Workshop on 16th January 2015 held at the same venue, and hosted and chaired by Minister J Radebe of the Republic of South Africa. The Report of the PICI Technical Task Team (TTT) meeting was adopted and submitted for consideration by His Excellency President Jacob Zuma, of the Republic of South Africa, and Chair of the PICI, for presentation during the HSGOC meeting in Addis Ababa, Ethiopia on 29 January 2015.

In May 2015, the Technical Task team re-convened in Cairo, Egypt and was co-hosted by the Ministry of Water Resources and Irrigation, Egypt and NPCA. This meeting marked the official debut and participation of the Government of Kenya and of His Excellency President Uhuru Kenyatta, of the Republic of Kenya as Champion for the Lamu Port –South Sudan Ethiopia Transport Corridor (LAPSSET) infrastructure project, an additional

PICI Project. The US\$ 24.5 billion Corridor Programme encompasses seven components including three airports, three resort cities, 32 berths at Kenya’s Lamu Port, a railway line, crude oil pipeline, oil refineries, and highways interlinking Kenya, Ethiopia, South Sudan and eventually Uganda. Initially eight projects were identified to be championed by the seven selected Heads of State and Government of Algeria, Republic of Congo, Egypt, Nigeria, Rwanda, Senegal and South Africa. Most of these projects were endorsed at the 16th AU Assembly in January 2011 in Addis Ababa, Ethiopia, while others, such as the LAPSET Corridor Project, later joined the PICI family.

Table 1: The PICI Projects

Project	Champion
Missing Links on the Trans-Sahara Highway*	Algeria: President Bouteflika
Optic Fibre Link between Algeria and Nigeria via Niger*	Algeria: President Bouteflika
Nigeria-Algeria Gas Pipeline Project (Trans-Sahara Gas Pipeline*)	Nigeria: President Muhammadu Buhari
Dakar-Ndjamena-Djibouti Road/Rail Project*	Senegal: President Macky Sall
North-South Corridor Road/Rail Project*	South Africa: President Jacob Zuma
Kinshasa-Brazzaville Bridge Road/Rail Project*	Republic of Congo: Presiden: Denis Sassou Nguesso
Unblocking Political Bottlenecks for ICT Broadband and Optic Fibre Projects Linking Neighboring States	Rwanda: President Paul Kagame
Construction of Navigational Line between Lake Victoria and the Mediterranean Sea	Egypt: President Abdel Fattah el-Sisi,
Lamu Port Southern Sudan-Ethiopia Transport Corridor Project	Kenya: President Uhuru Kenyatta

PIDA Projects

The participants of the Technical Task Team meeting in Cairo included representatives of all the Country Focal Points (all the nine PICI projects) as well as representatives from the AfDB, UNECA and the AUC. Emerging action points included:

- Establishment of the relationship between the PICI projects and other regional and continental projects and programs and how to ensure coherence and effective coordination;
- Development of concrete recommendations that will ensure the effective coordination and implementation of all the PICI projects (see Section II);
- Review and improvement of the existing reporting relationships and coordination of the overall PICI and
- Report on the future activities of the NEPAD Agency as part of the PICI secretariat



On the way forward, a decision was taken to regularize the hosting of the PICI Ministerial Meetings by holding them in the preceding May and November of the HSGOC Summits that are held biannually on the eve of the AU Summits. It was also accepted to form an ad-hoc Ministerial Committee of the Working Group to help resolve issues between footprint countries where such political intervention is required.

The publication '*Presidential Infrastructure Champion Initiative: Connecting Africa through Political Leadership*', capturing the progress on the initiative to date was presented to the HSGOC in June 2015.

Other Initiatives Building on Political Engagement

In the EAC region, the EAC secretariat and World Bank organized two roundtable meetings with Development Partners to mobilize funding for EAC Infrastructure projects among them EAC Heads of State priority projects, EAC Integrated Corridor Development Projects and PIDA projects. The meetings were held in Dar es Salaam on 13th March 2015 and in Paris on 9th June 2015. In addition, at the meeting of the Sectoral Council of Ministers of Transport, Communications and Meteorology convened at the EAC, ongoing work was successfully undertaken towards political support for PIDA PAP projects.

Other activities undertaken in 2015 to build high level political support with favorable impact on PIDA PAP Projects include the bi-lateral meetings convened by JICA with African Finance Ministers on the fringes of the AfDB and IMF/World Bank annual meetings.

2. Consolidating and Building Strategic Partnerships

▪ Infrastructure Consortium for Africa ICA

The Infrastructure Consortium for Africa (ICA) although not a financing agency, acts as a platform to catalyze donor and private sector financing of infrastructure projects and programmes in Africa.

In December 2014, the 10th Annual Meeting of the Infrastructure Consortium for Africa (ICA) jointly organized by AfDB and the Republic of South Africa, took place in Cape

Town, South Africa. The African Stakeholders meeting convened to harmonize views and build consensus on issues related to the development of infrastructure in Africa with a focus on the theme: "Effective Project Preparation for Africa's Infrastructure Development". The ICA and African Stakeholders also discussed approaches to resources mobilization for Africa's infrastructure development agenda. The Secretariat published the PIDA Financial Structuring Plan which was concluded in the 4th Quarter on 2014. The Plan delivers the following four objectives and outcomes:

- A PIDA financial resourcing plan that will assist the Regional Economic Communities (RECs), national governments of member countries and other project sponsors such as power utilities to access finance for the PIDA-PAP;
- Mapping existing and planned key financing vehicles and financing sources (including private and public, international and local sources, regional development banks) in and for each region that could be eligible for the regional PIDA-PAP projects;
- Recommendations of the optimum financing structure(s) for key PIDA-PAP projects for both public and private sector financing arrangements;
- Advice on the various infrastructure financing and regulatory frameworks in existence in the countries where PIDA-PAP projects are to be implemented and recommendations on the optimum enabling environment (legal, financial policy).

The Plan would result in enabling governments, state agencies/utilities and private project sponsors as well as prospective lenders/investors to respond at strategic and at the project level to identify:

- The financing structures/forms which have been applied on trans-national infrastructure investments (in Africa preferably) and their key features in terms of investment volumes, financing sources and the financing capacity of operators; and the structures that should be applied for PIDA PAP
- The challenges (regulatory and/or financing) that arise regarding the financing of such trans-national infrastructure projects

- The key success factors i.e. regulatory measures and financing options/instruments that should be implemented for this comprehensive regional framework for infrastructure projects to achieve regional integration benefits and support.

▪ **EU Africa Partnership for Infrastructure**

On 24 February 2015, the AUC Partner Group Meeting took place and took note of the following action areas among others:

- The need of good governance and well prepared projects;
- The importance of promoting development partners and private sector investment and participation in PIDA PAP Implementation
- The need to have a consortium fund.

The recommendation to concentrate the efforts on project preparation (e.g. through mechanisms such as the PIDA SDM and PPFs) was reiterated. Partners expressed their readiness to accompany the AUC by providing capacity support to attain progress in these areas.

The AUC undertook to organize the 7th meeting of the EU Africa Partnership for Infrastructure and participate at the Reference Group of the EU Africa Infrastructure Partnership meeting taking place on 25 March 2015, in Brussels, Belgium. At this occasion, there was agreement on undertaking some activities and implementing policies such as completion of an HIPA document, as well as studies to be undertaken in the ICT Sector. The setting up of a discussion platform on air transport as well as facilitating collaboration for implementation of projects on research and innovation on road safety and traffic management were also reviewed. Further to this, ensuring that the connection between access to energy in Africa and Water and Agriculture is not overlooked, was an area that was discussed. Regarding Women's Empowerment, the inclusion of this theme and a communication strategy in this priority area was also addressed. The revision and updating of the ToRs of the Reference Group was tabled and discussed at the meeting. There was consensus on implementing the outcomes of the 7th meeting and plans for reporting to the 8th Reference Group meeting of the EU Africa Infrastructure Partnership in 2016.

Projects Preparation Fund Network

- Individual PPFs are too small to finance PIDA Project Preparation on their own therefore cooperation is needed
- On 24 November 2014, a Roundtable of Project Preparation Funds was held in Cape Town discuss the set up and function of a PPF Network
- The PPF Network is set to cooperate and synergize, e.g. put together resources, harmonization of application forms, and other tools.

3. Update on Project Preparation Funds

▪ NEPAD-IPPF

AfDB's financing for PIDA project preparation happens under the NEPAD IPPF.

On 1st and 2nd December 2014, the NEPAD-IPPF 21st Oversight Committee Meeting took place in Cape Town South Africa. One of the objectives of the meeting was to take stock the work of NEPAD-IPPF as well as an opportunity to discuss RECs project preparation needs, and also examine the Fund's achievements and future prospects.

These priorities discussion points included:

- The Fund's cumulative achievements and its current status;
- Progress achieved during the year 2014
- Planned activities for the year 2015;

In addition, the Fund's Financial Statements, the Work Program and Budget was also submitted for consideration to the Oversight Committee. Key observations are that the facility is underfunded and there is still no support from African member countries in terms of financial contribution.

▪ SADC Project Preparation Development Fund (PPDF)

The SADC PPDF with DBSA as the Secretariat, is now operational with Grant funds from KfW (Euro 4.8million) and EU 10th EDF (Euro 11,750 million).

The Facility supports 3 key result areas:

- Project preparation;
- Capacity building;
- and communication and marketing

Project Preparation: The 1st batch of projects to be considered (June-August 2014) numbered 7, out of which 3 are in the PIDA PAP (SADC and COMESA); Mozambique-Zimbabwe-South Africa (MOZISA) Interconnector; Mphanda Nkuwa Interconnector and Phase1 Inga 3 Transmission Line. Grant Financing for MOZISA has now been approved at US\$ 4million and the Grant Recipient and Implementing Agency will be SAPP. Eight more projects have been added to the pipeline during the PPDF Steering Committee meeting in February 2015 and appraisals are on-going – however none of the 8 projects are in the PIDA PAP.

Capacity Building: This result are focuses on development of

human capacity within the region (National & Regional) for the identification, project preparation, evaluation and marketing of economic infrastructure projects. This is to be conducted by the Pan African Capacity Building Programme (DBSA). There are ongoing discussions on the appropriate/relevant courses.

Communication and Marketing Strategy are still under development

4. Capacity Building for PIDA –human & institutional capacity strengthening

▪ The PIDA Capacity Building Project funded by AFDB

In response to the request by the African Union Commission (AUC) for capacity building support for the implementation of PIDA, the AFDB provided a grant of UA5.6 million (US\$ 8.6 million) with UA5 million as an ADF Grant and UA 6 million, from the MIC Technical Assistance Fund for the PIDA Capacity Building Project (PIDA-CAP).

The objective of the project is to provide technical assistance support to the AUC, NPCA and the 8 AU recognized RECs (COMESA, EAC, SADC, IGAD, ECCAS, ECOWAS, CEN-SAD, UMA) to undertake upstream pre-investment work to accelerate project preparation for the PIDA PAP (comprising 51 programmes/projects at an estimated investment cost of US\$ 68billion) in order to move these projects to bankability financing and implementation.

The PIDA CAP comprises four components:

- Component 1: Technical assistance support to NPCA to establish a Project Management Team (PMT) to improve planning, coordination, facilitation and implementation of priority infrastructure programmes, specifically, for the PIDA PAP
- Component 2: Technical assistance support to the AUC to strengthen delivery of integrated communication framework and policy analysis of cross-cutting-issues around PIDA implementation
- Component 3: Technical assistance support to enhance capacity of RECs to work with Regional

Member Countries (RMCs) to diagnose and monitor PIDA implementation bottlenecks and apply remedial actions to accelerate implementation of the PIDA PAP projects and

- Component 4: Project management including monitoring and evaluation (M&E) to ensure effective project delivery and timely monitoring and reporting on project delivery and progress by the NPCA

Under the PIDA CAP, NPCA is responsible for implementing Components 1 and 4, and conducting maintaining project management and oversight of the implementation of Component 3 undertaken by the RECs.

In December 2014, funds were received at NPCA following approval from the Bank of the first disbursement and approval of the procurement plan was also received. During the first semester of 2015, preparation for procurement and recruitment of experts was ongoing, including an appraisal mission to NPCA by the AFDB to review progress and finalize practical project modalities including issue on procurement and recruitment of technical experts.

In quarter three of 2015, progress was made to operationalize the project with a series of intensive work planning sessions jointly held between NPCA, Central Corridor TIFA and RECs (EAC; ECOWAS Secretariat and PPDU; SADC, IGAD and COMESA). The workshops which involved a review of the priority list of projects under PIDA Priority Action Plan, and articulation of focused activities to accelerate infrastructure implementation, was followed by a joint 'kick-off' meeting at Muldersdrift, South Africa in September 2015, regrouping NPCA and AFDB with all the RECs and agencies. At the meeting, representatives from the aforementioned RECs as well from representatives from ECCAS were in attendance, whereby work-plans (2015-2016) were further refined and reviewed for discussion with the AFDB focal point in readiness for roll out. The recruitment of long term technical experts at the RECS as well as technical experts at NPCA under this project was carried out during the third quarter of the year aimed for completion at the end of 2015.



- **Infrastructure Skills for Development Project (IS4D)**

The IS4D pilot project is a joint NPCA / Australian Government project that rolled out the first phase in February 2015 with 38 participants selected from a competitive process. The participants of the project came from 7 different countries namely: DRC, Kenya, Malawi, South Sudan, Tanzania, Uganda, Zambia, and represented 19 different participating agencies, and from three (3) key sectors – energy, rail, and road, from the EAC, COMESA and SADC regions.

At the Twenty Fourth Ordinary Session of the African Union from 30 – 31 January 2015, which took place in Addis Ababa, Ethiopia, the report of the Chairperson of the NEAPD Heads of State and Government Orientation Committee (HSGOC) noted the IS4D, which is designed to enhance the capacity of the RECs and relevant agencies for the implementation of PIDA projects.

Prepared during 2014 the project received funding of A\$ 2.5 million provided by the Australian Department of Foreign Affairs and Trade (DFAT) for design and implementation.

IS4D has two specific development objectives:

- To improve the infrastructure project management skills of participating public sector professionals working on PIDA projects
- To enable the respective Agencies represented working on PIDA program delivery to more effectively implement cross border infrastructure projects.

The Action Learning approach used in the IS4D project aims to facilitate practical learning for individuals combined with peer to peer practitioner networks to foster institutional learning that leads to improved coordination, design and packaging of priority regional public infrastructure projects. All IS4D participants have responsibilities pertaining to the delivery of priority regional projects and each was supported through the program to enhance their skills in complex project management.

²The agencies include: Zambia Electricity Supply Company; Office for the Promotion of Private Power Investment (OPPI); Kenya electricity Transmission Co. (KETRACO); Kenya Power Company (KP); Kenya National Highways Authority (KENHA); Kenya Railways Corporation (KRC); East African Community Secretariat (EAC); Tanzanian Electric Supply Company (TANESCO); Tanzania Ministry of Mines and Energy (MEM)

The three stated objectives of IS4D are:

1. Improved design, packaging and implementation of priority regional public infrastructure projects in partner countries via improvements in key project management skills and capacities among selected public sector professionals;
2. Agencies working on PIDA PAP program delivery implement cross-border infrastructure projects more effectively through peer to peer practitioner networks that foster institutional learning;
3. To generate and document learning on the relevance, efficiency and effectiveness of the IS4D program model (including the action-learning pedagogy) in order to draw lessons that will improve future program delivery.

Following the successful completion of phase 1 in October 2015, and a review workshop held in Johannesburg from 26-30 October 2015, NPCA will complete an independent review of the IS4D action learning approach as a model for capacity building for public sector human resources working on complex regional projects. An evaluation report prepared by DFAT will also be released.

The EAC Secretariat staff have participated since February 2015, in the IS4D project. Four experts from Roads, Railways and Energy sector participated and concluded training in October, 2015. In the EAC region, the target organizations that benefitted from the project are: the EAC Secretariat and Institutions, Government Ministries and Corridor Development Agencies.

Participants that took part in the IS4D from COMESA and SADC have active and direct responsibilities and roles in a cross section of PIDA sub projects including:

- Site management of ZTK and Zambia-Malawi Transmission Line Projects;
- Feasibility & design of ZIZABONA and Mozambique-Zambia Transmission Line projects;
- Oversight of Zambia-Malawi 330KV Transmission Project;
- Technical oversight of Lusaka power network for North-South transmission;
- Project steering committee roles within ZTK Project Management Unit;

Action Learning Model for Capacity Building

The pilot project placed an emphasis on an Action Learning approach whereby participants continued on their jobs working on PIDA and related infrastructure projects with the support of an assigned mentor and a peer Learning Set. In this context practical application of new learning to problem solving on their own work-based project was facilitated. The program is complemented by academic course material delivered via distance learning and other enrichment activities. Six distinct yet complementary learning to allow an overall learning experience that develops both technical and softer project management skills were used:

- *Work-Based Project (WBP): A participant-identified project relevant to PIDA infrastructure priorities to be completed in the workplace over the 9 months*
- *Mentoring: One-to-one relationship with a designated infrastructure specialist*
- *Group Learning Set: Regular peer-to-peer discussions facilitated by the mentor*
- *Experiential Visits: Exposure to a variety of stakeholders and alternative infrastructure models through travel or through immersion in the work place of another organisation*
- *Customised Short-term Training: intensive, short-term skills training in topics of relevance*
- *Project Management Curriculum: Online delivery of up to two project management training modules for which participants will receive Certificates of Attainment when successfully completed*

- Overall management of Malawi-Zambia interconnection project and
- Responsibilities for Feasibility studies for Malawi - Zambia and Malawi-Mozambique Transmission Lines

The next phase of the IS4D project will target strengthening capacity for public service officers in a second set of PIDA projects among which including in the ECOWAS region. Going forward, the IS4D project is geared for a transition to NPCA in order to sustain the momentum of real time support delivered to participants in achieving



management competencies to fast-track the development of large scale infrastructure projects.

Working Towards ensuring National commitment for PIDA Projects

AfDB's processes for project support involves Country Strategy Papers, Country Team portfolios and Regional Infrastructure Masterplans and priorities.

- **African Development Bank**

In addition to the support the AfDB is giving to NPCA and AUC through the PIDA Capacity Building Project, the bank engaged in a range of other interventions for PIDA. There has been on-going support given to PIDA projects in seeking financing options for projects that are at advanced stage of preparation. In this respect the bank originated and was mandated lead arranger for the Batoka Gorge Hydro Power Project and presented recommendations on Structuring Options for the Batoka Gorge Project as well as the Abidjan Lagos Corridor Project. In addition, transaction advisory support is being considered for the Tran Sahara Gas Pipeline Project. Resource Mobilization for PIDA projects continues to be undertaken by the Bank through the ICA. Assistance with institutional reform for agencies involved in PIDA projects was also in given by the bank in particular at ZESCO (formerly known as Zambia Electricity Supply Corporation Limited) including consultations on transaction support, capacity building and financing of outstanding preparation studies for Batoka Gorge; and for NNPC in relation to for the Tran-sahara Gas Pipeline Project

Linked to strengthening institutions, agencies, RECs or national actor capacity to implementing and facilitating PIDA projects, a workshop on Financing Regional Infrastructure co-organized by AfDB's EADI and WAEFIM was held in Dakar, Senegal from 15-17 June 2015, targeting ministries of finance and PPP Offices in West and Central Africa. There are also training workshops planned for ZESCO on power purchase agreement and PPPs.

In support of sector policy review & reforms concerning regional infrastructure development (e.g. PPPs, procurement policies, etc.) the bank is training on Power Purchase Agreements with ALSF and Africa Centre's of Excellence in Energy. AfDB's PPP Hub was set up in three regions – South, West and East Africa, as a means to also strengthen creation, review or design of enabling legislation for infrastructure projects. Based on the

PIDA Financing Study recommendations –work in ongoing for upscaling PIDA Guarantees. In addition, progress on the development of instruments to support infrastructure financing has been recorded including the development of a concept note on PIDA Guarantee instrument to be presented at the next PIDA Steering Committee Meeting.

In other updates in 2015, the AFDB is a new member of the Sustainable Development Investment Partnership Initiative that aims to upscale guarantee instruments for infrastructure and advance investment for infrastructure projects.

▪ **Deutsche Gesellschaft für Internationale –(GIZ) and German Support for PIDA**

Since many years, Germany has supported regional infrastructure development in Africa with its instruments of technical cooperation (through GIZ) and financial cooperation (grants and loans through KfW, in many cases in close cooperation with other PIDA partners).

For instance, since 2013, GIZ is supporting AUC and NPCA with the development and establishment of an online PIDA information portal – the Virtual PIDA Information Centre (VPic) at the address www.au-pida.org. GIZ has also supported the development of an underlying database linked to the portal called the Africa Infrastructure Database (AID). AID contains updated information on regional infrastructure projects in Africa, mainly PIDA projects. In this respect GIZ has provided an Information Management Specialist, to manage VPic and AID technical requirements, who will be located at NPCA by the end of 2015. The manager will collaborate with the M&E specialist at NPCA to enhance VPic's performance needs and ensure updating and completion of data in AID. To this regard GIZ also supports the establishment of a functioning PIDA M&E system which forms the basis for this implementation progress report.

In the area of communications, the creation and founding of the PIDA Journalist Network was supported by GIZ in the reporting year. The Network currently comprises about 15 journalists from all over Africa. In an initial workshop in Accra in May 2015, these journalists were informed about PIDA and current developments. This workshop gave the journalists the opportunity to discuss the socio-economic impact of PIDA on Africa's transformation and to provide thought leadership on informative and creative reporting of PIDA infrastructure. The journalists are also exchanging

PIDA relevant articles and information in using social media, particularly via a Facebook group. The network is managed by two focal points in AUC and NPCA. To ensure sustainability, at least one journalist shall attend large PIDA events (e.g. 13 journalists will cover events at this year's PIDA Week).

Lessons learnt in this endeavour include the importance of one focal person for each component of the communication plan in order to have an efficient and effective management of the project. In addition more effort is needed in marketing PIDA as a brand and raising the profile.

To strengthen capacities at AUC and the NEPAD Agency, GIZ is seconding the following staff to the two institutions:

- PIDA Information Manager at AUC
- PIDA Coordinator at AUC
- PIDA Information Management Specialist at NPCA
- Manager for PIDA SDM at NPCA

Towards strengthening the Institutional Architecture for Infrastructure Development in Africa (IAIDA), GIZ supports the preparation and organization of PIDA Steering Committees in planning and coordination and in also providing technical assistance to AUC and NPCA with respect to PIDA marketing, information, project preparation, and institution building and in Monitoring & Evaluation.

Germany, through the German Federal Ministry for Economic Cooperation and Development (BMZ) and through GIZ, is acting as a key partner for the organization of the first PIDA Week in Abidjan, Cote d'Ivoire scheduled for 13-17th November 2015 including the co-organization of a panel discussion on PIDA's effects on employment creation of Africa's youth).

Furthermore, GIZ advises in the area of increasing private sector involvement in PIDA implementation. To this regard, GIZ for instance supported the launch of the PIDA Continental Business Network in June 2014 to serve as a platform for direct exchange between private and public sector representatives.

In terms of enhancing capacity for early stage project preparation, GIZ supports the ECOWAS Commission with the early-stage preparation of the Abidjan-Lagos-Corridor. The project is the pilot project for the PIDA SDM. The support



comprises a consultancy covering the following components:

- Technical assistance for a scoping study
- Financial assistance to draft project market briefs and financial analyses for project
- Institutional and legal assistance on how to set-up a project management authority for the Abidjan-Lagos-Corridor
- Communications assistance on how to market the corridor.

The tender has been closed and currently the proposals are being evaluated.

The Kreditanstalt für Wiederaufbau (KfW Bank) acts as co-financier for PIDA project preparation. Since 2009 it supports the NEPAD-IPPF, whose Oversight Committee is currently headed by Germany. Furthermore, KfW supports the SADC Project Preparation and Development Facility (Context: PIDA E.02 North-South Power Transmission Corridor). In addition, Germany is engaged in PIDA via direct investment funding and project implementation (for instance support of the West Africa Power Transmission Corridor (PIDA E.08), support of the Hydro Power Plant Ruzizi III (PIDA E.12) and support of the Northern Multimodal Corridor (PIDA T.05) (under preparation). Also, KfW and the German Federal Ministry for Economic Cooperation and Development (BMZ) are both member of the Infrastructure Consortium for Africa (ICA), which has been launched at the G8 Gleneagles Summit in 2005. ICA's role is to encourage, support and promote increased investment in infrastructure in Africa, from both public and private sources. As Chair of the G7, Germany is therefore also supporting the organization of ICA's Annual Meeting 2015 to take place during the PIDA Week in Abidjan.

- **Japan International Cooperation Agency (JICA)**

In 2015, in the EAC Secretariat, JICA undertook a range of capacity building activities through the JICA Advisor of Regional Infrastructure Development, an initiative which has been running from 2014 and will continue to 2017. Specifically the following projects received capacity building and support:

- the Project for Technical Assistance to Kenya Ports Authority on Dongo Kundu Port, Mombasa Master Plan (with the Ministry of Transport and Infrastructure in Kenya, 2014-2015);
- the Project for the Strengthening of Capacity on Roads Maintenance Management through Contracting (Extension) (with the Ministry of Transport and Infrastructure,

Kenya); the Technical Cooperation Project on Capacity Development for International Trade Facilitation in the Eastern African Region (2013-2017); and

- the Technical Cooperation Project for Capacity Development on Sustainable Road Maintenance and Management in Juba (with the Ministry of Transport and Road, Government of Southern Sudan, Ministry of Physical Infrastructure, South Sudan).

JICA also supports the development of the Northern Corridor, with a focus on formulation of master plans along the corridor and developing the Mombasa port, located in its gateway. For the Central Corridor, JICA is conducting a feasibility study in flood countermeasures for the central railway line and is assisting in construction of OSBP facilities at the Rusumo border (between Rwanda and Tanzania) and Namanga (between Kenya and Tanzania). In the region, JICA also supports Geothermal development in the Great Rift Valley.

Other projects undertaken in the region for capacity building include: the Capacity Development Project for Countermeasure Works for Landslide (with the Ethiopian Roads Authority); the Capacity Development Project for Digital Topographic Mapping (with the Ethiopian Mapping Agency (EMA), Ministry of Finance and Economic Development) and the Project for Capacity Development of Efficient Distribution and Transmission Systems (with the Tanzania National Electric Supply Company (TANESCO), Tanzania, (2009-2014).

- In the SADC region; JICA activities focused on capacity building support at the Secretariat that commenced from 2011 and runs until 2014. Specific projects include: Capacity Development for Air Navigation Services (with the Department of Civil Aviation(DCA), Ministry of Transport, Public Works (MoTPW), Malawi);
- the Capacity Building for Bridges Maintenance Project (with Zambia Road Development Agency);the Development of a Geospatial Information Database Project (with the Department of the Surveyor General, Ministry of Lands and Rural Resettlement, Zimbabwe) and
- the Capacity Development of road maintenance in the Republic of Mozambique (with the Ministry of Public Works and Housing, National Road Administration (ANE)).

In addition support was given through the Project for Improvement of Nacala Port (in Mozambique (2012-2015). JICA supports comprehensive development of the Nacala Corridor and surrounding areas. Thus some of the highlights are the projects of the Nacala Port, the roads that extend inland to Malawi, and agriculture development project that aims to unlock the agricultural potential in the area. In the region work was undertaken for the strengthening of Customs Administration and the introduction of OSBPs in Botswana and Namibia.

In West and Central Africa regions, JICA delivered support with provision of an Advisor for Infrastructure Development and Customs at UEMOA present since 2012 and due to continue until 2015. Other specific projects in the region include the Project on capacity development for bridge management (with the Organization for Equipment of Banana-Kinshasa, DRC and the Digital Topographic Mapping Project in Burkina Faso (with the Burkina Geographic Institute, 2012/3-2014/7). In West Africa, JICA supports what it calls "West Africa Growth Ring master plan" that will study the potential along the corridors spanning Cote d'Ivoire, Burkina Faso, Ghana, Togo, and the Lagos-Abidjan corridor. In all of the strategic masterplans, private sector is consulted at every level from conception to completion.

Prior to these interventions, in 2013, TICAD V was held with representatives from 51 African states. The main theme of TICAD V was to promote investment, as well as aid in Africa. At TICAD V, the government of Japan announced that Japan will contribute to African growth through public and private means of 3.2 trillion Japanese Yen (equivalent to US\$ 32 billion), including ODA of around 1.4 trillion Japanese Yen (equivalent to US\$ 14 billion). JICA is increasing its engagement with the private sector in order to fulfil these commitments. One commitment Government of Japan made at the TICAD V is to formulate 10 regional programs, or "Strategic Master Plans," for urban transportation/ infrastructure planning. Strategic Master Plans announced in TICAD V can be considered as regional programs that contributes to private sector-led infrastructure development, provides long term development planning spanning 10 years or more in order to identify development potentials, and is comprehensive, combining various sectors to aim for more synergy. JICA shares study findings with the private sector upstream, in



order to raise private sector interest. So far, eight master plans are under implementation and preparation.

Other key activities undertaken in 2015 include ongoing work by JICA in supporting the revision of OSBP sourcebook in collaboration with ICA and the AfDB.

- **UN Economic Commission for Africa (ECA)**

The ECA has been raising awareness and visibility of PIDA in all its activities related to infrastructure development, including reports and meetings. For instance, PIDA is highlighted in the report on the status of infrastructure development in Africa. PIDA was also highlighted at the Third African Road Safety Conference held in Addis Ababa in July 2015, in the context of the safety of regional transport corridors.

The Capacity Development Division of ECA organized a workshop for experts from member States and RECs on the regulatory and legal frameworks for infrastructure development in Africa, in the context of the Dakar Agenda for Action and regional infrastructure projects in general. A study on the policy, legislative and regulatory approaches to fast-track the implementation of PIDA projects is ongoing (reported above).

5. Sector Specific Initiatives

- **Africa Power Vision**

Following the 23rd African Union Assembly and 31st NEPAD HSGOC - June 2014 - Malabo, Equatorial Guinea, and the decision taken by the HSGOC for endorsement of Africa Power Vision (APV) "From 'Vision to Reality', in January 2015, the NEPAD Agency launched the Africa Power Vision (APV) for the African continent at the 24th AU Summit in held in Addis Ababa, Ethiopia in January. Following this, the Africa Power Vision was also launched in Washington, at the Powering Africa Summit, which brought together US energy officials, their African counterparts, and private companies to discuss how to strengthen Africa's power grids.

Prior to this, through the collaboration of the NPCA, AUC, AfDB, UNECA, Government of Nigeria and USAID the APV Package was finalized identifying the vision pillars and Africa high priority energy programmes/Projects for immediate advancement. The APV package has already been developed with thirteen high priority energy projects identified. This will contribute to the advancement of the high priority energy projects in PIDA and

at national levels ensuring efficient utilizations of renewable energy resources in Africa. NPCA collaborated with USAID to finalize the APV Package, developing the project profiles for the thirteen high priority energy projects.

At the HSGOC in 2015, the CEO of NPCA also highlighted ongoing activities under the partnership with USAID to implement the Power Africa initiative, which aims to add 30,000 MW of additional capacity and providing 60 million household and businesses with energy connections, cleaner electricity generation capacity and increasing electricity access by at least 60 million new household and business connections in all of sub-Saharan Africa. This follows the NEPAD Agency and the U.S. Government's Power Africa initiative signing a Memorandum of Understanding, in September 2014, which laid out their commitment to collaborate with the NEPAD Agency and provide support to the African Power Vision.

Based on PIDA, the APV is a long-term plan for increasing access to reliable and affordable energy by using Africa's diversified energy resources in a coherent and well balanced manner which is consistent with Agenda 2063, Africa's new transformation strategy. APV primarily seeks to drive and rapidly accelerate the implementation of critical energy projects in Africa under PIDA. The 13 priority energy projects outlined in the APV represent a first proposed step in terms of how the agreed upon vision/plan for increasing access to reliable and affordable energy can be implemented. Of the APV projects the following are in PIDA: - Nigeria-Algeria Gas Pipeline; Sambangalou Hydropower Project; Zambia-Tanzania-Kenya Transmission Line (ZTK); Batoka Gorge Hydropower Project; Inga III BC Hydropower Project; Central African Interconnection Transmission Line; West Africa Power Pool – Domunli and Maria Gleta Regional Power Projects and North South Transmission Project.

The NEPAD Agency has received support from Power Africa, in the form of a Transaction Advisor, who joins the agency to assist with moving the priority power projects forward. NEPAD Agency has already started engaging with the stakeholders of the different power projects. The first project to receive assistance is the Suswa Geothermal Power Project in Kenya. NPCA has engaged with the Ministry of Energy and Petroleum (MoEP) of Kenya, as well as the State owned company, the Geothermal Development Company (GDC), who are eager for the support. In the

coming months, NPCA will continue to engage with stakeholders on the other APV projects to establish the type and level of support required. The projects under immediate consideration will be the Inga III hydro project, the ZTK interconnecting transmission line, Batoka Gorge Hydro project and the Boulouvar Wind Project.

6. Enhancing PIDA progress through effective Coordination and Leadership

▪ AU Summit and HSGOC

On 26th January 2015, the NEPAD Steering Committee took place in Addis Ababa ahead of the 24 African Union Assembly. The NEPAD Steering Committee comprising 20 African Heads of States, Regional Economic Communities (REC's) and development partners met to assess progress made in various NEPAD programmes and activities. The meeting took note of progress towards regional integration with the Dakar Financing Summit (DFS) and the Dakar Agenda for Action which came forth from the summit. The committee acknowledged the milestone in identifying 16 bankable infrastructure projects that will address Africa's infrastructure deficit and its function as a leverage to focus political resources on a set of potential PIDA projects.

At the conclusion of the 32nd AU Heads of State and Government Orientation Committee (HSGOC), January in Addis Ababa, Ethiopia which convened to take stock of the implementation of the NPCA, the Implementation Strategy for the Dakar Agenda for Action on Financing Africa's Infrastructure was endorsed. In addition the PIDA SDM geared to support early stage Infrastructure Project Preparation was also endorsed. The Chairperson of the HSGOC His Excellency President Macky Sall of the Republic of Senegal, commended the NEPAD Agency for accelerating the implementation of concrete transformative regional infrastructure projects.

He also took note of the DFS, which his Government hosted in June 2014, as a major moment for the mobilisation of leaders, the private and public sector. He reminded all present that African leaders must remain engaged in PIDA as the programme has reached its second phase of implementation. The HSGOC took note of the role of NEPAD Agency in providing technical support to the



Presidential Infrastructure Championship Initiative (PICI) under the continued strategic guidance of His Excellency President Jacob Zuma of the Republic of South Africa. The HGSOCLauded the achievements made in PICI presented by President Zuma who is the Chair of the presidential Initiative. At this occasion President Zuma gave an update on some of the PICI projects ranging from the North-South Road and Rail Corridor, the Missing links of the Trans-Saharan Highway and the Trans-Saharan Gas Pipeline, which are being championed by African Heads of State to fast-track their implementation.

Box1: Validation of PIDA Acceleration Strategy

- Dakar Financing Summit (DFS) 16 Projects**
1. Ruzizi III Hydropower Project
 2. Dar es Salaam Port Expansion
 3. Serenge-Nakonde Road (T2)
 4. Nigeria-Algeria Gas Pipeline
 5. Modernization of Dakar-Bamako Rail Line
 6. Sambangalou Hydropower Project
 7. Abidjan-Lagos Coastal Corridor
 8. Lusaka-Lilongwe ICT Terrestrial Fibre Optic
 9. Zambia-Tanzania-Kenya Transmission Line
 10. North Africa Transmission Corridor
 11. Abidjan Ouagadougou Road-Rail Projects
 12. Douala Bangui Ndjamena Corridor Road – Rail Project
 13. Kampala Jinja Road Upgrading
 14. Juba Torit Kapoeta Nadapal Eldoret Road Project
 15. Batoka Gorge Hydropower Project
 16. Brazzaville Kinshasa Road Rail Bridge Project and the Kinshasa Illebo Railways

Validation of PIDA Implementation Acceleration Strategy, April 2015, Victoria Falls, Zimbabwe.

Following the Dakar Financing Summit in June 2014, the PIDA Acceleration Strategy articulated in the Dakar Agenda for Action document was drafted in January 2015 to outline the roadmap and next steps, of activities following the summit. The AU Summit of January 2015, endorsed in the context of the Dakar Agenda for Action, the PIDA Implementation Acceleration Strategy (PAS) developed by the NPCA and AUC in conjunction with AfDB, ECA, RECs to implement the Dakar Agenda for Action, focusing on early infrastructure project preparation and increased bankability of the PIDA Priority Action Plan (PAP): 2020 projects.

Following this, the PIDA Acceleration Strategy validation meeting, was organized in April 2015, in Victoria Falls, Zimbabwe by the NEPAD Agency to engage the strategic partners, and the wider PIDA stakeholders, including project owners/sponsors at national level. The meeting aimed to facilitate a review and validation of the project-specific measures and activities of the PIDA to accelerate the implementation of the 16 DFS projects. This occasion was a milestone in regrouping national implementers as well as regional bodies together to tackle the issues of progressing the priority infrastructure projects, thus providing a platform of rich exchange on the projects information.



- **Institutional Architecture for Infrastructure Development in Africa (IAIDA)**

In operationalising the Institutional Architecture for Infrastructure Development in Africa (IAIDA) and governance structures key outputs this year included the organization of two meetings of the PIDA Steering Committee. In March 2015 in Midrand, South Africa, the PIDA Steering Committee reviewed progress on key deliverables for PIDA and discussed solutions to identified challenges. The discussion included updates on progress of the AfDB funded Capacity building programme as well as a review of the PIDA Monitoring and Evaluation Framework, and its articulated project progress indicators. The PIDA Communication strategy was presented as well as the endorsement of the creation of a PIDA Communication Network and PIDA Journalist Network. An update overview of the PIDA PAP status from each REC was shared as well as a presentation on new initiatives such as the PIDA Service Delivery Mechanism (SDM) aimed at financing projects preparation. The next meeting is scheduled for the last quarter of 2015 during PIDA Week in Abidjan, Cote d'Ivoire. Efforts continue to be made to mobilize resources to ensure that adequate participation at the meetings by all members can be facilitated.

Infrastructure Advisory Group (IAG)

The Infrastructure Advisory Group, an organ of the IAIDA is scheduled to meet in the last quarter of 2015 during 'PIDA Week' in Abidjan, Cote d'Ivoire ahead of the Council for Infrastructure Development, in accordance with the provision of convening 2 IAG statutory meetings.

Council for Infrastructure Development (CID)

As key organ in the decision making process, the CID ensures coherence and harmony across sectors and identifies priority projects within PIDA. The CID meeting has been rescheduled to occur in the last quarter of 2015, during 'PIDA Week' in Abidjan, Cote d'Ivoire.

- **PIDA Week (November 2015)**

In an effort to create synergies between the different implementation initiatives for PIDA as well as enhance PIDA as a brand, a focus week under the banner of the 'PIDA Week'.

PIDA Week will be an opportunity to join forces and shall cover events such:

- The PIDA Steering Committee for the Operational Implementation;
- The Infrastructure Advisory Group (IAG)
- Council for Infrastructure Development
- The meetings of the Infrastructure Consortium for Africa (ICA)
- The NEPAD Infrastructure Project Preparation Fund (IPPF) for the Financial Implementation;
- Media related events including the PIDA Journalist Network and a PIDA Market Places to promote selected priority PIDA PAP Projects

The PIDA Week has the following objectives for advancement of implementation:

- Bring together different PIDA stakeholders (e.g. continental and regional bodies, donors and partners, potential investors and project developers, media);
- to harmonize efforts for a successful and speedy PIDA-PAP implementation until 2020;
- Prepare and formulate recommendations to the CID for relevant AU Organs.
- Enhance private sector engagement and investment in the realization of PIDA projects;
- Increase the visibility of PIDA, its projects and its impact on the African economies and population towards a wider public.

7. Selected Updates from RECs and Regional Agencies on PIDA



- **EAC**

In ongoing efforts to coordinate and lead activities in the region for the implementation of PIDA, the EAC secretariat this period facilitated and support reforming project lead institutions by hosting Central Corridor TTCA and TTFA to participate in EAC meetings and workshops for validation of consultants reports. Specifically the meetings have gone towards helping the two institutions to better understand the packaging and management of regional projects, including the need for regular reviews and consensus building among member states.

EAC supported national road agencies to procure consultancy services for two roads linking Rwanda and Burundi to the Central Corridor. This included the preparation of financing proposals, development of ToRs, shortlisting of consultants, evaluation of bids and contract negotiations.

EAC supported the CC TTCA in develop a funding request to NEPAD-IPPF for the feasibility studies and detailed design for the Northern Corridor Capacity Upgrading Project. The TTFA also received assistance in developing a funding proposal to the NEPAD-IPPF for studies on the Dar es Salaam Southern Bypass, which is a component of the Central Corridor capacity upgrade project.

Further in July, 2015, EAC convened a roundtable meeting to agree on the coordination of the Dar es Salaam Bypass. During the discussions, it emerged that different players were engaged in facets of the project which in some cases contradicted each other or overlapped. The concept of lead agency and the selection of CC TTFA for this role will ensure the management of the project is coherent and effective.

Working towards ensuring national commitment to the PIDA PAP the EAC has developed a 10-Year investment Strategy which will guide the development of projects identified by the EAC Heads of State (and which include some PIDA PAP projects). The Strategy was reviewed and projects information updated.

- **ECOWAS**

This year marks the 40th Anniversary of ECOWAS during which a range of activities and highlights year round have taken place. This includes the HoSG Summit in May, 2015 as well as a Regional Forum in other reported updates and the regional consultation meeting on the Implementation of ECOWAS PIDA-PAP Infrastructure Champion Projects in West Africa which took place in July, 2015.

Progress was also recorded in the region, towards facilitating the implementation of the Yamoussoukro Decision for air transport liberalization. Among them, the Nigerian Aviation Executives Business Forum which was held on 10 March 2015. This meeting was an occasion for the Air Transport Unit to sensitize the Nigerian Aviation Stakeholders on constraints, challenges, achievements and programme especially on the implementation of the 2014-2020 Air Transport Action Plan adopted in Banjul on 21-23 October, 2013 by the Air Transport Committee. It also provided an opportunity to raise awareness for the 9 Air Transport Supplementary Acts establishing a common air transport legal framework for ECOWAS Member States in February 2012, by the Authority of ECOWAS Heads of State and Government.

Other activities relevant to PIDA PAP undertaken in the year include the articulation of the ECOWAS Regional Infrastructure Development Master plan (Transport, Energy, Water, Telecoms) which had a kick-off Meeting 18th March, 2015. In addition, to this, the Infrastructure Donor Thematic Group Meeting was held in May, 2015 chaired by the AfDB.

▪ **SADC**

Working towards ensuring national commitment to the PIDA PAP project(s)/programme the SADC Secretariat in collaboration with Member States has embarked on an initiative to explore the opportunity for strengthening regional and national planning. The process will involve devising mechanisms to enhance alignment between National Development Plans and the SADC Regional Indicative Strategic Development Plan. Further, the SADC Secretariat is liaising with Member States to assign focal persons in each infrastructure sector for the RIDMP and PIDA PAP programmes. The focal persons and other key project staff will undergo training in project preparation and project management. The training programme commenced in September 2015 and will be delivered in tranches until November 2016.

Increased capacity at the Secretariat which is also anticipated through the recruitment of experts at REC level under the AfDB funded PIDA Capacity Building project is flagged as an important factor for galvanizing current human resources level. Training and strengthening of Monitoring and Evaluation through AID and VPic and M&E as well as the operationalization of the PIDA SDM and

access to the resources are also anticipated to accelerate implementation in the region.

8. Effective Monitoring, Reporting, Communication and increased visibility for the PIDA projects

▪ **Monitoring and Evaluation for PIDA**

In March 2015, the final draft of the PIDA Monitoring and Evaluation Framework was presented by NPCA before the PIDA steering Committee for endorsement after consultative and preparatory process in the preceding year. The proposed indicators for monitoring progress in the outlined stages of project implementation were presented and reviewed. The articulated M&E framework rests on the AID as the central data gathering tool on PIDA infrastructure projects. NEPAD agency in collaboration with other stakeholders such as AUC, AfDB, and the Regional Economic Communities (RECs) and Specialized Institutions (SIs), have worked together to develop and refine AID as the one common database architecture containing regional infrastructure project information for Africa and PIDA. AID is the central repository facilitating PIDA M&E and containing key information of relevant regional infrastructure projects. The goal of AID is to offer a consolidated, up-to-date and accessible information repository for all of Africa's infrastructure projects of regional significance, promoting sustainable investment for and development of an interconnected and integrated continent. AID offers a web-based information management tool where RECs can regularly enter updated information on their regional priority infrastructure projects. Data from this common database thus supports monitoring, evaluation for PIDA for reporting on progress of implementation. A subset of these projects in AID makes up the PIDA projects - all key information on these projects is publicly accessible in the information portal VPic which in the web-based Information Centre linked to AID. Access to AID is limited by permission, extended to RECs and implementing agencies for data entry.

The second data collection tool under refinement focuses on a range of soft issues supporting the facilitation of PIDA. This tool, the PIDA Facilitation Questionnaire which was piloted in 2015 among PIDA stakeholders with encouraging response rates. The tool will be further enhanced incorporating feedback received.



During the year, the draft PIDA M&E Framework and indicators was shared with the RECS for feedback and endorsement. Feedback received will be integrated into the M&E Framework document and also incorporated into the data collecting fiche in AID.

At the PIDA steering committee meeting in 2015, the progress on the development of the AID and VPic was also shared for review. It was noted that AID VPic still requires being refurbished and further operationalized to incorporate M&E requirements such as data collection on indicators and algorithms facilitating calculation and display of rates of project progress (%) within project stages. There are also currently still gaps in information that require updating. The Information Management Specialist seconded by GIZ to NPCA will focus on the improvements for AID and VPic to facilitate information flow and M&E for PIDA. In addition, comprehensive training for stakeholders at the RECS and among implementation agencies is also planned next year to strengthen initial induction exercise conducted in the third quarter of the year with a selection of stakeholders. This will ensure proficiency in AID and VPic in order to allow enhance timely sharing of information and data reporting for PIDA.

- **Communication and increased visibility for PIDA projects**

The PIDA Communications Strategy was presented at the PIDA Steering Committee in March 2015. Prior to this, the establishment of the PIDA Communications Network to operationalize the PIDA Communication Strategy was adopted by the Steering Committee during its meeting held in Sandton on 16-17 April 2013. In March 2015 the PIDA Communication strategy was reviewed and adopted during an initial meeting of PIDA Communications Focal points in in Addis Ababa drawing membership from RECS and institutional stakeholders such as AfDB, AUC and NPCA and partners GIZ.

The establishment and operationalizing of the Network was a major output this year, and another milestone will be the Media Drive during the PIDA Week to be held in Abidjan, Cote d'Ivoire in November 2015 where extensive media engagement will take place to raise the profile of PIDA. Challenges encountered in the PIDA Communications Network include high turnover of members of the Network and lack of regular participation. Going forward, efforts should be made to stabilize participation and ensure the implementation of PIDA Communication Plan.



Section II

Analysis of PIDA Progress

Tracking and monitoring progress on the implementation of PIDA is at the heart of successful information sharing for all stakeholders. Work is ongoing to improve the flow of information of all PIDA projects, which includes strengthening of the data collection processes, establishing supporting technology and the strengthening capacity for monitoring and evaluation. The importance of data quality and analysis and of strong communication channels to gather and disseminate project data from national through to regional level as well as sharing back to all contributors, is undisputed. A strong commitment from all stakeholders to regular reporting and sharing underpins good quality and timely information.

Box 2. Break down of PIDA Projects³

Sector	PIDA Programmes and projects of the PAP Portfolio adopted in 2012	Decomposed actionable projects
Energy	15	66
Transport	24	273
Water	9	9
ICT	3	85
Total	51	433

However challenges remain to data gathering, verification and analysis. Information levels and currency of data across different sections of a project varies. Furthermore, as new projects are being selected following emerging national priorities, this requires updating into the overall number of PIDA projects. Consistent reporting and data on PIDA progress broken down by sector, by programme and programme stage, as well as by project and corresponding project stage will require strong systems and collaboration.

Therefore work is ongoing to develop methods to quantitatively present an empirical picture of the global progress of PIDA projects. Volume 2 of this report presents the progress on individual PIDA programmes and projects for which data has been made available. Below is snapshot of notable progress or 'successes' as well as a selection of global challenges, and recommendations.

³ To have more detail of all 50 PIDA programmes please visit: www.au-pida.org

Notable Progress

▪ Gains in Facilitating PIDA

- The application of private the sector methodology for packaging the Central Corridor projects yielded positive outcomes including:
 - enhanced investor confidence;
 - increased marketing and visibility of the corridor potential and its projects;
 - improved public sector understanding of private finance requirements;
 - enabled agencies (through hands-on training and capacity building);
 - overall stronger public-private relationships (local and international).
 - the mobilization of much needed technical resources from BWG members, sponsored by the Development Bank of Southern Africa (DBSA), to complete required project packaging exercises of the stage 1 projects in preparation for their showcasing and market sounding (March 2015)
- Creation of the PIDA Service Delivery Mechanism which will focus on financing early stage project preparation for projects
- The Continental Business Network is a positive step towards establishing an exclusive Infrastructure Investment Advisory platform for African leaders, providing thought leadership and engagement on a range of strategic issues
- The PICI has seen completion in the EAC of the regional optic fibre initiative, under the strategic leadership and advocacy by His Excellency President Paul Kagame of Rwanda. The project, implemented by each individual country, but with the objective to connect all the 5 Capital Cities was completed in 2013. All the 5 countries are now interconnected and linked to the sub-marine cables at Mombasa and Dar es Salaam bringing this particular PICI project to successful completion within three years as planned.

▪ Gains (successes) in selected physical infrastructure Projects and Programmes





Programme/Project Title:
Tanzania-Kenya (ZTK):
Regional

Zambia-Interconnection

Sector:

Energy

Sub-sector:

Transmission

Countries:

Zambia, Tanzania, Kenya

Region:

East and Southern Africa regions

RECS:

EAC, COMESA and SADC

Project Location:

Pensulo (Zambia) through
Mbeya in Tanzania to Isinya
Kenya via Iringa, Singida and
Arusha (all in Tanzania)

Progress Update 2014/2015

Tanzania Section

- Namanga-Arusha-Singida-Iringa-Mbeya: The EPC contractor has been procured for the Singida-Iringa segments while the financial arrangements for the Iringa-Mbeya and Namanga-Arusha sections are in progress and the segment is expected to be completed in 2016
- The feasibility study for Iringa-Mbeya component was completed in 2012. The Government of Tanzania is mobilizing funds for the project.
- Singida-Iringa component is part of the 670km Iringa-Shinyanga backbone transmission project (BTIP). Construction commenced in December, 2013 and is expected to be completed by June, 2016. TANESCO is implementing the 400 KV Shinyanga – Iringa
- Namanga (Border with Kenya) - Singida, which is part of the Tanzania-Kenya Power Interconnector Project, is jointly being implemented by the two countries. Construction is expected to be completed by December, 2017.
- The feasibility study for Mbeya-Tunduma (Border with Zambia) is in progress and is expected to be completed in 2016.
- Tanzania with NELSAP are also undertaking the preparation of the 400 KV Iringa – Mbeya power transmission line in Tanzania;

Kenya Section

- On the project status, Kenya has completed the feasibility studies and detailed project design and has further mobilized financial resources for the construction of the Isinya-Namanga segment.
- Finance has been secured from AfDB and procurement of Consultant and EPC Contractors has commenced.

- Construction is expected to start by March, 2016 and is scheduled for completion by December, 2017.
- Kenya and Tanzania have undertaken the final preparation of the 400 KV Kenya (Nairobi) – Tanzania line (Arusha – Singida)
 - Interconnection is under the auspices of the Nile Basin Initiative /Nile Equatorial Lakes Subsidiary Action Program (NBI/NELSAP);

Zambia Section

- Zambia is implementing the 330 KV Pensulo – Kasama in Zambia.
- Internal lines are already funded except for the Kasama –Pensulo – Kabwe and the Mbeya –Kasama (Tanzania – Zambia portion). Funds mobilised from kfW

Major activities

On the Tanzania-Zambia section

- Environmental Social Impact Assessment and Resettlement Action Plan
- For Mbeya (Tanzania)-Kasama (Zambia): The Feasibility Study is underway under the auspices of the Nile Basin Initiative/Nile Equatorial Lakes Subsidiary Action Program (NBI/NELSAP)

Feasibility study:

- The scope of the feasibility study was initially limited to the Mbeya-Kasama segment of the Interconnector.
- The objectives of the Feasibility Study remain the same but with a new scope, looking at Mbeya-Kabwe instead of Mbeya-Kasama.
- The revised Feasibility Study will consider the technical, economical, financial, social and environmental pre-feasibility study of the new transmission line.
- Several layout options will be considered before any choice is made for the selection of line layout that will be considered for more comprehensive studies.
- Conceptual Design and Tender Documents for Tanzania-Zambia Interconnector are ongoing
- Kasama-Pensulo-Kabwe Section: The feasibility study is underway.
- The market study draft report was completed in March 2015

Lesson learnt [to be reported]

Recommendations

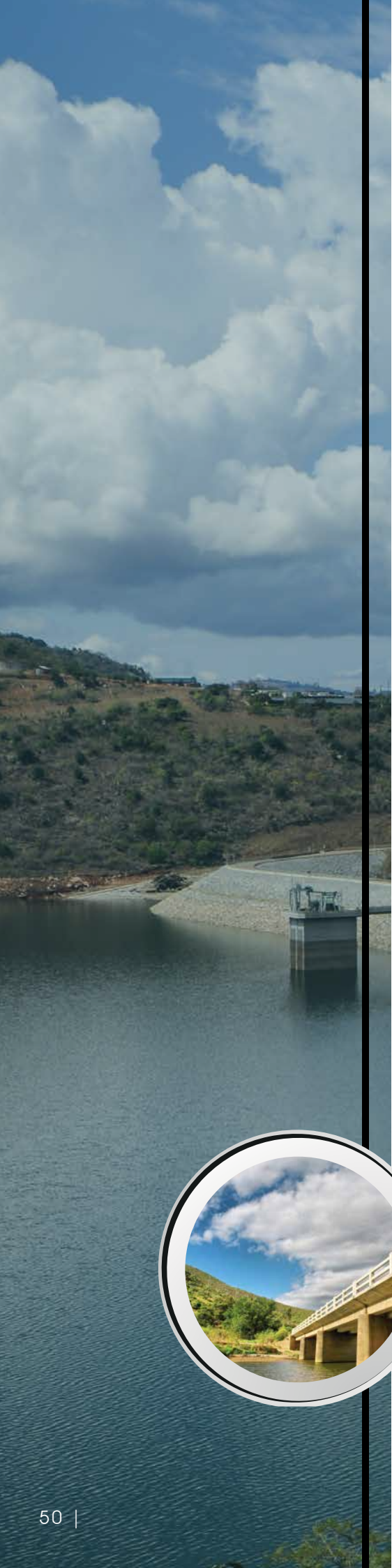
- * The financial requirements to move to the next step:
- * Funding for internal requirements in Tanzania to be provided.
- * PPA negotiations to be facilitated
- * Update of PIM
- * Preparatory works
- * Funding gap for the cross border segment
- * Total cost to be advised

Way Forward

- * In 2018 the Line should be operational
- * Results of feasibility study determine
- * PPA and Wheeling agreements to be finalised by 2016

In December 2015, the following is envisaged:

- o Power purchase Agreement Negotiations and signing
- o Signing of Wheeling Agreement
- o Project Commissioning Phase 1
- o Project Commissioning phase 2



**Programme/
Project Title:**

Sector:

**Grand
Ethiopian Renaissance Dam**

Energy

Sub-sector:

Transmission

Countries:

Ethiopia, Sudan, Egypt

Project Location:

It is in the
Benishangul-Gumuz Region
of Ethiopia, about 40 km east of
the border with Sudan.

Progress Update 2014/2015

- Construction commenced in April 2011 and is expected to be completed within four to six years, with the first generators operational after 44 months
- To date, financing to the value of USD4.8 billion has been secured through a construction contract with Italy, while China has provided USD1.8 billion for the construction of the turbines
- The tripartite committee for Ethiopia's Renaissance Dam was set to commence its meeting in August 2015 in Addis Ababa to discuss the last developments regarding the agreement between French BRL group and Dutch Deltares consultancy firms roles and the preparation of the report on the impact of the dam
- Due to the delay by the firms finalising the impact statement, the meeting that was supposed to take place between Egypt, Sudan and Ethiopia's irrigation ministers and representatives from the two firms, has been adjourned.
- In March 2015, Egypt, Sudan and Ethiopia signed a declaration of principles on the dam, agreeing to safeguard the interests of all three countries.
- The Grand Ethiopian Renaissance Dam, scheduled to be completed in 2017, will be Africa's largest hydroelectric power plant with a storage capacity of 74 billion cubic meters of water.
- The Grand Ethiopian Renaissance Dam (GERD) is today 43% complete
- On the Ethiopia-Kenya interconnection Line funding has been successfully completed and construction has started

Lessons Learnt (to be reported)

Recommendations (to be reported)

Way Forward

- Local bond issues and donor financing still need to be identified.
- The parties involved in the project are considering the option of either a state owned or mixed ownership special purpose vehicle (SPV) in order to ring fence the project, ensure its commercial operation and maintenance and raise additional donor financing.
- Under the SPV, the project components that are not already financed will be isolated in order to structure the financing thereof through long-term lease arrangements for the assets financed under the existing Italian and Chinese supplier credits
- The parties furthermore need to assess the transmission and distribution needs in the area in order to absorb the electricity generated through the new plant.
- The development of, and access to, a considerably upgraded transmission system will be finalised under the contractual arrangements.
- The African Union Commission and EAPP will act as facilitators in the negotiation of a memorandum of understanding between
- The project is scheduled to be commissioned in 2017





**Programme/
Project Title:**

Central Corridor

Sector:

Transport

Sub-sector:

Multi-modal

Countries:

Tanzania, Rwanda, Burundi, DRC,
Uganda

Region:

East Africa

RECS:

EAC

Project Location:

Tanzania, Rwanda, Burundi, DRC,
Uganda

Stage:

Various

Progress update 2014/2015

In 2015, the Central Corridor and CCTFA reached a significant milestone in terms of acceleration and support which included technical support mobilised and the CCII forum.

Focus on Port of Dar es Salaam

- Tender for this component has been advertised and opened
- Evaluation of technical proposals has been completed and the next step is to call for financial proposals from the technically qualified bidders
- Deepening and Widening of Entrance Channel and Turning Basin
- Evaluation of expression of Interest for carrying out Bathymetric, hydrodynamics, geo-tech surveys & feasibility study for channel and basin completed in September 2014
- Request for Proposal issued to shortlisted firms on 16th December 2014 and submissions were opened on 17th February 2015
- Consultant is expected to be engaged by May 2015

Development of a New Container Terminal (Berths 13 & 14)

- TPA intends to undertake this project through PPP under Design Build Operate Transfer arrangements
- Development of a New Container Terminal (Berth 13 & 14)
- Evaluation of the Eols for the project to be completed in November 2015
- Request for Proposal was issued to 10 shortlisted firms and deadline for submission of proposals is set on 22 April 2015
- Full feasibility and preliminary design is being carried out under the World Bank funding and expected to

- be completed by June 2015
- The project will be developed under PPP

Development of Mbegani Port at Bagamoyo is ongoing

- 1000 hectares of land has been offered to TPA and now compensation is being done
- Negotiations are underway to develop the port under joint venture

In March 2015, the CC TTFA held a Presidential Round Table (PRT) and an Industry and Investors Forum (I&IF) in Dar es Salaam, Tanzania. 23 projects (with stage of development shown) were show-cased during the Industry and Investors Forum. More details available in Volume 3 of the PIDA Implementation Progress Report 2015 and at www.pida.go.tz.

Lessons Learnt & Recommendations

Ports

- Progress of projects, including tender status and project status (stage, studies completed etc.) should be available to qualified companies (investors, advisory, construction, operators etc.), potentially via a project preparation platform such as SIF IISS. IV.
- Consistency of all bidding documents with design reports by minimization discrepancies is important
- Development of the Seaports should go hand in hand with the development of the lake ports especially Mwanza, Port Bell, and Kisumu on Lake Victoria as well as Kigoma, Bujumbura, Kalemie and Kalundu on Lake Tanganyika in order to facilitate intermodal linkage along the central corridor.

Rail

- Project documentation, such as relevant studies, should be made available to investors prior to RFP's being issued - potentially via CC- TTFA website or a qualified portal requiring sign up.
- Government to be clear on the financing structure to be implemented and the contribution Government.
- A clear understanding is required with regard to the tonnage flows that currently exist and commitment to assuring patronage levels
- Government to communicate funds allocated to standard gauge and expectations of start.

Road

- CC- TTFA and Agencies to approach development banks for funds to conduct feasibility studies. However, to first identify which projects are the quick win projects and, based on the information available, target those projects at an advance project preparation stage
- Patronage, revenue and enforcement for toll roads to be assured to private sector by governments
- Central SPV's and harmonisation of regulatory frameworks to be in place for large road projects if toll roads are to be considered, otherwise to remain public financed.
- Capacity building for roads development and PPP structures within agencies required, leverage capacity building facilities such as those offered by NEPAD Agency etc.
- Two way communication required; Platform with project status, RFP status, etc required

Inland Waterways

- Agencies to approach development banks for funds to conduct feasibility studies, in particular the EAC and World Bank programme on integrated infrastructure development should be leveraged. WEF has placed Rwanda in contact. DBSA and World Bank are to initiate discussions for potential collaboration.
- Lake ports to be developed in synchronised manner, linking road and rail important. Roads can offer quick wins.



Challenges

▪ Impediments to an enabling environment and facilitating PIDA

- In the EAC region, in working to formulate a Regional Railway Regulatory Authority, the emerging lesson learnt was the significant challenges in addressing the issue of financial sustainability of a regulatory authority and ensuring its capacity for enforcement of legal and regulatory regimes
- Corridor agencies report that convincing certain National Sectors of clearly important projects for the countries and bringing on board such sectors in owning the project and therefore adopting it in the national planning frameworks takes years. However such projects cannot be financially supported unless there is ownership and buy-in;
- The long process of consensus building – countries to which such trans-national projects belong to take very long to negotiate the implementation methodology even when the projects have been well prepared and are bankable.
 - Key controversial areas include:
 - The legal and regulatory environment in which projects shall be implemented;
 - Procurement rules to be adopted and used in procuring such projects;
 - In case of projects to be financed under PPP arrangement, under which PPP framework shall the project be implemented;

▪ Impediments on physical infrastructure project implementation

- Insufficient financing to promote regional and national projects
- Varying national priorities and differing procurement procedures
- Inadequate capacity at national level
- Governance issues

Recommendations

- **Enhancing the Enabling Environment and Facilitating PIDA**

On implementation of Multimodal Corridors:

- Wider and broader liaison with other corridors and regional organizations for information and data sharing
- Advocacy for automation of data capture and sharing with Partner States
- Involvement of Corridor Authorities in consultations and validation exercises as they are close to the ground in Partner States
- Involvement and Collaboration with other entities
- Better Coordination with the AU, RECs, Other Corridor Agencies, Member States and development Partners
- Capacity building to strengthen project preparation
- Development of a regional framework for a infrastructure financing mechanism
- Installation of national committees to assist in monitoring at a national level
- Role of NEPAD in continuing to highlight priority projects for the attention of the Heads of States
- The organising of meetings by NEPAD (facilitation) where it involves more than 2 countries
- Legislation and acts developed such as for One Stop Borders Post and Vehicle Load Control Acts cannot operate without developing regulations to operationalize them.
- Countries need to be supported in financing early project preparation both through capacity building of their personnel and financing the actual preparation of Concept notes, determining beneficiaries of the projects and establishing the expected impacts of such projects whether positive or negative.
- There is need for RECS and Implementing Organizations to involve the primary sector regulatory or parent ministries early on in the development of the concept notes for developing the project – once this is done, then sectors will willingly own the projects without any difficulty
- There is urgent need for harmonization of National legal, regulatory and PPP frameworks (for those nations which have already prepared PPP frameworks) across all major Nations which share trans-national projects;

Presidential Infrastructure Championship Initiative

- It was recommended that the PICI should create a ministerial monitoring team to unblock bottlenecks at the highest political level.
- PICI secretariat at the NEPAD Agency should be funded by the PICI member states or other potential donors so as to enable the NEPAD Agency to fully carry out its coordinating roles and responsibilities for the implementation of the PICI projects.

Resource mobilization

- There is an opportunity for coordinated mobilization of financing for infrastructure projects from multiple investors and development partners who are willing to undertake joint investment in infrastructure projects including PIDA projects

Capacity Building

- Lessons learnt are that there is need for continuous education in infrastructure development, especially in emerging areas like PPPs and New Engineering Contracts (NECs). There is also need to develop exchange programmes between contractors/consultants and client organizations.
- IS4D project model of action learning is an innovative pilot for consideration to facilitate capacity building for PIDA

▪ Enhancing implementation of physical infrastructure projects and programmes

- Government and policy legislative decision to be taken on PPPs where applicable
- Need for project financing
- Continued efforts to facilitate early stage project preparation



Conclusion

Although some progress has been recorded in putting in place measures to address key identified challenges that impede the accelerated implementation of projects these interventions must be made sustainable, efficient and effective.

In 2016 renewed efforts must be maintained towards ensuring a pipeline of bankable projects and ensuring that all complementary instruments developed to build the necessary capacity for early-stage project preparation are sustained, while support is given to other important mechanisms such as the NEPAD IPPF and the Africa50 Fund.

The gains made through specific projects, and through specific interventions with partners and at the Regional Economic Communities must be capitalized upon while operational activities including monitoring and evaluation require refinement and continued collaboration by all stakeholders.





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Organisation de la CEPGL pour l'Energie des Grands Lacs

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⁴ Please visit www.au-pida.org for specific resources



