

PIDA PROGRESS REPORT

2019/2020

December 2020



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Dr. Ibrahim Assane Mayaki,
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FOREWORD

The publication of the 2019 / 2020 PIDA Progress Report takes place at a critical time when the world has been thrust into a crisis due to the COVID-19 pandemic. Africa has been disproportionately affected due to policy and structural gaps that have exposed her lack of resilience to such shocks. This has and will continue in the near term, to adversely affect the continent's plan to realise the much-needed developmental goals and aspirations in many areas including, in our context, attainment of key continental infrastructure goals. COVID-19 is expected to significantly widen fiscal deficits across the continent, making infrastructure financing harder to come by. The pandemic will likely set most large-scale development projects back in the short-to-medium term. However, with every problem, there is an opportunity. The pandemic presents an opportunity to re-shape the state of the world for years to come and for the better through adjusting our policy frameworks and development models. For PIDA, it means we pivot infrastructure implementation, so that it is not only responsive to our needs, but also builds the necessary resilience against such shocks. Resilience emphasises the importance of recovery and adaptation in the aftermath of disruption.

Despite this complex evolving context, the PIDA programme has entered a critical transition point. We are marking ten years of the implementation of the first phase of the PIDA programme (also known as PIDA PAP I) and its transition to the second Phase of the Programme (PIDA PAP II). Drawing from the lessons learned, PIDA PAP II, is anchored on two central pillars:

An Integrated Corridor Approach concept that ensures that all related corridor infrastructure, link to and complement each other, and

The integration of inclusivity, social and sustainability features into the planning process mirroring the AU Agenda 2063 vision, in order to realise the full socio-economic development impact of regional projects.



FOREWORD (CONTINUED)

The priority list of projects selected after a rigorous process based on the new criterion, is on track to be approved by the Heads of States during the AU Summit in February after the recent validation by the recent Ministerial STC meeting that took place on the 12th of January 2021. It is our firm belief that with the redefined approach we will see accelerated implementation of key infrastructure projects.

On 1st of January 2021 our continent marked a historic milestone as trading under the African Continental Free Trade Area (AfCFTA) kicked off. Whilst Africa has always traded amongst herself, intra Africa trade has been fraught with many challenges including logistical and trade barriers to name a few. At 16.6% of total trade, as a percentage of total African exports, intra African Trade remains low compared to other continents. The AfCFTA is expected to redefine intra African trade as it creates the largest single market in the globe. However, there are fundamental aspects that must be in place to enable this to happen. One key component is the requisite infrastructure. Therefore, developing robust infrastructure is crucial to its operationalisation and success of the AfCFTA. Member States must be seamlessly connected physically and digitally through hard infrastructure and connected in the harmonisation and coordination of processes through soft infrastructure. The Integrated Corridor Approach is expected to ensure that all related corridor infrastructure, link to and complement each other as a critical enabler of the AfCFTA.

This report provides a broad update of the implementation of PIDA to date. I thank our partners and stakeholders for their continued commitment to the PIDA programme. We value your continued support that will help us achieve concrete results and ensure PIDA becomes the most transformative African development programme.



LIST OF ACRONYMS

ACFTA	African Continental Free Trade Area Agreement
AFC	Africa Finance Corporation
AfDB	African Development Bank
AIGM	African Infrastructure Guarantee Mechanism
AIHSRN	African Integrated High-Speed Railway Network
AMU	Arab Maghreb Union (refer UMA)
AMCOW	African Ministers' Council on Water
AU	African Union
AUC	African Union Commission
AUCC	African Union Cybersecurity Convention
AUDA-NEPAD	African Union Development Agency
AUSP	African Union Support Programme
ANWIn	African Network for Women in Infrastructure
APV	Africa Power Vision
BIAT	Boosting of Intra-African Trade
CBN	Continental Business Network
CC	Central Corridor
CFTA	Continental Free Trade Area
CGP	Co-Guarantee Platform
CoE	Centre of Excellence
COMELEC	Magreb Electricity Committee
COMESA	Common Market for Eastern and Southern Africa
CwA	PIDA Compact with Africa
DBSA	Development Bank of Southern Africa
DFIs	Development Finance Institutions
DFID	United Kingdom Department for International Development
DIRCO	Department of International relations and Cooperation, South Africa
DST	South Africa Department of Science and Technology
DWS	South Africa Department of Water and Sanitation
EAC	East African Community
EAPP	East African Power Pool
ECCAS	Economic Community of Central African States
EIP	EU External Investment Plan
EFSD	European Fund for Sustainable Development
ECOWAS	Economic Community of West Africa States
EIB	European Investment Bank
EMCs	EAC-based Multimodal Multi-Sectoral Corridors
ESP	Experts Service Pool
EU	European Union
GIZ	Gesellschaft für Internationale Zusammenarbeit

LIST OF ACRONYMS (CONTINUED)

GMI	Groundwater Management Institute
GWP	Global Water Partnership Africa
HSGOC	Heads of State and Government Orientation Committee
IAIDA	Institutional Architecture for Infrastructure Development in Africa
ICT	Information and Communications Technology
IGAD	Intergovernmental Authority for Development
IPPF	Infrastructure Project Preparation Fund
IRIMP	IGAD Regional Infrastructure Masterplan
IUC	International Union of Railways
JICA	Japan International Cooperation Agency
KfW	Kreditanstalt für Wiederaufbau
KPI	Key Performance Indicator
LAPSSET	Lamu Port Southern Sudan-Ethiopia Transport
NSC	North-South Corridor
OSBP	One-Stop Border Post
ONEE	Office National de l'Electricite et de l'Eau Potable
PAP	Priority Action Plans
PICI	Presidential Infrastructure Champion Initiative
PIDA	Programme for Infrastructure Development in Africa
PIDA-PAP	Programme for Infrastructure Development in Africa Priority Action Plan
PRIDA	Policy and Regulation Initiative for Digital Africa
RECs	Regional Economic Communities
RSAP	SADC Regional Strategic Action Plan
SADC	Southern Africa Development Community
SAPP	Southern African Power Pool
SAEP	Southern Africa Energy Program
SANWATCE	Southern African NEPAD Water Centre of Excellence
SDGs	Sustainable Development Goals
SDM	Service Delivery Mechanism
STC	Specialised Technical Committee
TBW	Trans-boundary Water
TLS	Traffic Light System
TTT	Technical Task Team
TWR	Trans-boundary Water Resources
UEMOA	Union Economique et Monétaire Ouest Africaine
UMA	Union du Maghreb Arabe (refer AMU)
VICMED	Lake Victoria and the Mediterranean Sea
VPIC	Virtual PIDA Information Centre
WAPP	West African Power Pool
WTO	World Trade Organization

SECTION 1

PIDA PROGRESS UPDATE

1. INTRODUCTION

1.1 INFRASTRUCTURE IN AFRICA

Infrastructure is a bedrock for development in Africa. Sound infrastructure is a major contributor to economic growth, poverty reduction and attainment of the sustainable development goals (SDGs) adopted by all United Nations member states. It is a fundamental catalyst for increased regional trade, regional integration and linkages between African countries. Infrastructure also plays a pivotal role in the achievement of Agenda 2063, Africa's blueprint for transforming Africa into the global powerhouse of the future, and the operationalisation of the Africa Continental Free Trade Area (AfCFTA).

Trends in urbanisation and increasing populations continue to generate increased demand for quality and affordable infrastructure in Africa. Despite this, the continent continues to suffer from a huge infrastructure gap that threatens the achievement of social and other broader economic goals. The African Development Bank (AfDB) estimates that the continent suffers a shortfall in infrastructure investment of up to US\$ 108 billion annually¹. This huge deficit threatens the achievement of development goals such as the SDGs, Agenda 2063 and AfCFTA goals, and deprives communities of essential services as well as opportunities for socio-economic development.

Because of infrastructure's critical role in development, the African Union Development Agency (AUDA-NEPAD) was mandated to coordinate the planning, resource mobilisation and roll-out of infrastructure on the continent. In pursuing this mandate, AUDA-NEPAD works closely with the individual states, the African Union Commission (AUC), Regional Economic Communities (RECs), AfDB, UN Economic Commission for Africa (UNECA), Pan African Institutions, Development Partners and other relevant stakeholders that play a pivotal role in infrastructure development.

1.2 PROGRAMME FOR INFRASTRUCTURE DEVELOPMENT IN AFRICA (PIDA)

In response, the African Union Assembly adopted the Programme for Infrastructure Development in Africa (PIDA) in 2012 as its blueprint for the development of continental infrastructure. PIDA is a robust framework that defines priority infrastructure projects to be implemented across the continent at national and transboundary levels, underpinned by several soft initiatives such as capacity building and multi-stakeholder dialogue to seek consensus. The programme's Priority Action Plans (PAP) further break down PIDA into detailed specific actions to be taken in the short- and medium-term. The first PIDA Priority Action Plan (PIDA PAP I) embodied 51 cross-border programmes, broken down into over 400 individual projects in the Energy, Transport, Information and Communications Technology (ICT), and Trans-boundary Water Resources (TWR) sectors.

This report reviews progress in the delivery of the 51 PIDA programmes and projects annually, as a direct result of the collective efforts of PIDA's stakeholders. It also reviews the impact of supporting initiatives, and the work of partners towards achieving the implementation of PIDA PAP I up to December 2019. This edition of the report also provides an update on the development of PIDA PAP II, which will set the priority action plan for the next phase of PIDA from 2021 to 2030.

¹ African Development Bank (2018) Annual Report 2018, African Development Bank Group, Abidjan, Côte d'Ivoire

1.3 OVERALL STATUS OF PIDA IMPLEMENTATION 2019

PIDA PAP projects were proposed by RECs and Member States and reflect the aspirations of their sponsors while also driving the AU vision within the framework of Agenda 2063. These projects are at varying stages of implementation, and the Virtual PIDA Information Centre (VPIC) (<http://www.au-pida.org/>) provides infrastructure-related information including project updates continuously.

The table below summarises the status of PIDA projects, including those discussed above, in 2019.

Table 1: Status of PIDA projects by Region

SECTOR/ STAGE	Continental	ECCAS	COMESA	EAC	ECOWAS	IGAD	SADC	AMU/ UMA	TOTAL
Energy		7	6	9	7		18	5	52
S1: Project Definition				2			1		3
S2a: Pre-Feasibility		5	2				3	4	14
S2b: Feasibility			1		1		5		7
S3a: Project Structuring		1	2		2		3		8
S3b: Transaction Support & Financial Close		1		2			5		8
S4a: Tendering				1	1		1		3
S4b: Construction			1	3	2				6
S4c: Operation				1	1			1	3
ICT	2	9	10	8	24	5	12	5	75
S1: Project Definition	1	1	1	2		1	1	2	9
S2a: Pre-Feasibility						1			1
S2b: Feasibility					2		2		4
S4b: Construction	1	6	3	2	10	2	1	1	26
S4c: Operation		2	6	4	12	1	8	2	35
Transport	2	29	16	78	27	8	31	2	193
S1: Project Definition		3	1	8	7	3	7		29
S2a: Pre-Feasibility		6		3		1	2		12
S2b: Feasibility		3	2	6	3	1	5		20
S3a: Project Structuring		2		10	3	2	2		19
S3b: Transaction Support & Financial Close		1		9			1	1	12
S4a: Tendering		1	8	5	2		2		18
S4b: Construction	1	13	2	13	8	1	8		46
S4c: Operation	1		3	24	4		4	1	37

SECTOR/ STAGE	Continental	ECCAS	COMESA	EAC	ECOWAS	IGAD	SADC	AMU/ UMA	TOTAL
Water		1			4	1	2	1	9
S2a: Pre-Feasibility		1			1				2
S2b: Feasibility					1				1
S3a: Project Structuring					1			1	2
S3b: Transaction Support & Financial Close					1				1
S4a: Tendering						1			1
S4b: Construction							1		1
S4c: Operation							1		1
TOTAL	4	46	32	95	62	14	63	13	329

Overall, the majority of the projects are in the Transport sector, followed by the ICT and Energy sectors. Water projects comprise only 3% of the total (nine projects). The East African Community (EAC) has the bulk of the Transport projects, while the few Water projects are mainly in the Economic Community of West Africa States (ECOWAS), the Intergovernmental Authority on Development (IGAD) and the Arab Maghreb Union (AMU, also referred to as the UMA) regions. Continental projects comprise half of the ICT total, and Energy projects are relatively spread out amongst the RECs.

Almost half of the ICT projects have been completed and are at the Operations stage. In contrast, only 6% of the Energy, 19% of the Transport and 11% of the Water projects are in Operation. There is generally a steady pipeline of projects at all the stages in the RECS, ranging from Project Definition all the way to Construction and Operations.





2. UPDATE ON SELECTED PIDA PRIORITY INITIATIVES

2.1 TRANSPORT, LOGISTICS AND CONNECTIVITY

2.1.1 THE AFRICA INTEGRATED HIGH-SPEED RAILWAY NETWORK AND MASTERPLAN

Amongst the key enablers of the AU Agenda 2063 is the African Integrated High-Speed Railway Network (AIHSRN). This initiative aims to connect African cities and megacities to each other and to commercial and industrial hubs, economic zones, and tourist destinations across the continent using appropriate high-speed rail technology and other complementary power, ICT and broadband infrastructure and services. AIHSRN is expected to complement PIDA and act as a key driver of economic development and integration in Africa, enabling the realisation of Africa-wide frameworks such as the AfCFTA and the Boosting of Intra-African Trade (BIAT).

The AIHSRN will be developed in a phased approach, with the first phase (from 2013 to 2023) setting out a master plan for AIHSRN development and detailed scoping studies for two pilot projects. The master plan, detailed scoping studies, a prioritisation framework and multi-criteria analysis have been prepared and subsequently discussed with various stakeholders. Figures 1 and 2 below present the AIHSRN master plans for 2033 and 2043.

A concise strategy paper has been prepared on this AU flagship project, and was presented during the PIDA week in Cairo, Egypt, in November 2019. A promotion video was also launched at the same event.

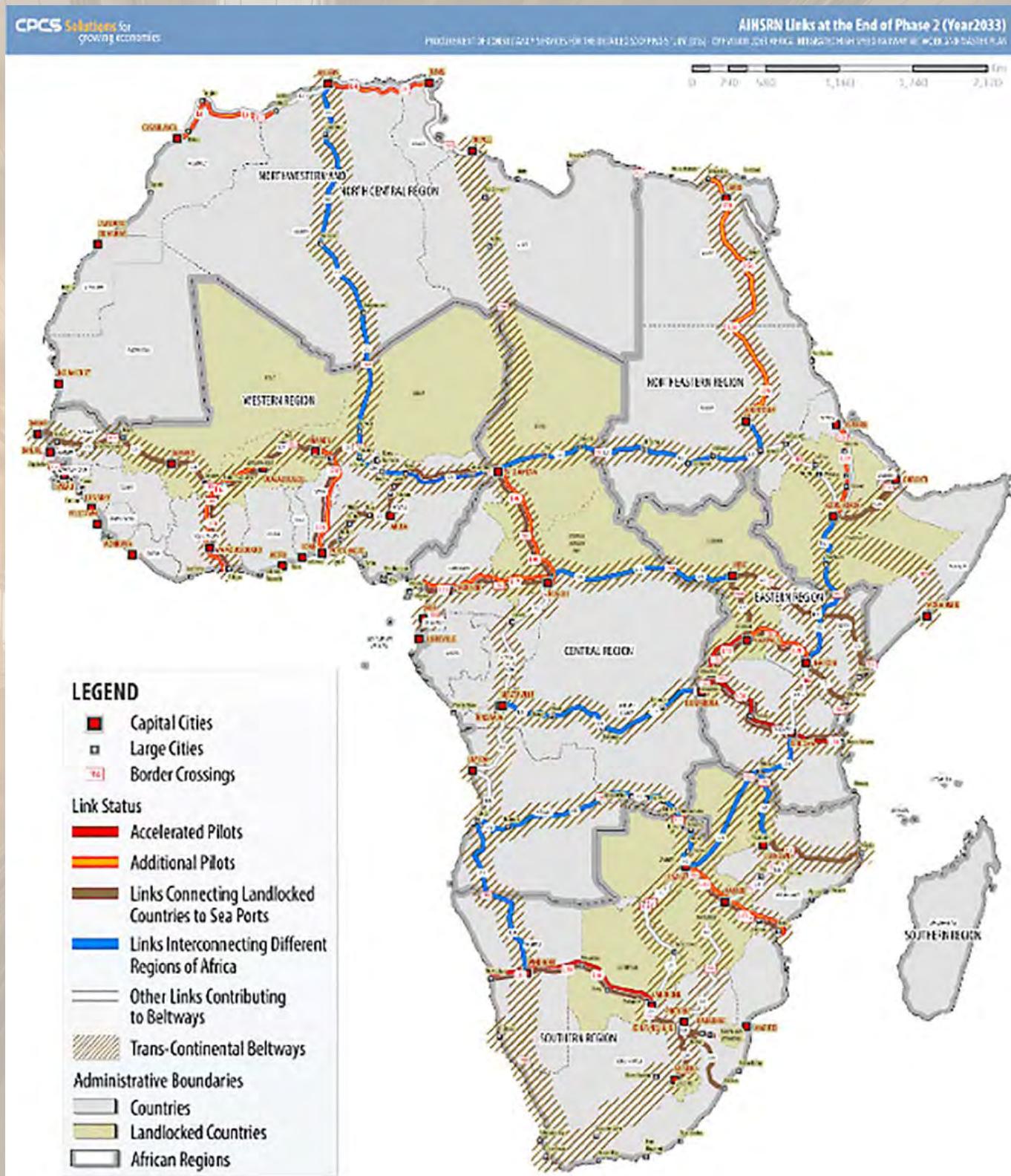


Figure 1: AIHSRN Masterplan 2033

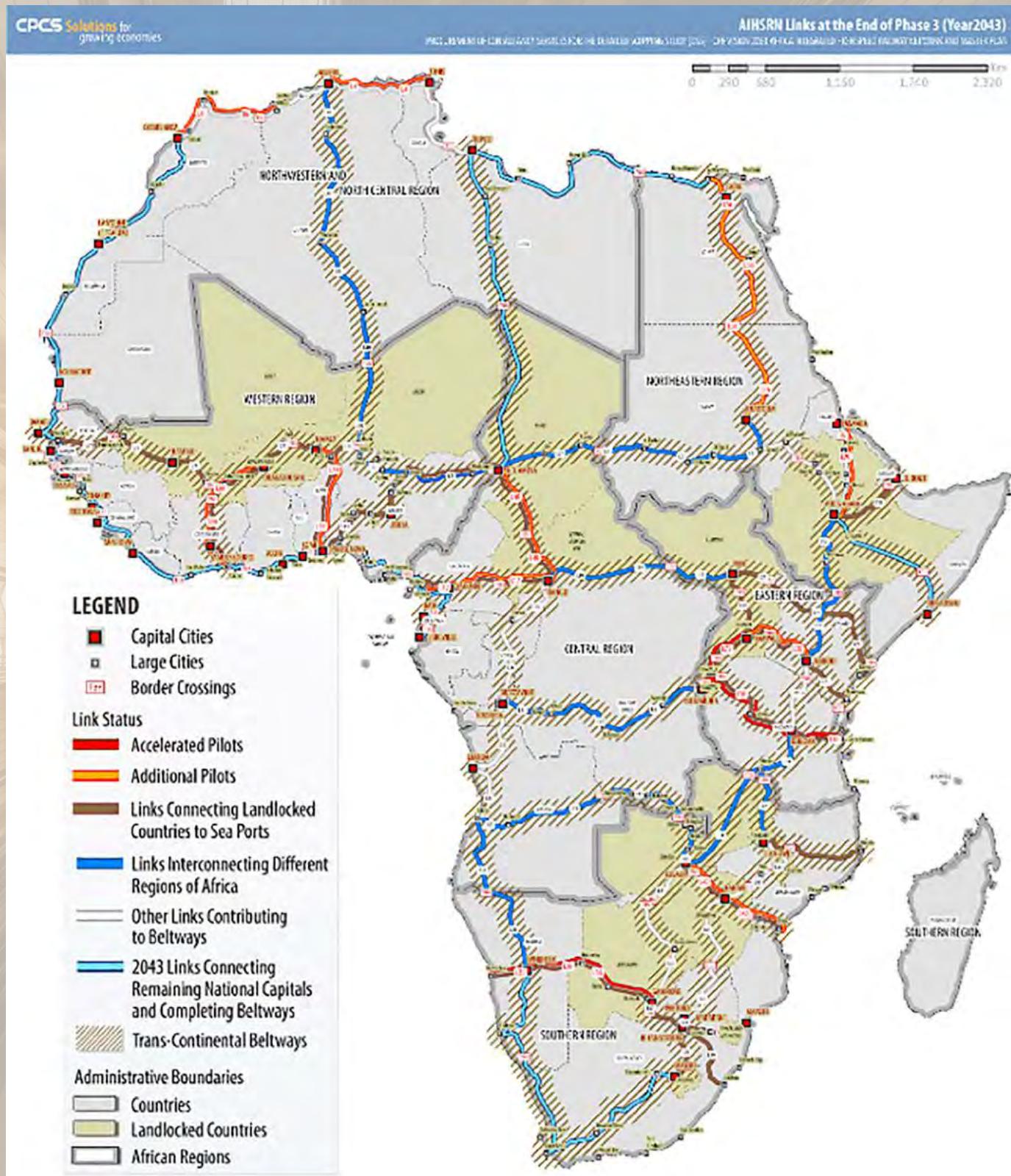


Figure 2: AIHSRN Masterplan 2043

2.1.2 THE TRANS-MAGHREB HIGHWAY

The Trans-Maghreb Highway will serve 55 towns with a total population of over 60 million inhabitants when completed. It will also link 22 international airports, main ports, rail terminals, universities, research centres, the largest hospitals as well as the main industrial and tourist areas across the region. The highway will become the nerve centre for the region's economy, intensifying inter-Maghrebian trade and regional economic integration by facilitating the free movement of persons, goods and capital between countries in the region. It will also link Europe to the Maghreb and facilitate passenger and goods road traffic across the Straits of Gibraltar.

An AUDA-NEPAD delegation led by Adama Deen, former Senior Advisor to the CEO on Strategic Infrastructure, undertook a mission to the Arab Maghreb Union to discuss the current state of the Maghreb highway.



Figure 3: The Trans-Maghreb Highway

The parties agreed on AUDA-NEPAD support on this project in the form of:

- Financing a feasibility study on border crossing within the Maghreb countries and the introduction of one-stop border post (OSBPs) and a roadmap for the creation of joint border crossing stations featuring smart lanes;
- Implementing the Convention for the Transportation of Passengers and Goods and Transit between the countries of the AMU;
- Standardising customs and trade procedures, including formalities among Maghreb countries according to international legislation governing such regimes;
- Establishing an information highway including information on road accidents and the exchange of experiences regarding investigations.

The Trans-Maghreb Highway is strategic PIDA priority project, not only for its role in the facilitation of a trading block for North Africa but also because it will enhance the links between the Maghreb and the rest of the African continent, Europe and Asia.



2.1.3 MOVEAFRICA

MoveAfrica is an AUDA-NEPAD initiative that supports trans-boundary infrastructure initiatives that lower costs and increase transport and logistics efficiency on the continent. The initiative supports the effective implementation of the AfCFTA, which calls for increased efficiency in the transport and logistics sector as well as the reduction of transaction costs. Efficiencies at border posts will facilitate the implementation of the AfCFTA. To this end, AUDA-NEPAD has developed a tool called Traffic Light System (TLS) to rank and track the ability of countries to move goods and services. The TLS monitors and evaluates the efficiency of trade facilitation along transport and trade corridors at Border Posts, as well as the simplicity, standardisation and harmonisation of border crossing procedures and transport regulations. The TLS will promote the implementation of One-Stop-Border Posts in the COMESA, EAC ECOWAS and SADC regions.

During its development phase, the MoveAfrica TLS was pilot tested on four COMESA/SADC border posts – Beitbridge, Kazungula, Chirundu and Kasumbalesa. In May 2019, AUDA-NEPAD undertook a mission to ECOWAS to introduce the MoveAfrica TLS to the region, starting with the Abidjan-Lagos Corridor. In addition, the mission aimed to facilitate peer to peer learning between COMESA/SADC and ECOWAS at both REC and Member State level. The mission culminated in a meeting attended by various experts from Transport Ministries, Immigration and Customs and Border officials from Benin, Ghana, Nigeria and Togo (ECOWAS Member States), Botswana, DRC, Zimbabwe, South Africa (COMESA/SADC Member States) and the ECOWAS Commission

According to the inaugural report on the ranking of borders by AUDA-NEPAD, the Traffic Light System has to date ranked the following borders:

In the SADC region, Beitbridge (South Africa and Zimbabwe), Chirundu (Zambia and Zimbabwe), Kasumbalesa (DRC and Zambia), Kazungula (Botswana and Zambia), Livingstone (Zambia and Zimbabwe), Mwami (Malawi and Zambia), Nakonde (Tanzania and Zambia), and Wenela-Katima Mulilo (Namibia and Zambia);

In the ECOWAS region, Elubo (Ghana and Cote d' Ivoire), Noepe-Akanu (Ghana and Togo), Seme-Krake (Benin and Nigeria), and Paga (Burkina Faso and Ghana).

A benchmarking process was agreed upon which included visits to selected border posts in the East African Community (EAC), the REC with the most functional One-Stop Border Posts (OSBPs). In October 2019 the benchmarking mission, consisting of representatives from Benin, Ghana, Nigeria and Togo (ECOWAS Member States), AUDA-NEPAD and the ECOWAS Commission, visited the Kagitumba/Mirama Hills (Rwanda-Uganda border), Rusumo (Rwanda-Tanzania border) and Busia (Kenya-Uganda border) posts.

Convinced of the potential of the TLS to improve the efficiency and effectiveness of border processes, ECOWAS and officials from Benin, Ghana, Nigeria and Togo requested for the system to be piloted on two border posts within ECOWAS, Noepe – Akanu (Ghana-Togo) and Seme – Krake (Nigeria – Benin).

The introduction of the MoveAfrica TLS in the ECOWAS pilot border posts has achieved the following to date:

Adaptation and adoption of the TLS performance indicators that were originally developed for COMESA/SADC to ECOWAS; and

The development of a Road Map for implementing the following three components;

- Preliminary ranking of the Noepe – Akanu (Ghana – Togo) and Seme-Krake (Nigeria – Benin) using the TLS. This will be undertaken to determine performance indicator baselines, perform a gap analysis and formulate strategies to close the gaps;
- Full ranking of these border posts using the MoveAfrica TLS continuously to determine performance improvements; and
- Establishment of the Ghana, Nigeria, Togo and Benin MoveAfrica TLS Technical Working Groups.

In addition to ranking the above-mentioned borders, AUDA-NEPAD is collaborating with UNECA to upscale the TLS, in order to strengthen its outreach to the rest of the continent. This upscaling will make the TLS the benchmark when it comes to monitoring border performance. One of the key areas that has been strengthened is the Health and Safety aspect, in view of COVID-19. This is as a result of the lessons learnt regarding cross-border communicable diseases and any potential future outbreaks. The TLS has been reconfigured in four categories as:

Health and Safety;

Customs and Border Operations;

Transport and Safety; and

Infrastructure.

Each category includes indicators and sub-indicators, which are then scored to determine the ranking of a border post.

2.1.4 ALIGNING TLS WITH NATIONAL INITIATIVES TACKLING CROSS-BORDER BARRIERS

Because of the multi-dimensional nature of cross-border issues, while these are tackled from a regional perspective with the national and bilateral aspects, there are also national elements which push for bilateral and regional dimensions to work. To that effect AUDA-NEPAD has been working with national initiatives such as the following:

- *Engagement with the South African Department of Trade, Industry and Competition (DTIC).*
AUDA-NEPAD is working with the South Africa DTIC to help strengthen its Export Barriers Monitoring Mechanism (EBMM). This platform was set up by DTIC to resolve export barriers faced by South African private sector when importing and exporting within the continent. The EBMM aims to (i) simplify the process for exporters to partner with government to resolve key barriers, (ii) create a national database of known export barriers, which can guide the work of officials in improving the ease of trade, (iii) assist with cross-departmental coordination of efforts to resolve barriers, and (iv) expand the monitoring and evaluation of identified challenges.



The issue of the national database of export barriers is critical for the TLS as it will help in diagnosing and tackling the underlying factors that hamper trade.

- *Engagement with the Ghana National Trade and Transport Facilitation Committee*
 AUDA-NEPAD has been engaging the Ghana National Trade and Transport Facilitation Committee in order to roll out the TLS across the country's trade borders. One result of this has been the above-mentioned ranking of the Elubo, Noepe-Akanu, Seme-Krake and Paga border posts. This will allow Ghana, as the host of AfCFTA, to set the standard on border performance, and underpins the request work with the country in rolling out the TLS on these borders and in determining any corrective actions.

2.1.5 OSBPS AND TRADE FACILITATION

Based on data collection and surveys conducted in 2020, there are 25 OSBPs in sub-Saharan Africa, 7 of which have been completed while the rest are still under construction or in the design and planning stages.

AUDA-NEPAD and its partners in the RECs continue to ensure the smooth operations of the borders by supporting infrastructure development through training of trainers for the development of OSBPs. In addition, the agency also supports the re-designing of borders in order to promote an integrated and coordinated approach to trade facilitation. It encourages seamless trade processes that eliminate duplication and minimise delays, which in turn will promote increase trade inflows and outflows between member states.

The OSBP Source Book review, which is under way, provides an opportunity to assess and include new impactful areas that will stimulate the economic integration and industrialisation agenda in the continent such as promoting investment opportunities along the corridors. The Source Book is also intended as a reference and guideline document that draws on the lessons learnt and existing case studies on OSBPs in order to conceptualise and operationalise similar initiatives. The Covid-19 pandemic has further raised new concerns and brought health issues to the fore, causing a rethink on how health protocols can be factored into trade themes in future.

2.2 PIDA 2020 TRADE REPORT

2.2.1 THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA)

The landmark African Continental Free Trade Area (AfCFTA) agreement, initially planned to be fully operational in 2020, has the potential to create a continental free-trade zone with a combined Gross Domestic Product (GDP) of US\$ 3.4 trillion, according to the African Union (AU). The AfCFTA emphasises the reduction of tariffs and non-tariff barriers, and the facilitation of free movement of people and labour, right of residence, right of establishment as well as investment. At the time of writing this report, 34 countries have deposited their instruments of AfCFTA ratification with the African Union Commission (AUC) Chairperson while 3 other countries have complied with their domestic requirements for ratification of the AfCFTA Agreement but have not yet deposited their instruments. However, member nations of the AU vary in their preparedness to execute the requirements of the agreement and its related protocols and annexes.

To support and enhance Member States' capacity and ability to implement the AfCFTA, AUDA-NEPAD and the Pardee Center carried out a study, based on the International Futures Modelling Tool, to determine the conditions necessary for the successful implementation of the AfCFTA. The Study Report was launched on the margins of the 33rd African Union summit in February 2020, and it focused on the following five outcomes:

- i Political leadership and buy-in;
- ii Tariffs and non-tariff barriers under the AfCFTA;
- iii Harmonisation with RECs and the World Trade Organization (WTO);
- iv Success conditions for AfCFTA's implementation;
- v Monitoring and measuring AfCFTA for successful implementation (rules of origin and VAT)

The report explored the likely risks and opportunities arising from the implementation of the AfCFTA. The key benefit to the continent is the projected increase in intra-African trade, compared to a scenario without the AfCFTA, with associated productivity gains and increased economic activity. Implementation risks and challenges include the:

- Revenue losses from intra-African trade tariffs, though these are likely to be offset by GDP gains in the longer term
- Readjustments of labour and capital across sectors and economies;
- High levels of non-tariff barriers to continental trade, whose removal presents an opportunity to further deepen economic integration and its gains; and
- Relatively low levels of economic complementarity between African economies, though this is likely to increase as the AfCFTA is fully realized, non-tariff barriers are removed, and connecting infrastructure is provided.

The study concluded with several recommendations for the successful implementation of the AfCFTA, such as:

- Continued commitment to the agreement and the harmonisation of trade policies across states, regions and the world;
- Development of mechanisms to eliminate all barriers to trade;
- Capacity building in each member state to implement VAT monitoring systems;
- Building and improving infrastructure to expedite and facilitate trade across borders;
- Diversification of Africa's economies and export profiles through industrialisation and a focus on higher value-add goods and services;
- Good governance practices and reduce corruption;
- Enhancing the monitoring of cross-border flows of goods and services
- Investing in human capital to harness the benefits of Africa's harnessing a large labour force; and
- The development of an African Union Development Fund that could support countries experiencing economic disruption and social dislocation as a result of implementing the agreement.

Though the study was limited by poor data availability, the high level of analysis undertaken (at country level rather than the sub-national level where trade impacts are more apparent) and epistemological limitations of analysing such issues as global recession, shifts in trade patterns, global value chains and economic interdependence, it is a valuable aid to inform and guide critical analysis to the AfCFTA Secretariat and member states for the successful implementation of the AfCFTA.

2.2.2 TRADE FACILITATION

Under the aegis of the Private Sector Engagement Unit (Economic Integration's MoveAfrica), UNECA, AUC and AUD-NEPAD, took part in the drafting of the Continental Guidelines on Trade and Transport Facilitation for the Movement of Persons, Goods and Services across Africa, as part of the trade protocols to be implemented during Covid-19 Pandemic. These measures were endorsed by the Member States through their Technical Experts and were also approved by the Ministerial Steering Committee.

The guidelines are expected to be adopted by the Executive Council and the African Union Assembly of the Heads of States and Government in February 2021.

2.2.3 COVID-19 RESPONSE ON SUPPLY CHAINS AND HEALTH SUPPLIES

In response to spread of the COVID-19 pandemic across the continent, AUD-NEPAD has been part of the African Centre for Disease Control and Prevention (Africa CDC) Task Force on Technical Working Group on Supply Chain Initiatives to ensure the normal flow of trade and minimise disruptions to supply chain systems for essential goods (e.g., medicines and fuel) and services. This extends to, in some cases, creating sourcing platforms for COVID-19 personal protective equipment (PPE), medicines and other essential goods.

2.2.4 SPECIAL ECONOMIC ZONES (SEZS)

Special Economic Zones (SEZs) are part of the strategic economic developments planned along transport and trade corridors in Africa. SEZs allow the attainment of integrated corridors through the creation of linkages between the various sectors of economic development in a region. They support the creation of open and liberalised markets and business efficiency, but require that a streamlined tax regime, trade logistics and appropriate service delivery mechanisms are in place to cope with the expected increase in traded goods and services. It is anticipated that SEZs will become increasingly important on the continent following the implementation of the AfCFTA and the dismantling of tariff and non-tariff barriers to trade.

AUDA-NEPAD intends to commission a feasibility study for the development of SEZs along the Trans-Gambia Corridor and the Trans-Maghreb Corridor, amongst others.

2.2.5 AUD-NEPAD-JICA ECONOMIC INTEGRATION PARTNERSHIPS

The strategic Partnership between AUD-NEPAD and the Japan International Cooperation Agency (JICA) continues to grow as the two institutions work together on economic integration initiatives. In particular AUD-NEPAD and JICA are collaborating on integrated corridor development to support PIDA PAP II infrastructure projects, trade facilitation priority actions such as OSBPs, and knowledge sharing through webinar and conference platforms.

The annual meeting to renew the cooperation took place in November 2020 where the actions plan for 2021 was drawn.

2.3 INFORMATION AND COMMUNICATION TECHNOLOGY

2.3.1 THE CYBERSECURITY PROJECT – ADVOCACY, AWARENESS AND RATIFICATION/ DOMESTICATION OF THE AU CYBERSECURITY CONVENTION (AUCC)



The objective of AU Cybersecurity Convention (AUCC) is to ensure the security of the institutional, human, financial, technical and informational assets and resources throughout the continent. The convention focuses on addressing cybercrime and cybersecurity but also seeks to legislate important elements of electronic transactions and the protection of personal data. As part of the PIDA PAP, AUCC will enable harmonisation of cybersecurity laws, policies and strategies; facilitate online and offline global and intra-regional trade; boost the confidence of investors in the infrastructure sector and encourage the development of local content and services. In view of the AfCFTA, issues of cybersecurity will become increasingly significant in supporting e-services, e-commerce and the free movement of people, goods and services.

The AUCC has currently been signed by 14 member states and ratified by 5 of these states. It will come into force when ratified by 15 member states. AUDA-NEPAD is engaged in assessments within national and regional structures and advocacy towards cybersecurity measures in line with the Convention and its transposition into national policies and laws. Specifically, AUDA-NEPAD has developed a cybersecurity assessment framework to develop tailored guidelines and interventions for implementation of the African Union Convention on Cyberspace Security and Personal Data Protection for member states. Further, AUDA-NEPAD has partnered with the Pan African Parliament (PAP) to facilitate this engagement with national assembly members.

In March 2019, AUDA-NEPAD held a joint workshop for the Pan African Parliamentary Committees to enhance confidence in Africa's Cybersecurity infrastructure and the role of legislators. National assessments have been undertaken in ten countries covering two RECs – the AMU and Economic Community of Central African States (ECCAS). In addition to detailing the state of play as regards cybersecurity policy and legislation, the assessment reports include recommendations on specific interventions for each country and steps required for ratification of the AU Convention and/or transposition of the Convention's provisions into national laws and policies. A consolidated assessment report has also been prepared to detail the key findings from the national assessments and provide recommendations for AUDA-NEPAD on the assessment process. This report will advise on the necessary regional and continental interventions to move the cybersecurity agenda forward. These reports will be released in Q1 of 2021, and they will inform the next phase of assessments and interventions to be extended to the remaining RECs.



2.4 ENERGY

In addition to the energy projects under PIDA, one of the key energy initiatives being coordinated by the AUDA-NEPAD is the Continental Transmission Masterplan, which constitutes the infrastructure component of the Africa Single Electricity Market (AfSEM) being implemented by the AUC.

2.4.1 CONTINENTAL TRANSMISSION MASTERPLAN

The development of a Continental Transmission Masterplan was first recommended by the Africa Energy Ministers during the African Union (AU) Specialised Technical Committee meeting on Infrastructure (Transport, Energy and Tourism) held in Nouakchott, Mauritania in 2018. At that meeting, AUDA-NEPAD was tasked to lead the development of the Masterplan. The Energy Ministers' Directive was confirmed by the Executive Council Decision of the AU Summit held in Niamey in 2019, which specifically requested AUDA-NEPAD to lead the project by collaborating with other Pan-African institutions such as the AUC, AfDB, UNECA, other regional organisations and development partners. As a result, AUDA-NEPAD held consultations with key stakeholders leading to the development of the terms of reference that were further refined during PIDA Week 2019 in Cairo, Egypt. The power pools recommended that the Masterplan should be called the Continental Power Systems Masterplan as it will also include a review of generation infrastructure.

The Continental Masterplan is expected to integrate the vision of the AU as expressed in various Specialised Technical Committee (STC) and Ministerial meetings, AfSEM, the AfDB New Deal for Energy in Africa and the concept of Clean Corridors. The vision is further underscored by several other continental strategic issues such as the:

- ▲ Geothermal Risk Mitigation Facility;
- ▲ Programme on Bioenergy development in Africa;
- ▲ Harmonized Continental Policy and Regulatory Frameworks in the Electricity Sector; and
- ▲ Green Mini-Grids (GMGs) Africa strategy.



It is expected that the Continental Power System (Transmission) Masterplan will facilitate the creation of a continental energy market anchored on the five power pools and driven by well-functioning regional electricity markets.

The priority projects from the Continental Masterplan will enable the participating countries to take advantage of the complementarities between national systems, with surpluses from one country offsetting deficits in another. It will also capitalise on national and regional diversity in resources and demand. The Masterplan will assist decision-making on the location, size and timing of investments in generation and transmission projects to support intra- and inter-pool connections and trading. The development of regional energy infrastructure will lead to the creation of large, competitive markets instead of small, isolated, and inefficient ones.

Regional power infrastructure will enhance the socio-economic development of the continent by providing lower-cost energy for agricultural, industrial, mining, communications and trade under the AfCFTA. The development of the Continental Masterplan will further enable African countries to design a strategic energy transition trajectory based on low-carbon power systems by (i) deepening the penetration of variable renewable energy and energy storage systems, and (ii) developing responsive and efficient demand and supply-side management strategies.

The first part of the Continental Masterplan development was implemented under the following two key activities:

- 1** Review of Existing Power Pool Masterplans;
- 2** Establishment of Baseline Scenario.

2.4.1.1 Review of Existing Power Pool Masterplans

The masterplans developed by each of the power pools in Africa (SAPP, EAPP, CAPP, WAPP, COMELEC) were reviewed in detail through an EU Technical Assistance Facility (TAF). This work also involved collecting data for developing a comprehensive masterplan during the next phase. The consultant analysed the data, reviewed the current development plans regarding generation and transmission, identified key issues for consideration and identified gaps. Specifically, they:

- | |
|--|
| Collected and reviewed all current valid masterplans and other strategic plans from the power pools and the regional power markets; |
| Carried out a detailed assessment of the load forecasts and supply options, as well as energy resource endowments optimized in each region; |
| Identified and isolated major differences in the assumptions/methodology used in each power pool and identified mutually consistent forecasts; |
| Carried out analysis of the load forecasts developed in all power pools and established the load growth within a power pool that needed to be fully met on a short-, medium- and long-term basis; |
| Reviewed the power pool masterplans and strategic plans for the short, medium and long terms as well as the adequacy of each power pool's strategic plan to meet the needs of its member states; |
| Estimated the shortfall in power supply within each power pool based on the pool's strategic plan, and established how each power pool plan could be supplemented by the other pools to meet the shortfall within the short, medium and long terms; |
| Identified the priority generation and transmission projects development within each power pool; |
| Assessed the demand-supply balance for each power pool, highlighted region-specific requirements in terms of supply security and identified the state of each power pool's bilateral versus regional electricity trading; |
| Analysed and integrated information from the Association of the Mediterranean Transmission System Operators (Med-TSO) and the Association of Mediterranean Energy Regulators (MEDREG) as well as data relevant to all the continental masterplan activities. |

2.4.1.2 Establishment of Baseline Scenario

Based on the results of the review of existing power pool masterplans above, the Consultant developed a baseline scenario, which assumed that each power pool independently planned its generation and transmission investments, based on its policy objectives. Furthermore, the consultant developed model specifications of the regional generation and transmission systems, which will provide the basis for the subsequent development of the optimal power system masterplan during Phase 2 of the CMP in 2021.

Specific tasks under this activity included the:

Development of a baseline scenario aggregating all the above analyses (i.e., assessment of primary energy resources, the spatial distribution of generation and transmission infrastructure and low / medium / high demand scenarios in the various countries), and consolidating and comparing the regional pool plans; and

Assessment of the supply/demand balance for each power pool, identification of region-specific requirements in terms of supply security and analysis of the state of the power pool's bilateral versus regional electricity trading.

Based on the above activities (1 and 2), the following key deliverables were submitted to AUDA-NEPAD as milestones for Phase 1 of the Continental Masterplan:

- i. A Baseline Scenario covering baseline load forecast and supply options;
- ii. Report on the Review of Existing Masterplans and identification of priority generation and transmission projects
- iii. A Modelling Continental Master Plan including:
 - An assessment of supply-demand balance for each power pool; and
 - Models for generation and transmission.

2.4.1.3 Stakeholder Roundtable on the Development of the Masterplan

Following the completion of Phase 1 of the Continental Masterplan, a (virtual) stakeholders' roundtable was held on 28 October 2020 to formally present the results of the Phase I Baseline study funded by the EU. Apart from presenting the study, the Roundtable engagement also aimed to agree on the study's recommendations for Phase II activities, and solicit the interests of partners in funding. Over 85 participants attended the virtual roundtable, including representatives from the East African Power Pool (EAPP), the West African Power Pool (WAPP), Southern African Power Pool (SAPP), Energy Regulator for Eastern Africa, COMESA, the Governments of Rwanda and Egypt, Morocco's Office National de l'Electricite et de l'Eau Potable (ONEE), AUC, AUDA-NEPAD, EU, AfDB, the German Kreditanstalt für Wiederaufbau (KfW), the World Bank, Power Africa, DFID, Africa Finance Corporation (AFC), and Japan International Cooperation Agency (JICA).

During the roundtable, the EU presented the results of the baseline study and plans for Phase II as discussed with and validated by energy stakeholders on the continent. The study recommended a participatory and a bottom-up approach in the development of Phase II centred around the active involvement of Power Pools, efficient transfer of know-how, and emphasis on on-the-job training and capacity building to ensure the long-term sustainability of the Continental and Power Pool Masterplans. It noted the need for updating and consolidating the power pool masterplans into one continental masterplan, and harmonising the recommended infrastructure. The study also noted the critical role of planning, synchronisation, sequencing and collaboration of partners in the development of the masterplan.

Following the presentation of the study, partners and stakeholders expressed their support for the formulation process for Phase II. The generation and transmission line projects which are critical in linking the power pools were then identified, guided by the lessons learnt in the PIDA PAP 1 process. Participants also emphasised the critical issues in developing the continental masterplan as the:

- need to identify net power sources and net power sinks;
- need to consider a common fund and appropriate project packaging;
- challenges posed by the prevailing low capacity for project preparation and implementation have been highlighted;
- central role for the INGA Dam in the development of the continental masterplan;
- challenges associated with base data collection from the utilities and the power pools for use as input data into the modelling tools to be adopted.

The study recommended the following activities to be carried out - grouped according to their priority level, budget, and interested partners – as shown in Table 2 below.

Table 2: Proposed Activities and Partners for Phase 1 of the Continental Masterplan

Component/ Lot	Priority	Lot Description	Budget in Million Euros	Partner Interest
Lot 1	Prior- 1	Lot 1a. Energy Planning and Modelling	4	AfDB, EU
		Lot 1b. Capacity Building	2.5	
Lot 2	Prior- 2	CAPP Master Plan	4	World Bank
Lot 3	Prior- 2	COMELEC Master Plan	4	IDB, AfD
Lot 4	Prior- 2	Lot 4a. Acceleration of Energy Projects of PIDA PIP 2 and Regional Priority Projects	100	AfDB, EU
	Prior- 2	Lot 4b. Mechanism for funding CMP projects	1	
Lot 5	Prior- 3	ICT infrastructure and Cyber Security Support Study	0.5	
Lot 6	Prior- 3	Regulatory/Institutional Gap and Impact on Establishment of the AfSEM	0.8	
Lot 7	Prior- 3	Role of Distributed Power Systems in Universal Access to Electricity and future integration to National, Regional, continental Electricity Markets	0.5	
Lot 8	Prior- 3	Specific Support Study – Energy Efficiency (generation and transmission	1	AfDB, EU
Lot 9	Prior- 3	SAPP, WAPP & EAPP Master Plans' Update	1.5	AfDB, EU
Lot 10		Specific Support Study – Link between CMP, Africa Industrialisation, Integrated Economic Corridor Development and AfCTA	1	AfDB
Energy Storage				USAID, Power Africa, EU
Lot 11	Prior- 3	Lot 11a. Specific Support Study – Green Hydrogen	0.4	
	Prior- 3	Lot 11b. Specific Support Study – Battery Energy Storage Systems	0.4	
	Prior- 3	Lot 11c. Specific Support Study – Hydro Reservoir & Pump Storage Plants	0.4	
	Prior- 3	Lot 11d. Specific Support Study – Electricity Supply and Storage Technologies	0.4	
Renewable Energy				IRENA, EU
Lot 12	Prior- 3	Lot 12a. Specific Support Study – Wind Power Plants	0.4	
	Prior- 3	Lot 12b. Specific Support Study – Solar Power Plants	0.4	
Lot 13	Prior- 3	Cross-cutting component-AUDA NEPAD activities related to the CMP	1	
Grand Total			124.2	

The following recommendations were made by the roundtable:

- The possibility of involving African Universities in adapting the open-source tools to be used should be explored;
- The capacity of RECs, Power Pools, and AUDI-NEPAD should be strengthened before the introduction of any new tools, but the actual capacity building needs should be first be assessed through a capacity needs assessment and the introduction of any such tools should be synchronised with available capacity;
- The long lead times for project development should be considered in the sequencing of Phase II lots to ensure that the Masterplan adopts realistic implementation timelines;
- Lessons learnt from the implementation of existing Pool Master Plans and PIDA PAP I projects should be factored into the development of the plan;
- Thorough assessments should be carried out to avoid duplication of effort and ensure the efficient utilisation of resources on the various lots;
- AUDI-NEPAD should ensure a practical bottom-up approach to developing the Masterplan that recognises the importance of transmission interconnectors, since interconnectors catalyse the development of regional generation projects; and
- The Masterplan should build around clusters of already-trading countries to facilitate its seamless development.

The session agreed on the next steps in the development of the Continental Power System masterplan:

- The revision of the terms of reference by end of the year for all the of Phase II, to accommodate comments from the by reviewers and participants;
- The synchronisation of Priority 1 and Priority 2 components to commence in 2021;
- The carrying out of a capacity needs assessment for institutions involved in implementing the Masterplan;
- Further discussions with financers to concretise their commitments; and
- Operationalisation of the proposed governance structure for the Continental Power Masterplan.

2.4.2 NORTH AFRICA POWER MARKET

In collaboration with UMA, Magreb Electricity Committee (COMELEC) and the Ministry of Electricity and Renewable Energy in Egypt, AUDI-NEPAD held a meeting in Algiers from 7th to 11th September 2019 to share the experiences and lessons learnt from the Southern Africa region in the introduction of a successful regional competitive electricity market. The meeting considered a road map for the introduction of such a competitive electricity market in the North Africa region through the development of a stable and reliable interconnected grid that interconnects UMA member states and Egypt.

Most of the electricity trade in the North Africa Region is done on a bilateral basis, which ties the countries involved into long term sale agreements (years ahead) and hinders them from utilising the opportunities available in securing electricity on short terms at competitive prices. To date, COMELEC has made progress in establishing a regional electricity market, which is harmonised with the European Electricity markets. However, there is still significant work that needs to be done in following through and implementing the outcomes of the various initiatives to set up a stable interconnected grid. The latter is a necessary precursor to the development and operation of a competitive electricity market in North Africa. Egypt is currently at an advanced stage of the development of an Arab Electricity market, which will link North Africa (and by proxy Africa) to the Middle East interconnected grid. There are also several initiatives to establish additional interconnections with Europe through Italy and Greece.



2.5 WATER

The African Union Development Agency (AUDA-NEPAD), in collaboration with COMESA, African Ministers' Council on Water (AMCOW), AfDB, Global Water Partnership Africa (GWP), and with support from the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), convened a PIDA Water Programme Stakeholders' Workshop in Lusaka, Zambia from 24 to 26 April 2019. The purpose of the Lusaka workshop was to give all PIDA PAP TBW and Energy projects promoters and coordinating entities an opportunity to present the status of their respective projects and recommend on ways to accelerate project implementation using the PIDA Water Programme support.

During the workshop, the project promoters updated their project information on the Virtual PIDA Information Centre (VPIC). Several water projects were also presented and proposed action plans for each project drafted. GWP and AUDA-NEPAD are working to support the actualisation of these plans, particularly considering the PIDA PAP II process

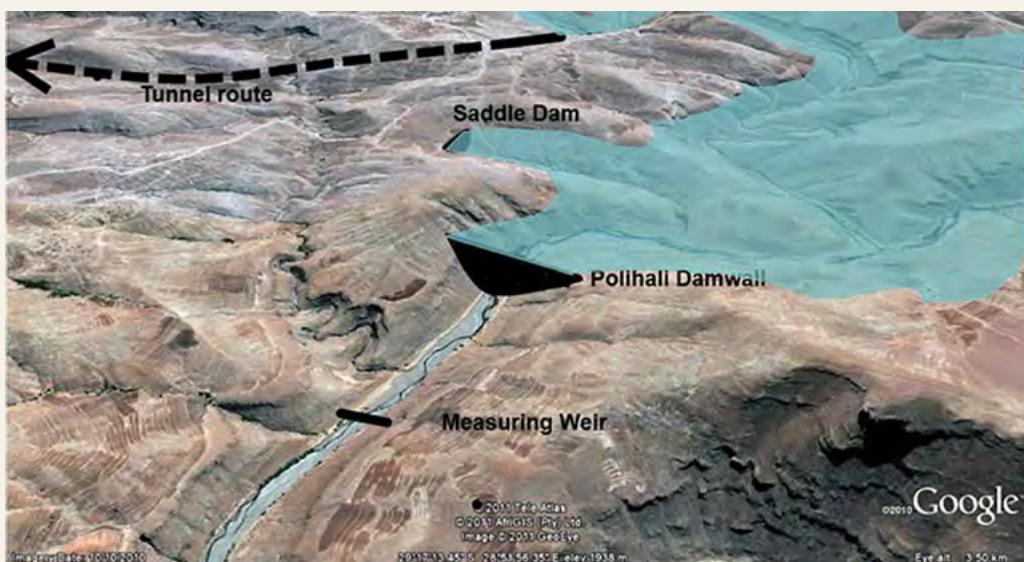


Figure 4: Aerial view of Polihali Dam, Lesotho Highlands project (Source: Infrastructure News)



3. PIDA PERSPECTIVES TOWARDS 2021 AND BEYOND

3.1 TOWARDS PIDA PAP II

The first PIDA phase was translated into the PIDA Priority Action Plan I (PIDA PAP I) which represented a list of regional priority projects for implementation from 2012 to 2020. At its conclusion in 2020, PIDA stakeholders including the AUC, AUDA-NEPAD, UNECA and the AfDB have developed the second phase, PIDA PAP II, with an implementation horizon from 2021-2030. PIDA PAP II will be adopted by the African Heads of State and Government during the AU Summit in February 2021. The preparatory process for the second phase of the PIDA PAP was inclusive of all stakeholders: member states of the AU, RECs, African institutions, civil society, private sector, youth and the women, African and non-African development partners. It went through eight main stages which are:

- The mid-term review of the implementation of the PIDA PAP I;
- PIDA Market and Demand Study;
- The development of an integrated corridor approach;
- Development of project selection criteria for PIDA PAP II;
- The selection of PIDA PAP II priority projects;
- Development of a PIDA Partnerships Strategy;
- Development of a PIDA Implementation Strategy; and
- Development of a PIDA Financing Strategy.

In April 2019, the PIDA Steering Committee reviewed the status of the implementation of PIDA PAP I, the PIDA Capacity Building Project and PIDA's governance structure - the Institutional Architecture for Infrastructure Development in Africa (IAIDA) – to prepare for PIDA PAP II.

3.1.1 PIDA MID-TERM REVIEW OUTCOMES

The major objective of the PIDA PAP I Mid-Term Review was to take stock of PIDA PAP I implementation to date, assess progress achieved so far, and highlight the strengths and success stories as well as weaknesses of the processes and instruments put in place for the achievement of the PIDA PAP I 2020 targets. The analysis provided the basis for charting the way forward in the medium-term, in particular, the process of formulating PIDA-PAP 2 (2021-2030) and its content.

The Mid-Term Review Mission undertook fact-finding tasks and an analysis of the implementation of the PIDA PAP I based on the five DAC-OECD evaluation criteria: relevance, effectiveness, efficiency, impact and sustainability. The key findings under these criteria were:

- i. Relevance: PIDA PAP I was highly relevant to continental and regional infrastructure development needs, and was in alignment with and a facilitator for continental initiatives such as Agenda 2063 and the African Continental Free Trade Area. The selection of projects under PIDA PAP I was based on objective, agreed-upon criteria following a transparent process. However, not all of the selected PIDA projects were considered priorities at their country level, leaving them without the much-needed political support and hindering their progress.



- ii. **Effectiveness:** considering that
 - one hundred and fifty (150) out of 409 projects (37%) were under 'Construction' or in 'Operation' at the time of the review,
 - approximately about 50% of PIDA projects are currently in Stages between 'Transaction Support and Financial Close' and 'Operation',
 - PIDA PAP I effectively began in 2014/15 after the 2014 Dakar Financing Summit, and
 - it takes at least five years for a project to move from the 'Preparation/Concept' stage to the 'Operation' stage.
- It can be concluded that PIDA has established itself as a valid infrastructure development framework that contributes to the realisation of enhanced economic connectivity, and the increased sustainability and resilience of continental infrastructure.
- iii. **Impact:** It is too early to appraise the long-term impacts of PIDA PAP I, both for completed projects and those in operation such as OSBPs. Gains over time and cost reduction have been mentioned at micro-level. However, it can be argued that all of those projects contribute to regional integration and the potential for economic integration.
 - iv. **Sustainability:** PIDA PAP I is perceived to have had positive outcomes, as evidenced by the maintenance undertaken on upgraded roads, OSBPs constructed, container depots built and ports upgraded. This was due to the existence of road authorities and maintenance funding mechanisms (such as road funds) at the country level. For the railways sector, the maintenance record in many African countries suggests that the identification of best practice and lessons learnt may be necessary to drive sustainability. There is a higher degree of sustainability in the ICT and Energy sectors, given their inherent revenue generation policy. Sustainability in the Transboundary Water Resources sector projects depends on the availability of financial resources, as well as weather patterns and climate change.

3.1.2 PIDA MARKET AND DEMAND STUDY OUTCOMES

PIDA PAP I was implemented partly based on a 2011 market study forecasting the demand for regional infrastructure on the continent up to 2040. Although this study still holds valuable insights, key developments in recent years have changed the dynamics of African infrastructure development. Furthermore, given the nature of infrastructure required to achieve the needed economic growth, numerous constraints surround the delivery of such capital investment, such as:

- i. fiscal limitations and issues of affordability;
- ii. the capacity of the construction sector to supply all the desired infrastructure at a given time; the administrative capacity of the planning system;
- iii. climate change commitments and environmental constraints;
- iv. issues of political stability and commitment;
- v. concerns relating to price inflation and value of the investment; and
- vi. concerns relating to gender inclusivity.



In light of these constraints, it is necessary to make policy decisions as to what sectors and projects should be prioritised over the coming years. This decision should be made on the foundation of current trends with due consideration for bankability and attractiveness as Public-Private Partnerships (PPPs).

The AUC, supported by GIZ, has conducted a Market and Demand Study which reviewed the available evidence to inform the selection and implementation of PIDA PAP II projects. The study included a:

i. A regional infrastructure demand outlook to 2030 that provided the following projections;

(a) Transport

Road passenger-kilometres will continue to grow by 6.5% annually until 2030,
Road freight tonne-kilometres will grow by 4.8% annually until 2030,
Rail passenger-kilometres is expected to grow by 6.1% annually until 2030,
Rail freight tonne-kilometres is expected to grow by 3.9% annually until 2030,
Container volumes will continue to grow by 4% annually until 2030,
Air passenger numbers will continue to grow by 5.6% annually until 2030,
Air cargo volume is expected to grow by 5.5% annually until 2030.

(b) Energy

Electricity consumption will continue to grow by 6.7% annually until 2030,
Oil products consumption is projected to grow by 6.0% annually until 2030.

(c) ICT

The number of internet users is expected to grow by 6.4% annually until 2030,
Fixed broadband user is projected to grow by 9.3% annually until 2030.

(d) Water

Water consumption will rise by 3.1% annually until 2030.
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- ii. Modelling of infrastructure capacity gap analysis for Transport, Energy, ICT and TWRM sectors under different demand growth scenarios until 2030. The investment needs required to meet the infrastructure gaps were also estimated for each of the sectors under different scenarios by 2030;
- iii. Identification of likely sources of funding for the PIDA PAP II programmes to align the proposed projects and the available sources of finance, including possibilities for private sector financing through PPPs;
- iv. Mapping of project implementation risks and their mitigation strategies to aid PIDA PAP II delivery of infrastructure investments, with the Dakar Financing Summit list of projects as a case study.

Based on the above key components, the study provided recommendations based on evidence-based analysis on the need or demand for PIDA PAP II projects and their ranking in their given markets.

3.1.3 PIDA CORRIDOR APPROACH AND PROJECT SELECTION CRITERIA FOR PIDA PAP II

The development of the second phase of PIDA, PIDA-PAP 2, included the updating of regional project selection criteria as well as the selection of the projects and programmes. Projects and programmes under PIDA PAP II will represent the first batch of agreed priorities resulting from consultations with RECs and their member states. The project list represents the priority pipeline required to meet the PIDA outcomes over the period 2021-2030. The project selection criteria were derived from the Integrated Corridor Approach, taking into account the lessons learnt from PIDA PAP I as outlined in the programme's mid-term review recommendations.

The Integrated Corridor Approach is based on two pillars:

The corridor planning concept that ensures that all related corridor infrastructure, such as ports, roads, rail, pipeline, inland waterways, border post facilities, optical fibre and other telecommunications, link to and complement each other; and

The integration of inclusivity, social and sustainability features into the planning process mirroring the AUC Vision, in order to realise the full socio-economic development impact of regional projects.

The multi-sectoral corridor approach will link the various services provided by the infrastructure sectors of Energy, Transport, ICT and Water to create a cross-border corridor approach. By integrating the value-add of the respective services through a corridor approach, the creation of industrial hubs, logistical hubs and Special Economic Zones and ultimately, regional markets, can be facilitated and strengthened.

The underlying concept for planning the PIDA PAP II is to promote an integrated, multi-sectoral corridor approach that is:

- employment-oriented,
- gender-sensitive,
- climate-friendly and
- connects urban/industrial hubs with rural areas.

It will also ensure that future cross-border infrastructure planning is aligned with AU principles and the values of Agenda 2063.

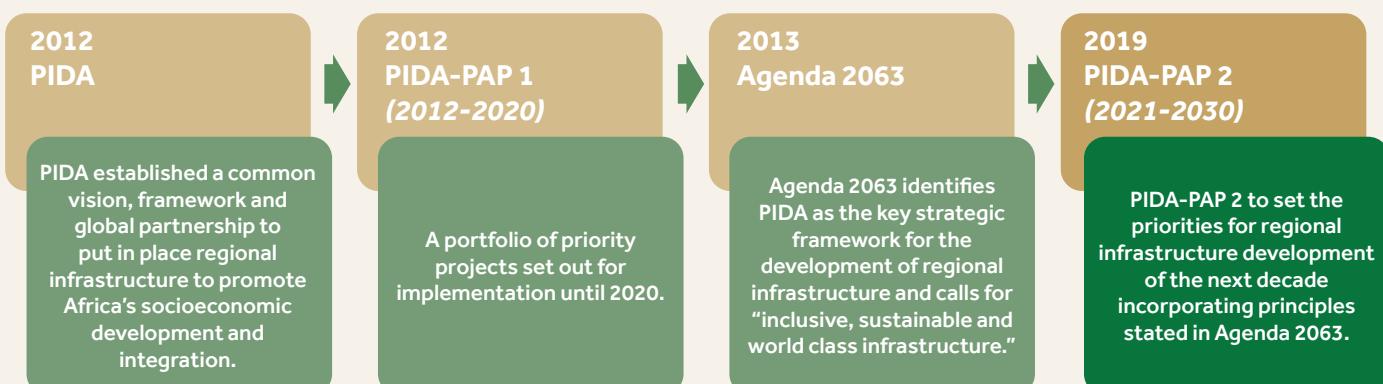


Figure 5: Integrated Corridor Approach – From PIDA to PIDA PAP II Source: CPCS Transcom

PIDA PAP I was built from the master plans of the RECs and Member States. Project selection criteria were developed and used to identify 51 programmes/projects that were included in the PAP. The development of the PIDA PAP II took into account lessons learnt from PAP 1, as highlighted in the PIDA PAP I mid-term review. It also considered contemporary contexts, initiatives, agenda and priorities at the national, regional and continental levels to select projects and programmes that will address short- and long-term continental development priorities.

Some of the key issues taken into account in updating the project selection criteria for PIDA PAP II included:

- Job creation;
- High impact and inclusiveness;
- Youth and gender mainstreaming;
- Climate resilience;
- Technical viability and data availability;
- Small Island Developing States (SIDS); and
- Fundability and bankability.

The selection criteria for PIDA PAP II projects and their associated weights were developed and validated by the Specialised Technical Committee on Transport, Infrastructure, Intercontinental and Interregional Infrastructure, Energy and Tourism (STC-TTIIET) during PIDA Week 2019.

Figure 6 below illustrates the technical aspects of the planning process.

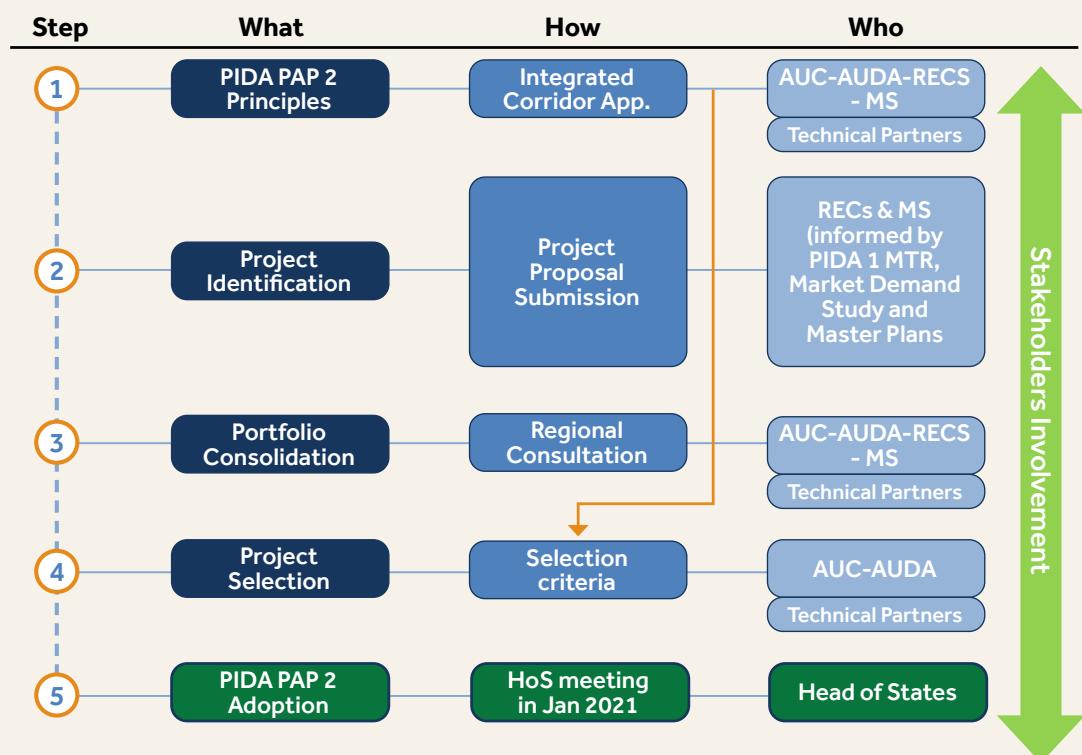


Figure 6: Technical Aspects of the PIDA PAP II Planning Process

Stakeholder consultation has been a key element of this process. A PIDA Stakeholders Meeting on the PIDA PAP II process was held in Kigali, Rwanda, in September 2019. This was followed by a second policy dialogue in Malabo, Equatorial Guinea, in September 2019 to provide further engagement from member states on the development process of PIDA PAP II. In November 2019, technical experts from member states convened in Addis Ababa for the final review of the PIDA PAP II process and to refine the Integrated Corridor Approach and project selection criteria. The approach and selection criteria were thereafter validated by the STC-TTIIET on the margins of the December 2019 PIDA Week in Cairo, Egypt.

3.1.4 PIDA PAP II PROJECTS

Based on these criteria, 73 projects under PIDA PAP II were selected in a participatory and transparent process from a long list of over 240 projects proposed by the Member States, RECs, and Specialised Institutions. This PIDA PAP II portfolio is composed of 10 projects from each of the 5 African regions, 18 cross-regional projects and 5 projects from Small Island Development States (SIDS).

3.1.5 PIDA PAP II IMPLEMENTATION STRATEGY

The PIDA PAP II Implementation Strategy is designed to provide a comprehensive overview of how the projects will be developed and progressed through the project lifecycle, from planning to financial close, while enhancing project bankability and also meeting Agenda 2063 aspirations. The strategy sets out the institutional structure, the Integrated Corridor Approach Implementation Principles and the available PIDA Instruments that project owners can leverage to accelerate project development. The Implementation Strategy, which is illustrated in Figure 7 below, also presents data tracking/monitoring and evaluation tools to track the development of projects and the overall PAP 2 portfolio.

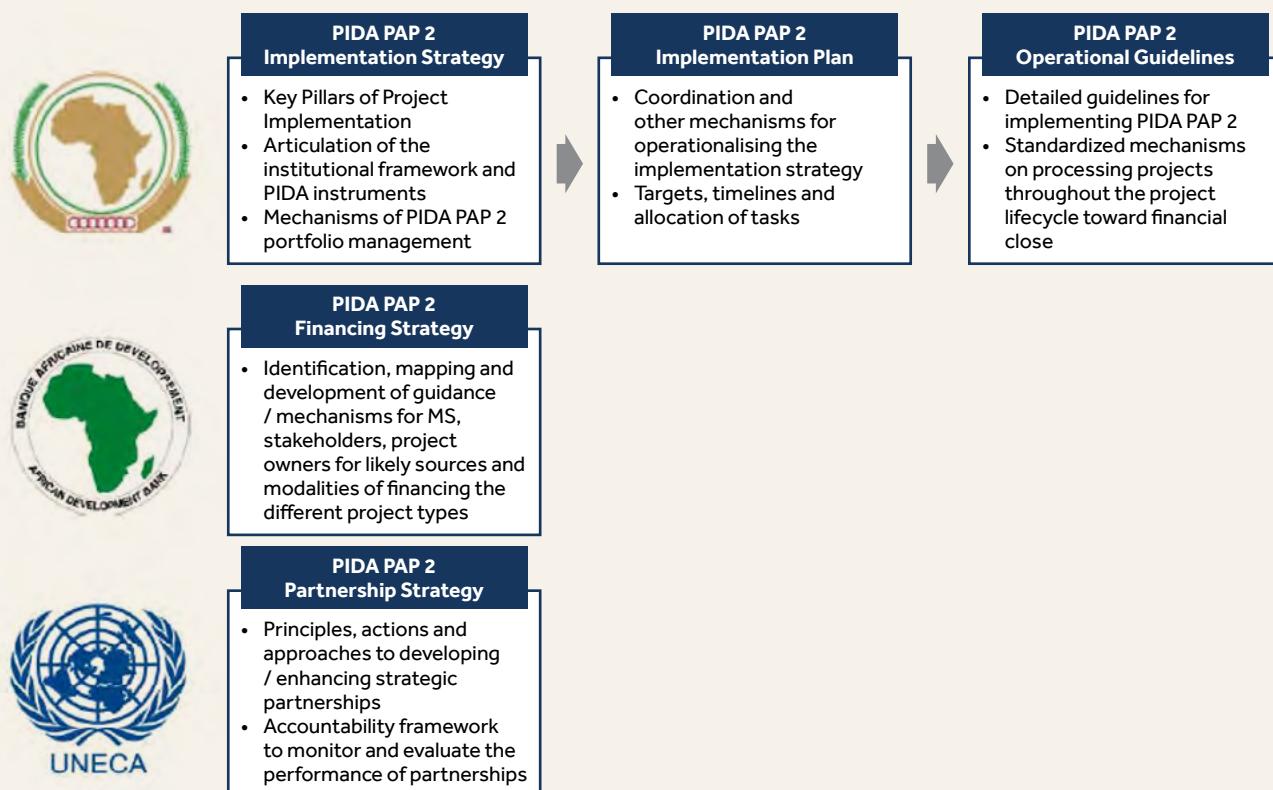


Figure 7: PIDA PAP II Implementation Strategy

3.1.6 THE PIDA PAP II INSTITUTIONAL STRUCTURE

The PIDA implementing partners are the AUC, AUDA-NEPAD, the AfDB and UNECA. PIDA further builds on RECs, Member States, as well as on specialised technical entities (Regional Power Pools, Corridor Management Authorities, Lake and River Basin Organisations), to implement regional infrastructure projects, as well as decision-making bodies such as the STC-TTIIET and the PIDA Steering Committee. Development Partners (such as donor agencies) play a major role in making PIDA a multi-institutional programme that relies on several actors for its success.

3.1.7 THE PIDA PAP II IMPLEMENTATION PRINCIPLES

The PIDA PAP II Implementation Strategy has been developed in line with the Integrated Corridor Approach, and implementation of PIDA PAP II will be guided by the following Integrated Corridor Implementation Principles:

Infrastructure Corridors: Creating synergies and enhance impact by integrating related tourism, agriculture, services and trade as well as industrialisation strategies, within RECs and Member States.

Job Creation: Implementing PIDA projects that incorporate deliberate measures to maximise job creation for each project/corridor.

Rural-Urban Connectivity: Developing PIDA projects with rural connectivity strategies to stimulate entrepreneurship, access to finance and investment in social infrastructure (education and health) in rural communities being traversed by PIDA infrastructure/corridors.

Climate Resilience: Ensuring that PIDA project development promotes the provision of climate-resilient infrastructure.

Gender-Responsive Infrastructure: Mainstreaming gender in infrastructure planning, procurement, construction and operation.

Innovation: Promoting innovation in the design and financial structuring of PIDA Projects.

Financial Viability: Preparing projects that fulfil the most important bankability aspects in order to secure finance and comply with the requirements of major Development Finance Institutions (DFIs).

3.1.8 THE PIDA PAP II: LEVERAGING PIDA INSTRUMENTS

Since the first launching of PIDA, several instruments have been developed to help advance PIDA priority projects. These instruments have been designed to be leveraged by different stakeholders at different stages in the project lifecycle, and include:

The **PIDA Quality Label (PQL)**, whose criteria is to be broadened to include additional aspects relevant to the Integrated Corridor Approach and project bankability;

The **Continental Business Network (CBN)** to focus on PIDA PAP II projects, particularly those with the highest level of bankability;

The **African Infrastructure Guarantee Mechanism (AIGM)** to raise awareness on the benefit of the Integrated Corridor Approach to increase the number of public providers of risk mitigation;

The **NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF)** to increase its focus on gender-sensitive and inclusive development as part of the scope of the feasibility studies conducted. Performance to be re-assessed against the Integrated Corridor Implementation Principles;

All PIDA Instruments to align with the **Gender-Responsive Infrastructure Development Guidelines (GRID)** developed by the African Network for Women in Infrastructure (ANWIn) during the preparation of PIDA PAP II; and

The **Job Creation Toolkit**, which is already well adapted to PIDA PAP II.

Different institutional players will work together, under the overall coordination of AUDA-NEPAD using the institutional instruments (guided by the Integrated Corridor Approach Implementation Principles) to implement PIDA PAP II projects, following the approach laid out in Figure 8 below.

							Planning	Development	Financing	Contracting	Implementation & Monitoring
Who and What	Responsible Institution(s)	AUC, AUDA-NEPAD, AfDB and UNECA responsible for planning PAP 2 and selecting PAP 2 projects.	MS, RECs, STEs: undertake feasibility studies, detailed design and project structuring.	MS, RECs, STEs: responsible for marketing projects and raising funds (e.g. private, public or donor funds). AfDB: provides financing for PAP projects.	MS, RECs, STEs: responsible for procurement.	MS, RECs, STEs: responsible for project implementation and monitoring.					
		AUDA-NEPAD is the lead development agency at continental level.									
How	Supporting Institution(s)	MS, RECs, STE: Responsible for bringing projects forward based on national and regional masterplans. AUDA-NEPAD provide supports through institutional instruments.	AUDA-NEPAD, AfDB, and development partners mobilize resources and sponsor feasibility studies / technical assistance.	AUDA-NEPAD supports with marketing and TA. Development partners assist with TA and/or financing.	AfDB provide support through ALSF (Transaction Advisory) and contract templates. AUDA-NEPAD provide TA and implementation support.	AUDA-NEPAD and AfDB provide TA during implementation. Within the M&E and Information Management, AUDA-NEPAD make available to Project Owners with data and monitoring tools.					
		• MS, RECs, STEs leverage the SDM, Expert Services Pool, Job Creation Toolkit to undertake early stage planning.	• SDM used for early/mid stage development. • NEPAD-IPPF used for undertaking feasibility studies, structuring, detailed design (REAP can be used for renewables). • PQL is used to identify gaps in development and signal quality • Job Creation Toolkit used during feasibility studies to ensure job creation is analyzed in line with the integrated corridor approach. • ANWIn ensure gender mainstreaming is included in development phase activities. • Various expertise of the PIDA Expert Services Pool to be leveraged during project preparation.	• AIGM used to unlock institutional capital. • CBN used to unlock financing bottlenecks and attract private sector financing. • REAP to increase financial resources for PIDA-PAP 2 renewable energy projects. • ANWIn to enhance visibility to investors with gender based investment criteria (DFIs, gender-lens investing)	• Job Creation Toolkit used to maximize jobs and local content during procurement. • ANWIn used to maximize gender mainstreaming content during procurement. • CBN used to facilitate participation of African contractors in infrastructure tenders through joint ventures, consortia and partnerships.	• M&E and Information Management					
Why	Integrated Corridor Approach	Projects constituting the PIDA PAP 2 are selected based on the Integrated Corridor Approach principles as guided by the PIDA STC.	Use of customized institutional instruments ensures that the Integrated Corridor Approach principles are embedded to the projects.	Integrated Corridor Approach leads to a larger number of bankable projects with increased likelihood of financial close and commissioning of a project.	Use of customized institutional instruments ensures that the Integrated Corridor Approach principles are embedded to the procurement process and contractual arrangements (infrastructure construction and service delivery).	Performance against Integrated Corridor Approach criteria and principles to be monitored and reported.					

Figure 8: PIDA PAP II project implementation approach



3.1.9 THE PIDA PAP II: PROJECT PORTFOLIO MANAGEMENT

To effectively manage the PIDA PAP II portfolio and facilitate the portfolio roll-over (implemented projects leave the pipeline and new projects are added) in years intervals 2024, 2027 and 2030, a Monitoring & Evaluation (M&E) Framework, data tracking/reporting tools and a Communication Strategy will be used. The process of collecting and disseminating information on PIDA implementation follows the key features below:

- Collection of project-specific data through the African Infrastructure Database (AID);
- Collection and analysis of data on interventions made by various PIDA Stakeholders, challenges and lessons learned;
- Presentation of collected data and project-specific progress data from AID on the Virtual PIDA Information Centre (VPIC);
- Implementation of interim reviews (every three years) of the PIDA PAP II portfolio to monitor progress and lessons learned and implement the roll-over;
- Setting and tracking of key performance indicators to measure the performance and effectiveness of PIDA in achieving its core mandate; and
- Presentation of the status of PIDA projects and PIDA initiatives through the PIDA annual progress report.

3.1.10 THE PIDA PAP II: CAPACITY BUILDING

PIDA PAP II will require significant resources and skills to ensure effective Strategy Implementation. As such, capacity gaps will be addressed at all stages of the project lifecycle. To support the implementation of PIDA PAP II projects, demand-driven capacity building activities will be carried out at all levels by RECs, Member States and AUDA-NEPAD, among others. Based on the work done under the PIDA Capacity Building Project (PIDA CAP), capacity building activities under PIDA PAP II will include targeted recruitment of staff; long-term technical assistance; external consulting services; training (of trainers); as well as workshop and seminars.

3.1.11 THE PIDA PAP II: COMMUNICATION ADVOCACY AND AWARENESS

The PAP 2 Communication Strategy will be oriented to achieve the following goals:

- Marketing of PIDA PAP II projects to the investor/developer community by enhancing the profile of the projects and highlighting the benefits of working with PIDA;
- Dissemination of essential information that can be used by decision-makers to evaluate the implementation progress of PAP 2 projects and the overall portfolio; and
- Facilitation of knowledge sharing among all stakeholders.

3.1.12 THE PIDA PAP II: STRATEGY FOR ENGAGING WITH PARTNERS

The Agenda 2063 vision, “*An integrated, prosperous and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena*”, demands that Africa defines its developmental agenda as opposed to having the developmental agenda imposed upon Africa by its development partners. In response to this principle, the PIDA Infrastructure Partnership Strategy is being developed in recognition of the fact that:

There is a generally a lack of a framework (with guiding principles/detailed guidelines) to engage with partners on infrastructure development;

A common African strategy would provide a sense of direction and help avoid distractions from Africa's priorities;

There is an increasing competition among Africa's partners for a share of the continent's infrastructure space and investment opportunities;

There is a need for a strategy that stresses investment perspectives of own development than from an external viewpoint.

Having such a framework will provide a tool for African governments and their partners to hold each other accountable for commitments related to the continent's infrastructure development. It is also a tool to monitor and evaluate the performance of the continent's strategic infrastructure partnerships.

3.2 AFRICAN NETWORK FOR WOMEN IN INFRASTRUCTURE (ANWIn)

Another innovation in the PIDA PAP II process is the involvement of the African Network for Women in Infrastructure (ANWIn). Most of the burden of infrastructure deficit is carried by women, who walk kilometres per day and spend hours collecting water as well as wood for cooking and heating. Thus, the design of infrastructure programmes needs to prioritise such gender-specific issues to ensure that women can carry out their everyday chores more efficiently, allowing more time for family care, educational opportunities, productive work and participation in community life.

The PIDA PAP II process aims, however, to be more inclusive in its project selection approach. In doing this, there is a necessity to account for the needs of female infrastructure stakeholders (users, policy-makers, engineers and service providers). A gender mainstreamed approach at different decision levels (national, regional and continental) is therefore crucial in sensitising our politicians and governments of the inclusion of women across the whole infrastructure value chain.

In cognisance of this, ANWIn was launched at the second session of the STC-TTIIET on 16 and 17 April 2019 in Cairo, Egypt. The initiative was developed by the African Union Commission and the African Union Development Agency (AUDA-NEPAD) with the support of the Government of Germany, through GIZ. The goal of the ANWIn is to “provide a high-level strategic engagement platform that will bring all stakeholders together for ensuring gender-responsive planning and implementation of infrastructure”. The STC welcomed the symbolic launching of ANWIn and exhorted the AUC and the AUDA-NEPAD to prioritise its formal launch, which took place during PIDA Week 2019 in Cairo.



The specific goals and objectives of the network are:

- Establish PIDA engagement principles to support governments, regional economic communities, donors, and civil society to systematically include and increase the participation of women in all aspects of infrastructure development in Africa;
- Provide concrete recommendations and requisite technical support to the PIDA PAP II process to establish gender-responsive selection criteria and the integrated corridor approach;
- Serve as a regional and global expert panel and platform to promote dialogue, consultation and agenda-setting for women in infrastructure development in Africa;
- Serve as Africa's continental partnership platform to promote women in infrastructure to collectively work with other pan-African related initiatives and organisations.

3.3 STRATEGY TO UNLOCK ACCESS TO RURAL AREAS WITH INTEGRATED INFRASTRUCTURE

The AUC STC-TTIIET adopted in March 2017 the concept of a new programme to unlock access to rural and remote areas through integrated infrastructure services. The objectives of the strategy are to:

- increase the cost-effectiveness of PAP 2 projects for rural and remote areas by improving cross-sectoral coordination;
- lower capital expenditures to open rural areas to private service providers;
- lower operation expenditures of service providers; and
- secure profitability of the private undertakings, providing they comply with universal service obligations agreed with the government.

The draft strategy was presented to the Member States during the PIDA Policy dialogue held in Malabo, Equatorial Guinea from 24 to 26 September 2019. It was subsequently submitted for validation to the bureau of the STC-TTIIET on the margins of PIDA Week 2019.





4. AUDI-NEPAD TOOLS THAT FACILITATE PIDA IMPLEMENTATION

Part of AUDI-NEPAD's role is to help member states (and RECs) deal with constraints that impact on their ability to develop and implement infrastructure projects. In response, the following tools have been developed to address members states' unique challenges, and to boost their capacities and capabilities to implement infrastructure projects:

- ▲ The Service Delivery Mechanism (SDM);
- ▲ The Continental Business Network (CBN);
- ▲ The PIDA Job Creation Toolkit;
- ▲ Presidential Infrastructure Initiative (PICI); and
- ▲ The NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF).

4.1 SERVICE DELIVERY MECHANISM (SDM)

The PIDA Service Delivery Mechanism (SDM) is an infrastructure project preparation instrument established in 2014 within AUDI-NEPAD to address the lack of capacity for early-stage project preparation at the national and regional level. It provides technical assistance to countries and agencies that originate PIDA projects and provides, amongst others, institutional advisory services, legal advice, communications and capacity-building support. In January 2015, the 24th AU general assembly endorsed the SDM as an instrument focusing on early infrastructure project preparation and increased bankability of the PIDA Priority Action Plan (PAP).

The SDM's mandate complements that of the NEPAD IPPF, and it acts as a feeder into the IPPF's project pipeline. It strengthens AUDI-NEPAD capabilities to deliver project preparation tasks in the early stages of technically complex infrastructure projects and comply with PIDA planning requirements. It is also responsible for professionalising advisory services by creating the capacity to manage and operate an expert pool facility within AUDI-NEPAD. The SDM does not disburse funding to projects owners but instead deploys the needed capacity and expertise to assess the projects, identify the needs and address those needs.

An array of activities has been undertaken under the SDM to scale up its operations since it was unveiled, including the finalisation of the SDM operational procedures, boosting its financial resources from partners and fund-raising activities, standardisation of funding applications through an application template, and project pipeline development activities to complement the fundraising proposals.

Over the past three years, the SDM has developed the PQL as a widely recognised project certification to overcome the barriers preventing financial entities from investing in PIDA PAP projects. The certification process will promote excellence during the preparation phase, allowing for the smoother progress of projects and ensuring they reach financial close within a shorter period.

4.1.1 OVERVIEW OF THE SDM'S ACHIEVEMENTS IN 2020

In 2020, the SDM Experts Service Pool (ESP) became fully operational, supporting a sizeable pipeline of PIDA projects with early-stage advisory services. ESP is a competitively contracted pool of experts that assists regional and national infrastructure projects owners (countries, RECs, River Basin Authorities, etc.) with advisory services to accelerate project processing times from the concept stage to the financial close. The initiative aims to increase the number of projects that reach the financing stage more efficiently.

In addition to the full operationalisation of the ESP, AUDA-NEPAD developed the following processes over the year:

- Updated SDM Operational Guidelines;
- A Draft SDM Cost Recovery Approach;
- Draft SDM Stakeholders Engagements and Partnerships Strategy; and
- Establishment and operationalisation of the SDM Technical Working Groups and SDM Transaction Working Group

In the future, the SDM will foster strategic engagement with existing project preparation facilities and DFIs across Africa.

4.1.2 SDM PROJECT PIPELINE IN 2020

Over the year, the SDM Pipeline consisted of 89 regional infrastructure projects at various stages of development. The SDM supported ten of these projects, listed below in Table 4 below, with advisory services and technical assistance.

Table 3: Projects supported by the SDM in 2020

Project	Region	Sector
Ouessou Bangui N'djamena Corridor	Central Africa	Multimodal
Luberizi-Kamanyola Bukavu Road Lot 2	East Africa	Transport
Kisian-Busia Road (Uganda)	East Africa	Transport
Kakira-Malaba Road (Kenya)	East Africa	Transport
Noordoewer/Vioolsdrift Dam	Southern Africa	Energy and Water
Lesotho- Botswana Water Transfer Project	Southern Africa	Energy and Water
North-South Corridor Revenue Sharing Model and Pricing Study (Transport)	Southern Africa	Transport
Burkina Faso – Benin Optical Fiber Link (ICT)	West Africa	ICT
Noumbiel Multi-purpose Dam	West Africa	Energy and Water
Praia-Dakar Maritime & Shipping Services	West Africa	Transport

In 2020, seven project concept memos and ten project notification reports were produced through the SDM's support, and two full advisory services and technical assistance interventions were engaged.

The critical challenges faced in implementing the SDM's mission are a lack of sufficient capacity and financial resources for sustainable services in the long run. There have also been challenges in establishing consistent communication with project sponsors, particularly in the context of the Covid-19 pandemic. Nevertheless, opportunities exist for the SDM operation to build a strong AUD-NEPAD Early-Stage Project Preparation team to deliver PIDA PAP projects efficiently, promptly cost-effectively and sustainably. PIDA PAP II can now be delivered in a proven project preparation model.

4.2 CONTINENTAL BUSINESS NETWORK (CBN)

The Continental Business Network (CBN) was launched to "crowd-in" financing and support for infrastructure projects by creating a platform for collaboration between the public and private sectors. As depicted in Figure 9 below, it does this by:

- mobilising public-sector support and private-sector engagement for early-stage PIDA project development;
- project structuring, finance and operation;
- managing regional project investment risks;
- accelerating and incentivising private-sector procurement;
- developing practical and effective working relationships with African heads of state; and
- enabling governments and public entities responsible for implementing projects to access high-quality independent technical advisory services.



Figure 9: Schematic Illustration of the CBN

Adapted from AUD-NEPAD website

To de-risk African infrastructure projects and scale up institutional investments, AUDA-NEPAD facilitated the establishment of an African Infrastructure Guarantee Mechanism (AIGM) with a focus on regional infrastructure projects. AUDA-NEPAD and AfDB then resolved to work together towards the implementation of AIGM as part of the AfDB co-guarantee platform (CGP), which serves as a collaborative platform to increase the volume of insurance and guarantee solutions



4.3 THE PIDA JOB CREATION TOOLKIT

The PIDA Job Creation Toolkit was developed with support from the German Government through the GIZ. The Toolkit is designed as an online platform that enables users to estimate the job creation potential of PIDA and other African infrastructure projects. It allows users to explore ways in which to capitalise on Africa's demographic dividend and opportunities for wider regional economic development through job creation in infrastructure.

In order to operationalise the Toolkit, the Batoka Gorge Hydro-Electric Scheme was used as a case study to estimate the number of direct, indirect, induced and secondary jobs that could be created during its life cycle. Since the launch of the PIDA Job Creation Toolkit, a total of 94 PIDA projects have been populated in the Toolkit and job creation estimates have been generated, demonstrating Toolkit's application and value-addition.

Following the successful completion launch of the PIDA Job Creation Toolkit, the inaugural PIDA Jobs Outlook was released during PIDA Week 2019. The Outlook features job estimates from selected transport and energy projects in the PIDA portfolio. It is a tangible demonstration of the Toolkit which allows users to explore ways in which to maximise job creation from infrastructure projects and thus capitalise on Africa's demographic dividend and opportunities for wider regional economic development. Toolkit users include infrastructure project owners and their technical partners, as well as policymakers, development partners, and both public and private providers of project preparation support and finance.

The second edition PIDA Jobs Outlook profiles 34 member states countries that are represented by virtue of having PIDA projects or being direct beneficiary countries. Additionally, the Outlook offers insights into the usage of the Toolkit through the analysis of two integrated corridor case studies, in the Democratic Republic of Congo (the Inga 3 hydropower Plant) and in Southern Africa (the North- South Multimodal Transport Corridor). The case studies culminated in the estimation of job creation potential and recommendations for relevant economic policy interventions within the regions where these projects are situated.

Currently, the PIDA Job Creation Toolkit is being enhanced to expand its functionality and improve its usability. As part of this enhancement, the Toolkit is required to have the capability to estimate number and type of jobs for more subsectors than the nine sectors it currently covers. In this regard, a number of subsectors have been identified for inclusion in the Toolkit, and further research should be undertaken on investment benchmarks for these additional subsectors.

4.4 THE AFRICAN INFRASTRUCTURE DATABASE (AID) AND THE VIRTUAL PIDA INFORMATION CENTRE (VPIC)

To effectively support the implementation of the PIDA-PAP, AUDA-NEPAD relies on data generated by project owners, African Union member countries and Regional Economic Communities to monitor progress. Although work has been ongoing to improve the flow of information on regional and continental PIDA projects, challenges remain, in terms of data collection, verification and analysis.

AUDA-NEPAD has made two information systems available to African institutions dealing with infrastructure development – the African Infrastructure Database (AID) and the Virtual PIDA Information Centre (VPIC). The introduction of the information systems aims to enhance the process and quality of data collection. AID is an online data management tool for capturing, validating and storing infrastructure projects information in Africa using standard metadata descriptors such as project characteristics, location, economic indicators, financial parameters, implementation status, et cetera. It allows RECs, specialised institutions, project owners and implementing agencies, to manage their infrastructure information using a harmonised user interface and clearly defined workflows.

VPIC is a web-based knowledge portal focused on PIDA regional and continental infrastructure projects. Its purpose is to facilitate the sharing of PIDA-PAP information, promote participation in PIDA implementation, enable the tracking of progress in PIDA-PAP implementation (Monitoring & Evaluation), and to promote investment opportunities in PIDA-PAP projects. VPIC presents validated PIDA project information stored in the African Infrastructure Database in an interactive dashboard to track project implementation.

Since its launch in 2013, the VPIC has been used by stakeholders all over the continent and beyond, as it presents up to date information on all of Africa's 51 cross-border infrastructure projects. These projects comprise more than 400 actionable sub-projects across four main infrastructure sectors, namely energy, transport, transboundary water and ICT.

Training and capacity building initiatives have been undertaken on both VPIC and AID. To date, close to 200 stakeholders drawn from EAC, COMESA, SADC and UMA have been sensitised, while more than 70 project owners have been trained to update information. In the latter half of 2019, sensitisation and training will be extended to ECCAS and ECOWAS.



4.5 PRESIDENTIAL INFRASTRUCTURE CHAMPION INITIATIVE (PICI)

The PICI was born out of a proposal by South African President, Jacob Zuma, to accelerate regional infrastructure development through political championing of projects. The champions bring visibility, unblock bottlenecks, co-ordinate resource mobilization, provide leadership and ensure rapid project implementation within a specified threshold period. This is an opportunity for African heads of state and governments to become actively involved in the development and implementation of regional and continental infrastructure projects. The projects cover transport, energy, ICT, and trans-boundary water. The proposal was jointly developed by the agency and the DIRCO into a technical concept paper and, ultimately, the PICI.

Initially, eight projects were identified to be championed by the seven selected heads of state and government from the NEPAD Heads of State and Government Orientation Committee (HSGOC) *Ad-Hoc* Committee on Infrastructure, depicted in Figure 10 below.



Figure 10: Continental location of PICI projects

The 8th Technical Task Team workshop for the PICI was held in Windhoek, Namibia from the 23 to 24 January 2019, co-hosted by the Government of Namibia (Ministry of Works and Transport) and AUDA-NEPAD. The Presidential Infrastructure Championing Initiative (PICI) held its Technical Task Team Workshop (PICI TTT) at the African Development Bank (AfDB) headquarters in Abidjan, Cote d'Ivoire on 7 and 8 October 2019. This was followed by the PICI Africa-wide Inter-Ministerial Committee Meeting held in Cairo, Egypt on 21 October 2019.

At these PICI meetings, updates were provided as regards the progress with the respective PICI country projects. This was all done as an integral part of the preparations for the African Union Heads of State Summit scheduled for 9-10 February 2020, in Addis Ababa, Ethiopia and to be presented at the HSGOC on the margins of the African Union (AU) Summit.

In 2020 PICI highlights included:

i. High-level political engagements

- a. The (PICI) Presidential Luncheon was held at the AU Headquarters, Addis Ababa, Ethiopia on 8th February 2020. The luncheon reflected on the progress status of all PICI projects and the way forward. A large number of high-profile dignitaries were in attendance
- b. The 37th Session of the NEPAD HSGOC was briefed of the status and developments on the initiative. The HSGOC expressed their appreciation for the impressive progress achieved to date and efforts by the PICI chair and member states to drive the initiative forward, reflecting the resolve of the AUDA-NEPAD under the leadership of Dr. Ibrahim Assane Mayaki.
- c. The 10th Technical Task Team Workshop for the Presidential Infrastructure Champion Initiative (PICI - TTT) was held on Monday, November 23rd, 2020. The workshop which was held virtually reflected on the new realities and the incumbent restrictions imposed by the COVID-19 outbreak. It was agreed that the next PICI Ministerial meeting would be held virtually alongside the PIDA week.

ii. PICI Membership - Sudan was officially announced as the latest PICI member, on the margins of the 33rd Ordinary Session of the AU Assembly, February 2020. PICI now comprises 12 countries: Algeria, Benin, Côte d'Ivoire, Congo, Egypt, Kenya, Namibia, Nigeria, Rwanda, Senegal, South Africa, and Sudan.

iii. PICI championed projects - The Sawkin-Port Sudan Project was the latest project to be included in the PICI. The initiative now entails 11 mega-regional infrastructure projects covering the transport, energy, ICT, and trans-boundary water sectors.

iv. Visibility to the PICI implementation process:

- a. The 2020 Progress Report of the PICI was launched during the Presidential luncheon. It was also presented at the 37th session of the NEPAD HSGOC
- b. The first edition of PICI newsletter was launched in February 2020 to bring more visibility to the initiative
- c. A web-based updated content of the PICI implementation process has also been introduced.



The current status of PICI projects is summarised in the table below.

Table 4: Current Status of PICI projects

	Mega PICI Project	Champion	Sub projects	Current status and the way forward
1	The Trans-Sahara Highway missing links and the Optic Fibre Link between Algeria and Nigeria.	Algeria	1. The Trans-Sahara Highway missing links. 2. The Optic Fibre Link between Algeria and Nigeria.	There was very good progress reported. The PICI Secretariat will endeavour to get progress update
2	The Kinshasa-Brazzaville Bridge Road/Rail Project.	Congo	–	There was excellent progress with unlocking the necessary funding. This was one of the key successes at the African Investment Forum that was held in Sandton, Johannesburg in November 2019.
3	The Abidjan-Lagos High Project.	Côte d'Ivoire	–	Good progress was reported as the AFDB has agreed to provide the necessary funding.
4	The Lake Victoria – Mediterranean Sea Navigational Line (VICMED).	Egypt	–	The pre-feasibility was concluded successfully and Egypt will now proceed with the Feasibility Studies.
5	The Lamu Port – Southern Sudan-Ethiopia Transport (LAPPSET) Corridor Project.	Kenya	1. Lamu Port. 2. Interregional Highways from Lamu – Isiolo – Nakadok and Juba. 3. Interregional Standard Gauge Railway lines from Lamu – Isiolo – Nakadok and Juba Product Oil Pipeline from Lamu – Isiolo – to Moyale.	The progress has been good, Berth 1 was completed in 2019 and Berth 2 and 3 will be finalised by the end of 2020.
6	The Namibian – International Logistics Hub.	Namibia	1. Grootfontein/Rundi/Katima Mulilo Railway Line (Trans-Caprivi Corridor). 2. Trans-Kalahari Railway (TKR). 3. Trans Orange Corridor – Port of Luderitz. 4. Baynes Hydro Power Project.	There was very good progress reported.
7	The Trans-Sahara Gas Pipeline.	Nigeria	–	The PICI Secretariat will endeavour to get progress update.
8	Unblocking Political Bottlenecks for ICT Broadband and Optic Fibre Projects	Rwanda	–	It was reported that the project was proceeding very well.
9	The Dakar-Bamaka Road/ Rail Project.	Senegal	–	The PICI Secretariat will endeavour to get progress update.
10	The North-South Road, Rail and related Infrastructure Corridor	South Africa	1. South Africa to become the hub for the manufacture and supply of Rail Stock for Africa. 2. The Beitbridge Border Post and related infrastructure, connecting South Africa and Zimbabwe. 3. The Grand Inga Hydropower Project (Inga 3). 4. The Lesotho Highlands Water Project – Phase II (LHWP); South Africa and Lesotho	It was reported that the 4 South African projects were proceeding very well.
11	The Sawakin-Port Sudan Project.	Sudan	–	Sudan is the latest country to formally join PICI in 2020.



5. PIDA ACTIVITIES AT THE RECS

5.1 BACKGROUND

The Regional Economic Communities are instrumental in coordinating Member States in the planning and execution of PIDA Projects. Through the RECs, Member States submit their priority projects in line with their National Development Plans. These projects will then be integrated at the regional level into REC Infrastructure Master Plans. PIDA Projects are a subset of the REC Infrastructure Project Master Plans. This section, therefore, focuses on PIDA activities at the RECs that are geared towards:

- creating awareness of the PIDA programme or projects;
- private-sector engagement, such as roadshows or investor sounding activities undertaken to attract financing for PIDA related projects;
- institutional strengthening and capacity building to facilitate the implementation of PIDA projects;
- consensus building to garner political support within governments and from private-sector participants, as well as other key stakeholders; and
- engaging the private sector for financing and project development.

5.2 INTERGOVERNMENTAL AUTHORITY FOR DEVELOPMENT (IGAD)

IGAD facilitates closer co-operation among the member states to pool resources for joint implementation of regional infrastructure development initiatives. The overall objective is to develop regional infrastructure to support economic cooperation and integration.

IGAD has restructured its involvement in supporting major transport and communication projects by developing some options such as the establishment of an IGAD infrastructure fund, exploring non-traditional donors and promoting public-private partnerships. It will, however, continue to assist in mobilizing donor funding for the vital missing links as well as other infrastructure interventions that will facilitate the movement of goods and people in the region, such as the seven IGAD Transport Corridors illustrated in Figure 11 on the next page.

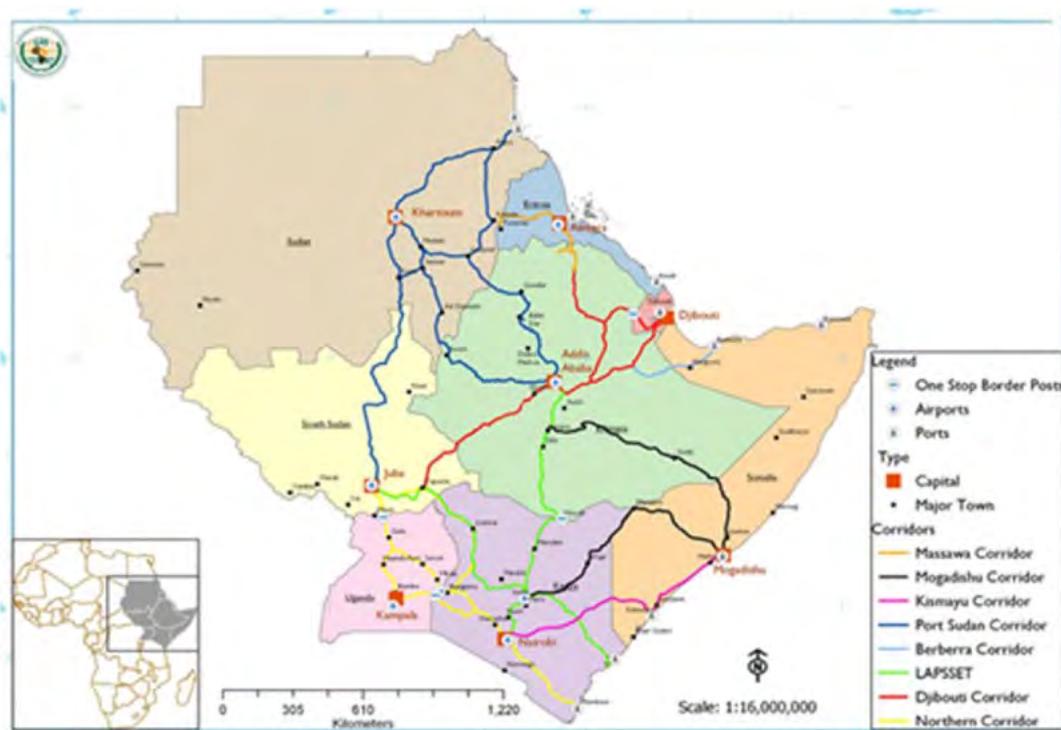


Figure 11: IGAD 7 Transport Corridors

The IGAD Regional Integration Plan 2010 proposed the development of an IGAD Regional Infrastructure Masterplan (IRIMP). The IRIMP covers the sectors of transport, energy, ICT and transboundary water resources in the framework akin to PIDA. Once completed, the master plan will identify priority infrastructure projects to be implemented in the short term (by 2020) and the long term (by 2040).

IRIMP studies commenced in May 2018 supported by funding from the AfDB, and are expected to be finalised in December 2019. So far, two reports have been finalized including the Inception Report and the Broad Sector Overview and Project Prioritization Criteria Report. Major regional ongoing/completed projects are:

- Completed construction of Isiolo-Moyale in Kenya (missing link of TAH4) and rehabilitation of Awassa – Moyale in Ethiopia.
- Ongoing construction of Grand Ethiopian Renaissance Dam (6000MW).
- Completed construction of Djibouti-Addis Ababa Standard Gauge Railway (SGR).
- Construction of Mombasa-Nairobi-Kampala-Kigali SGR (Phase 1 Mombasa-Nairobi 472km completed, Phase 2 Nairobi – Naivasha 120 km construction ongoing).
- Ongoing construction of Kenya – Ethiopia 500kv transmission line (1045km).
- Ongoing construction of Nimule (Uganda/South Sudan) OSBP.
- Completed construction of Moyale (Kenya/Ethiopia) OSBP.
- Ongoing construction of Kitale – Nadapal - Juba road (Kenya/South Sudan).
- Ethiopia - Djibouti Power Interconnection Project – the first 230kv line is complete, and the second 500kv line is under construction.

Ethiopia-Sudan Power Systems Interconnection – 230kv line completed. Second phase 500kv line planned.

LAPSSET Lamu Port – first three berths being constructed, connecting roads construction ongoing.

Tadjourah Port - construction of phase 1 ongoing.

Completed construction of Djibouti New Port.

5.3 THE ARAB AND MAGHREB UNION (AMU/ UMA)

One of the main roles of the AMU is to integrate the continental objectives of the African Union into the national development plans of the five member states. AUDA-NEPAD supports the AMU to achieve this goal through a support program with a strong capacity-building component. For the last three years, the AMU has focused its efforts on supporting mainly four regional ICT projects:

► Broadband Optical Fibre Telecommunication Network in the UMA countries;

► Cyber Security;

► Policy and Regulation Initiative for Digital Africa (PRIDA); and

► ICT North African Business HUB.

Under the UMA Broadband Optical Fibre Telecommunication Network, two projects were launched in 2011 to make the regional Maghreb area more attractive to domestic and foreign capital, and thus promote development and regional economic integration. These were Regulatory harmonization; and Realization and securing of the broadband network in the member countries.

An underwater cable of approximately 4500 km long will link the five countries of the UMA with a forecast of two landing points per country to guarantee the securing of part of their respective national networks. This network will be operated by an ad hoc structure with a dedicated network operations Centre to ensure end-to-end communications quality. A reference catalogue will be published. The cost of the project is estimated at US\$ 200 million and the funding could be in the context of a PPP involving all national and regional operators of infrastructure coverage.

At the level of the transport sector, and within the framework of a NEPAD-IPPF fund, the pre-feasibility study for the modernisation of sections of the trans-Maghreb railway line has been completed. The study recommended the modernisation of some existing sections and the creation of new sections, with an estimated budget of the works of EUR 3.87 billion.



Figure 12 below shows the extent of modernisation of the existing line Fez - Oujda in Morocco (354 km), and the modernisation of the existing line Oujda (Morocco) - Akid Abbas (Algeria), 17 km.



Figure 12: Modernisation of the Fez - Oujda and Oujda- Akid Abbas line

The map in Figure 13 below indicates the extent of the new 110 km South Annaba (Algeria) - East Jendouba (Tunisia) line to be created, and the existing line Jendouba - Jedeida (Tunisia) 150 km line which is to be modernised.



Figure 13: Creation of a new South Annaba - East Jendouba line and modernisation of the Jendouba - Jedeida line

In addition, between 9th and 11th October 2019 a workshop was held in Tunis to finalise the terms of reference for the feasibility study to promote the Maghreb Highway Corridor through the creation of new zones or the development of existing logistics zones along this corridor. The workshop was organised in collaboration with the UMA and AUDI-NEPAD and deliberated on the development of the zones and OSBPs along the Trans-Maghrebine Highway. The workshop, which was attended by all UMA member states (Morocco, Algeria, Tunisia, Libya and Mauritania) was also an opportunity to validate the terms of reference for the study.

5.4 EAST AFRICAN COMMUNITY (EAC)

The EAC is implementing a number of priority PIDA projects for acceleration within its multimodal multi-sectoral corridors. EAC-based multimodal multi-sectoral corridors (EMCs) include several corridors traversing through Burundi, Kenya, Rwanda, Tanzania, Uganda and South Sudan. The primary transport corridors include but are not limited to the Northern Corridor; Central Corridor; and the LAPSSET Corridor. The energy corridors include the North-South Power Transmission Corridor and several regional projects such as the Uganda-Kenya Petroleum Product Pipeline and Ruzizi III. Other projects include continental ICT projects and transboundary water projects. The EMCs were listed in the Programme for Infrastructure Development in Africa (PIDA) Priority Action Plan 2012-2040.

The 36 projects to be packaged were prioritised in May 2017 at the 3rd EAC Regional PIDA meeting held in Nairobi, Kenya, which gathered experts from EAC Partner States, EAC Secretariat and regional specialised institutions in support of accelerating the development of EMCs. Key compelling criteria for determining private sector appetite for investment were appraised against each prospective project put forward by EAC Partner States. The overall prioritisation was mostly based on the project regional spill-over effects, availability of supporting data including their updated feasibility studies, and the private sector attractiveness features, among others.



As part of this process, an international consortium comprising of CPCS Transcom Limited - in association with HYDROCONSEIL and SOFRECOM - was contracted in May 2019 to package and assess bankability of the shortlisted projects based on their relative attractiveness for private and public sector investment. This process will lead to the development of a Corridor Development Investment Plan (CDIP) and its attendant marketing plan to develop and implement the selected EMC projects in the transport, energy, transboundary water and telecommunication and ICT sectors.

Considering that the two years had elapsed since the list of 36 projects was approved, the 5th EAC Regional PIDA meeting convened in Nairobi, Kenya on 10th and 11th July 2019, where Partner States reviewed the list of prioritised projects to affirm their viability for continued inclusion in the list. It was noted that in the intervening period some projects in the initial had secured financing for implementation while others had been overtaken by other priorities at national levels. It was also noted that the initial project list comprised duplicate projects while others were not clearly defined. A list of 37 projects (see Figure 14 below) was approved as the final list for packaging.

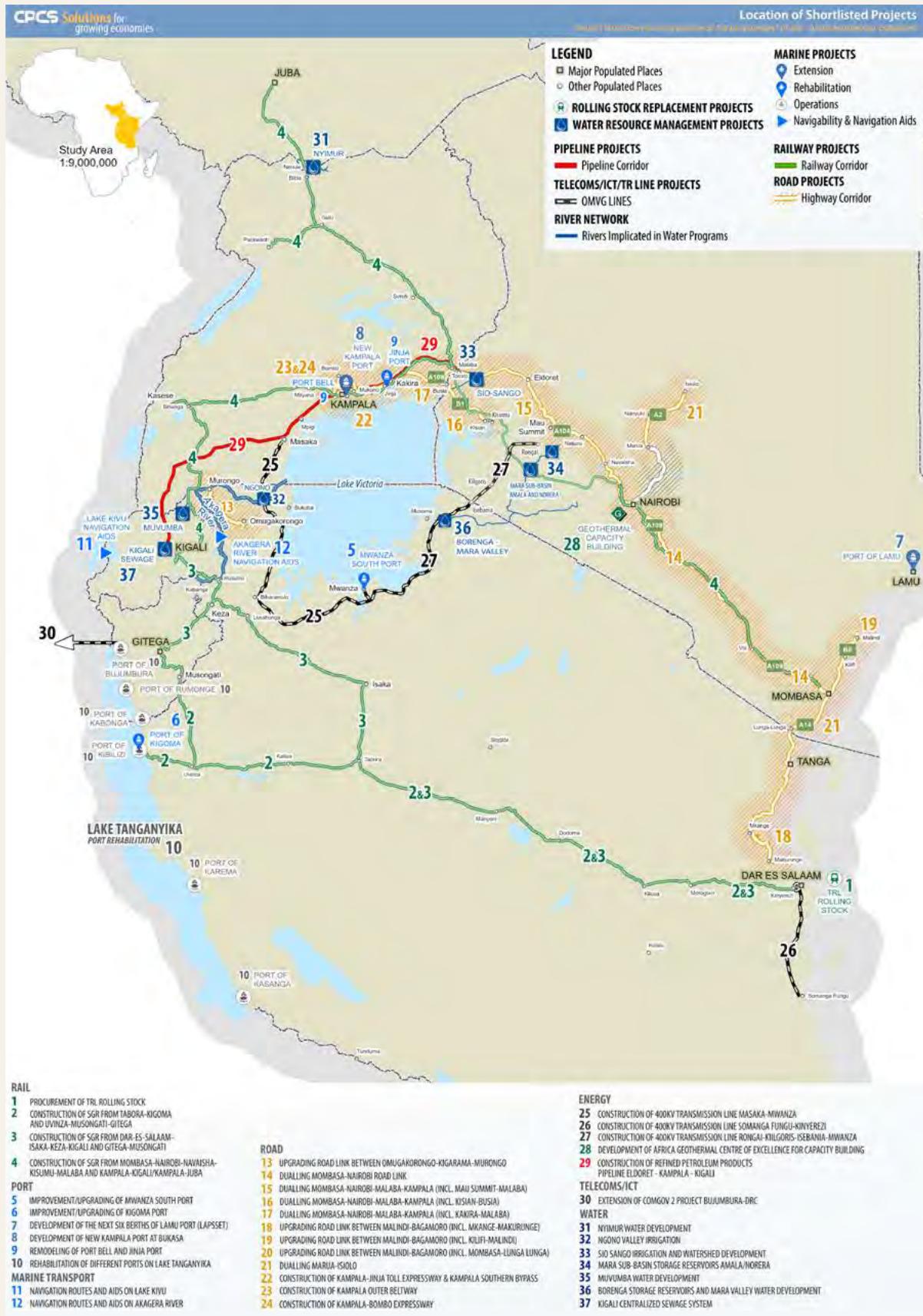


Figure 14: Shortlisted Projects for Project Packaging for EAC-based Multimodal Multisectoral Corridors

The consultancy services have made much progress, and the Interim Report providing preliminary analysis of all 37 projects was submitted in early October 2019, and the validation workshop held at the EAC Secretariat headquarters in Arusha, Tanzania, in mid-October 2019. Figure 15 below depicts the milestones since the commencement of consultancy services for the packaging of PIDA priority projects for acceleration under EAC-based Multimodal Multisectoral Corridors.

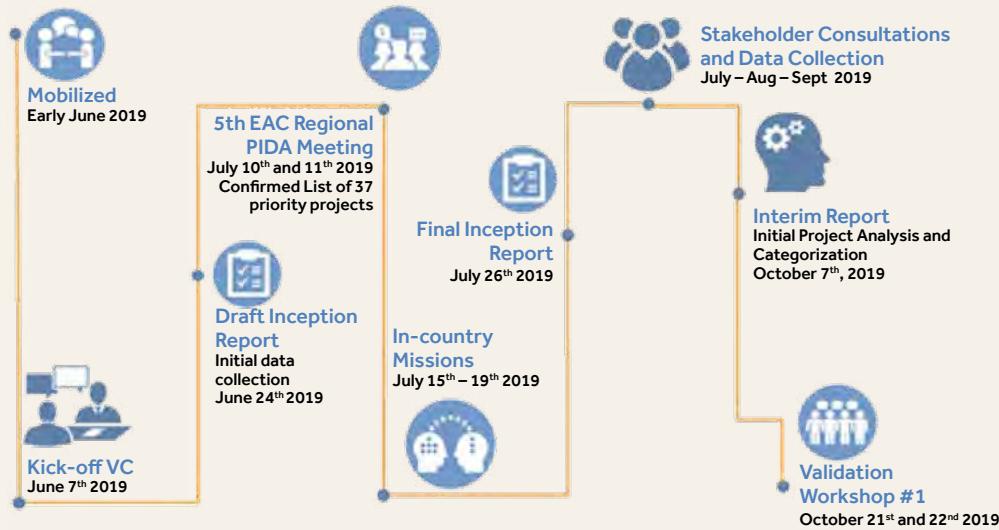


Figure 15: Key Milestones in the Packaging of EAC PIDA priority projects

Source: CPCS Transcom

One of the cornerstones of the consultancy is the pre-market sounding. To this end, a roundtable was to be held in Nairobi in December 2019 as a test for projects and preliminary engagement of potential Development Finance Institutions (DFIs) and private investors. Figure 16 depicts the targeted DFIs for pre-market sounding.



Figure 16: Illustrative Target Audience for Pre-Market Sounding

Source: CPCS Transcom

The project's final report is expected for February 2020, which will be followed by a presentation of the packaged projects at a high-level summit to be organized by AUDA-NEPAD.

5.5 SOUTHERN AFRICA DEVELOPMENT COMMUNITY (SADC)

Southern African NEPAD Water Centre of Excellence (SANWATCE) was endorsed as the Implementing Agency for the SADC Water Research Fund for Southern Africa Phase 2 in 2013. The current network membership stands at 11 nodes in eight SADC Member States, namely:

Botswana (University of Botswana),
Malawi (University of Malawi),
Mauritius (University of Mauritius),
Mozambique (Universidade Eduardo Mondlane),
Namibia (Namibia University of Science and Technology),
South Africa (Centre for Scientific and Industrial Research, Stellenbosch University, University of KwaZulu Natal and the University of the Western Cape),
Zambia (University of Zambia) and
Zimbabwe (National University of Science and Technology).

A call for expression of interest for new members in the other SADC Member States was put out in the last quarter of 2017. The University of Dar es Salaam (Tanzania) and the University of Eswatini have expressed interest to join the network. The SANWATCE is awaiting their formal applications and is also exploring ways of expanding the network. Representation in all SADC Member States is in line with SADC recommendations and will lend more credence for the AU/NEPAD SANWATCE and its activities going forward.

South Africa's Department of Science and Technology (DST) through its National Research Foundation is currently sponsoring a total of 13 students from the eight Centres of Excellence (CoEs). The sponsored students conduct research aligned to the SADC Water Research Agenda as contained in the SADC Regional Strategic Action Plan (RSAP IV) on Integrated Water. Department of Water and Sanitation (DWS) also financially supported the development of a catalogue on water infrastructure.

SANWATCE is developing an institutional catalogue that highlights human capacities and inventory of high-end research infrastructure at Centres of Excellence. To this end, institutional visits have been made to the University of Zambia, University of Botswana, Universidade Eduardo Mondlane, National University of Science and Technology in Zimbabwe and the University of Malawi. A draft catalogue is being compiled, with follow-up visits planned for 2018.

AU/NEPAD SANWATCE and the SADC Groundwater Management Institute (GMI) have signed an MoU to formalise their work in areas of common interest that include groundwater research in the region, post-graduate student studies as well as postgraduate student internships. In the framework of the MoU, SADC-GMI will support the participation of one student conducting groundwater related research aligned to the SADC Water Research Agenda.

5.6 COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA (COMESA)

COMESA, African Union, United Nations Economic Commission for Africa and others have launched noteworthy policy and institutional reforms aimed at improving and facilitating trade along the transport corridors and border posts. These reforms and policies are enshrined in the COMESA Treaty. To date, the actual impact of such reforms on individual corridors has been less noticeable.

Lack of measurable impact undermines confidence in the merit of these reforms. This manifests in the thinking which suggests that because results are minimal, reforms are themselves faulty. While understandable, such thinking ignores the more obvious reality that the fault lies in the rate of implementation rather than in the design of reforms.

The MoveAfrica Traffic Light System has therefore been designed as a tool to monitor and evaluate the performance of transport transit and trade facilitation along the transport and trade corridors. It was developed by African Union Development Agency-NEPAD (AUDA-NEPAD) in collaboration with COMESA and SADC. The system looks at infrastructure, simplification of rules, standardization and harmonization of cross border crossing procedures and transport regulations.

Key performance indicators (KPIs) for the MoveAfrica TLS have been developed based on elements recognized by member states in the Regional Strategic Framework for the facilitation of International road Transport, COMESA Treaty and the WTO. They are complemented by variables that have been highlighted in various reports as catalysts to trade facilitation, transport and logistics.

The following PIDA projects were prepared with the assistance of NEPAD IPPF and have since reached financial close:

Serenje-Nakonde road in Zambia;

M1 road rehabilitation in Malawi with financing from European Investment Bank (EIB);

Nata-Pandamatenga and Francis Town-Nata road sections being financed by the Government of Botswana; and

Bulawayo Beitbridge road under final negotiations with a potential financier.

This proves that well-prepared projects can attract financing and address the lack of significant private sector participation in infrastructure investment.

5.7 ECONOMIC COMMUNITY OF WEST AFRICA STATES (ECOWAS)

The Praia-Dakar-Abidjan corridor is a subsection of the Dakar-Lagos Coastal Corridor, stretching from Dakar in Senegal to Lagos in Nigeria, and includes a maritime link between Praia and Dakar. The Corridor is designated a key continental route in Africa and listed amongst the Programme for Infrastructure Development in Africa Priority Action Plan 2012-2020.

The economies of the Praia-Dakar-Abidjan corridor are currently poorly connected through transportation, as reflected by the relatively limited trade flows between these countries. By reducing the cost of transportation, the corridor is expected to have a sizable impact on regional trade and economic development.

To accelerate the implementation of the corridor, the ECOWAS Commission in collaboration with AUDANEPAD decided to engage the services of a consulting firm to package 20 shortlisted infrastructure projects located along the corridor for market intervention. The packaging also included the development of a Corridor Development Investment Plan and a marketing strategy.

Figure 17 below is the map of the Praia-Dakar-Abidjan Multi-modal Multi-sectoral Corridor:

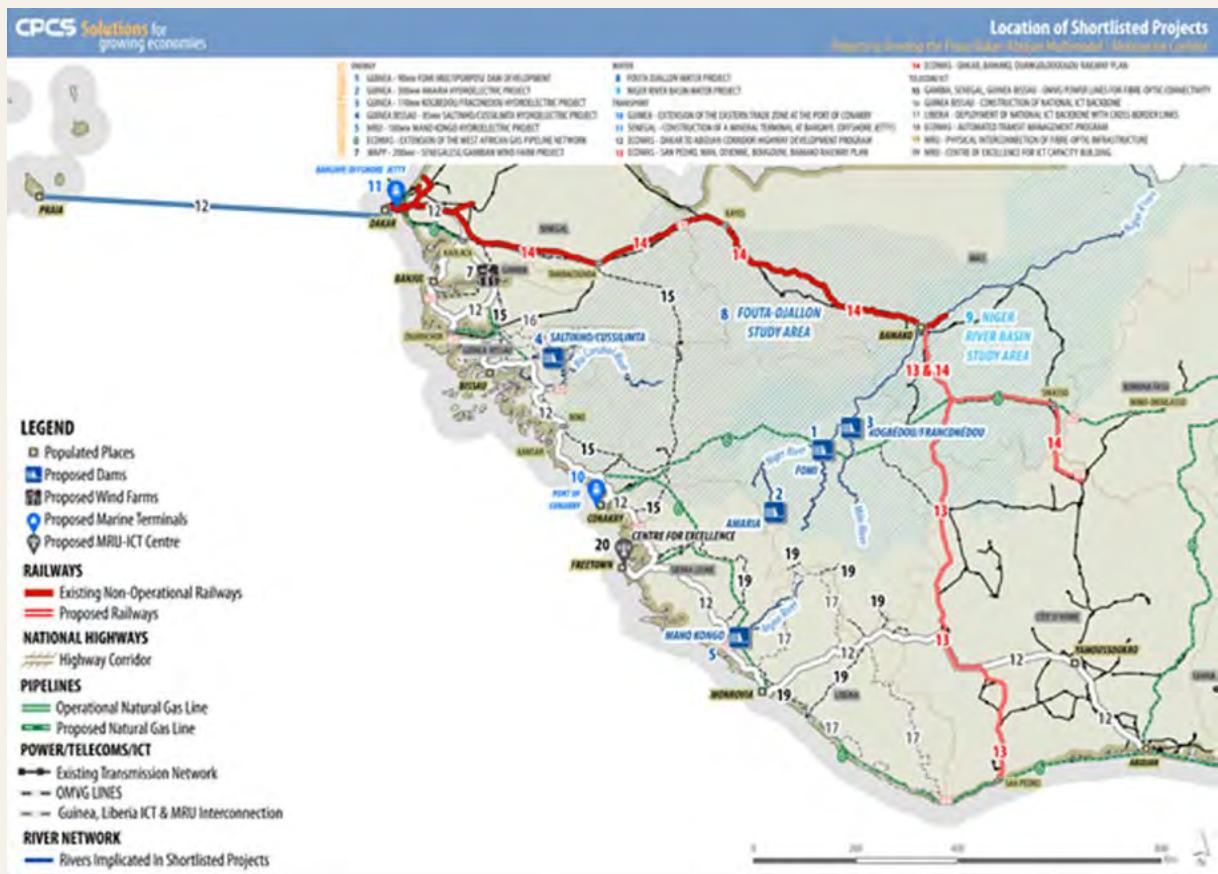


Figure 17: Praia-Dakar-Abidjan Multi-modal Multi-sectoral Corridor

The transportation corridor includes a highway between Abidjan and Dakar, a sea link between Praia and Dakar, two regional rail projects, as well as two port projects. It is anticipated that it will eventually form an important trade corridor attracting population and economic activity.

A consortium of private firms was contracted in May 2019 to package and assess bankability of the 20 shortlisted projects based on their relative attractiveness for private and public sector investment. Of the 20 projects, 14 were found to be suitable for private investment, while 3 others also have potential for private investment but require more study. A validation workshop of the consultancy's interim report was held in Abidjan on November 21 – 22 2019, which will be followed by a project market sounding exercise and the development of a Corridor Development Investment Plan and Marketing Plan.

6. PARTNERS' CONTRIBUTION TO PIDA

6.1 THE DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ)

The German government supports PIDA through technical cooperation, implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and through financial cooperation, implemented through the Kreditanstalt für Wiederaufbau (KfW). Through GIZ and KfW, the following support has been provided in 2020, on behalf of the German Federal Ministry for Economic Cooperation and Development:

i. Support for the preparation of PIDA PAP II

GIZ provided technical and human resource support during the development of the PIDA Integrated Corridor Approach, which incorporates climate change, job creation and gender sensitivity as crucial factors for successful infrastructure planning. The objective of the Integrated Corridor Approach is to ensure that future cross-border infrastructure connects the transport, energy, water and ICT sectors to deliver integrated infrastructure services. It also aims to facilitate the creation of logistics and manufacturing hubs and to improve the connections between urban and rural areas. The Integrated Corridor Approach informed the adoption of criteria for the preparation of project proposals by AU Member States and RECs in the first half of 2020, followed by evaluation and selection of the projects that are expected to become the PIDA PAP II project portfolio. GIZ contributed to this participatory process, including its adaptation to a fully digital format imposed by COVID-19, through the provision of human resources and technical instruments used for project screening. GIZ also supported the preparation of the PIDA PAP II Implementation Strategy.

ii. Support for gender-responsive infrastructure development

GIZ facilitated the establishment of the African Network of Women in Infrastructure (ANWiN). An AU initiative, this high-level strategic engagement platform is hosted by the AUC Department of Infrastructure and Energy. It aims to connect and support individuals, civil society, private sector and governmental organizations in enhancing their commitment and actions for more equitable participation of women in the infrastructure sector in Africa. With GIZ support, ANWiN has developed key tools for gender mainstreaming in infrastructure policy and practice.

iii. Support for job creation

In 2020, GIZ and AUDI-NEPAD jointly developed the 2nd edition of the PIDA Jobs Outlook publication, which will be launched at the next PIDA Week. The 2020 edition addresses the importance of employment creation within integrated corridors and therefore the socio-economic benefits to countries beyond infrastructure. For more information on the Job Creation Toolkit or the PIDA Jobs Outlook please visit <http://jobs.au-pida.org> or <https://www.au-pida.org/>.



iv. Support for project preparation

Together with the lead agency AUD-NEPAD, GIZ applied the PIDA SDM as a technical advisory tool for AU Member States on multiple projects, including the Luberizi-Bukavu Road, the Ouedo-Bangui-N'Djamena Corridor, the Kisian-Busia and Kakira-Malaba segments of the Kenya/Uganda Mombasa-Nairobi-Malaba-Kampala Road, Lesotho-Botswana Water Transfer Projects and the Noumbiel Hydropower Dam. In addition, the PQL for improved project preparation has been established and four projects have been awarded achievement for reaching PQL Stage 1.

The German Financial Cooperation through KfW continues its longstanding support to the NEPAD IPPF as a cornerstone of infrastructure project preparation in Africa. Acknowledging the progress made so far by the NEPAD IPPF in developing a comprehensive project pipeline and thus unlocking the potential for new infrastructure projects, as well as responding to the need for further contributions, the German Government pledged additional funds in late 2020. It is expected to formalize this contribution by concluding the respective financing agreement in 2021.

v. PIDA Compact with Africa (CwA) and Regional Economic Integration

The GIZ was commissioned by the German Government to pilot a specific component of the CwA initiative under PIDA. With AUD-NEPAD as the lead agency and a selected CwA country, GIZ shall market-package one infrastructure project with regional dimension and employment potential for which private investment can be mobilised. The CBN will be utilised among other instruments to mobilise funding for this purpose.



6.2 THE EUROPEAN UNION (EU)

The EU has a long-standing and successful track record supporting infrastructure development in Africa. It has contributed to the implementation of the PIDA at various levels (continental, regional and national) through multiple instruments and approaches, as summarised below.

6.2.1 FINANCING AND DE-RISKING INSTRUMENTS

The EU has contributed to the un-locking and de-risking investments through the EU External Investment Plan (EIP). The EU EIP works to scale up investment in partner countries and deliver outstanding and lasting change through expertise (technical assistance) and investment climate support.

The European Fund for Sustainable Development (EFSD) is the financing arm of the EU External Investment Plan, and through it, the EU offers financial guarantees and blending instruments which combine EU grants with financing from other public and private investors. In that scope, the EU is working with a selected group (referred to as 'pillar assessed') of partner financial institutions¹ as well as governments and local businesses. In Africa, 62 blending projects were approved for a total EU contribution of EUR 1.8 billion between 2016 and 2019, mainly in the energy and transport sectors. This support also included the provision of technical assistance, and the total cost, including grants and loans, amounted to EUR 13.5 billion.

6.2.2 TECHNICAL ASSISTANCE

Under technical assistance, the essential aspects of the cooperation relate to governance reforms, capacity building, sector enabling environment and quality infrastructure. Specific areas of support are listed below:

i. Policy and regulatory frameworks

The EU is collaborating closely with the African Union on the harmonisation of the following policy and regulatory frameworks:

- In the energy sector, the EU provides support to the harmonisation of regulatory frameworks for the electricity market with vital contributions to key actions mandated by the African Union Ministers/STC, such as the African Single Electricity Market and the Continental Master Plan;
- In the digital sector, the EU provides support to Internet governance (for example, continental, regional and national Internet governance fora) and the harmonisation of the continental legal and regulatory frameworks within the scope of the Policy and Regulation Initiative for Digital Africa (PRIDA), a platform of coordination through the recently launched Digital for Development Hub;
- In the transport sector, the EU supports the elaboration of a 'Continental Transport Policy Paper' and coordination around the Single African Air Transport Market (SAATM).

ii. Technical Assistance to the African Union

Technical assistance has been implemented through the provision of expertise based at AUC, AUDA-NEPAD and AFCAC. Assistance has also taken the form of key contributions to the PIDA PAP II process in coordination with other partners such as the GIZ, focusing on the strengthening of the PIDA PAP II process through sectoral support for Water, Energy, Transport and ICT projects. EU technical assistance complements the AUDA-NEPAD team and GIZ in the:

- design and implementation of tools and methodologies within the SDM and CBN mechanisms, and
- capacity building for AUDA NEPAD and PIDA PAP II stakeholders.

iii. Direct contribution to the AU budget

The EU provided budget support to the AU through the EU-PANAF funded African Union Support Programme (AUSP), which covered the 2020 transitional period of the PIDA Capacity Building Programme (formerly supported by AfDB).

The AU-EU cooperation is guided by the AU-EU Summits taking place every three to four years, several other high level and technical events and meetings such as the 'College-to-College' (meeting between the AUC and the European Commission) taking place every year, and specific sectoral fora for coordination (e.g., the Reference Group on Infrastructure).

Specific AU-EU Task Forces were put in place under the framework of the Africa-Europe Alliance for Sustainable Investment and Jobs launched in 2018, with a strong focus on infrastructure (ICT/Digital Economy Task Force), Energy (Sustainable Energy Investment Platform) and Transport (a 'Transport & Connectivity' Task Force with three clusters: Aviation, Road Safety and Connectivity). These Task Forces gathered African and EU decision-makers and representatives of the two Commissions (AUC and EC), international organisations, private sector, global financial sector and civil society to share their expertise, which was compiled in reports which also provided recommendations to guide further cooperation.

In March 2020, the EU Comprehensive Strategy with Africa was adopted and highlights five partnerships to move the collaboration to the next level:

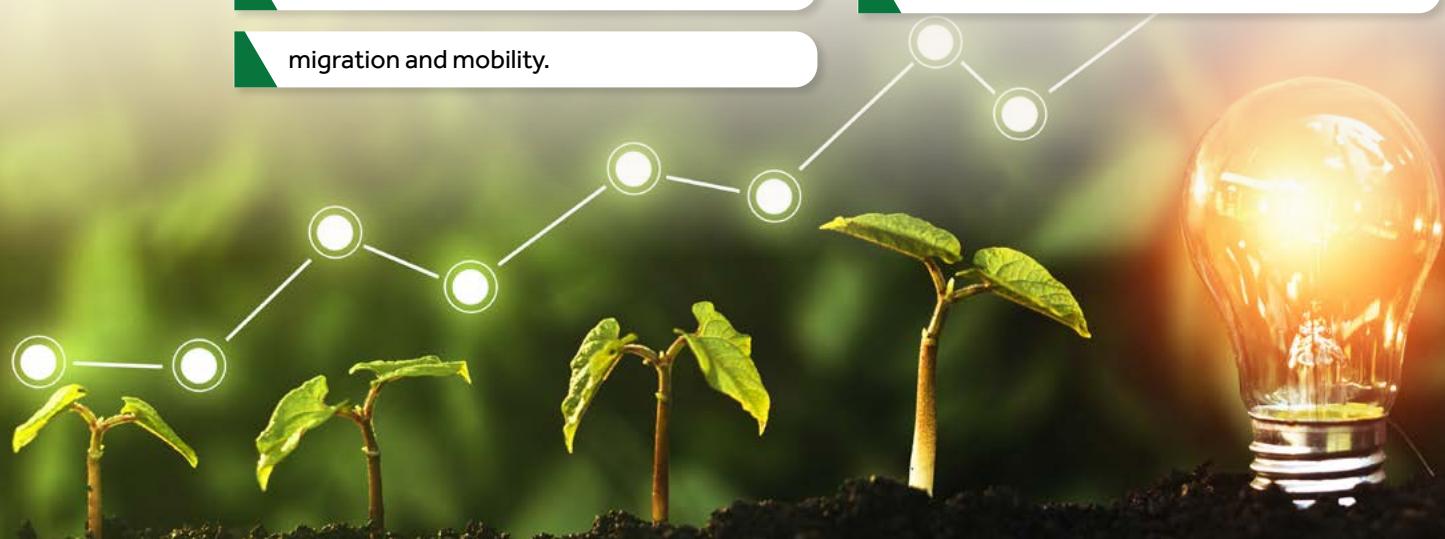
green transition and energy access;

digital transformation;

sustainable growth and jobs;

peace and governance; and

migration and mobility.





6.3 UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)

6.3.1 USAID POWER AFRICA MoU RENEWAL

In June 2013 the United States Government launched the Power Africa Initiative, to be led by the United States Agency for International Development (USAID), to leverage private and public sector partnerships with the objective of doubling access to electricity in sub-Saharan Africa. With the participation of over 170 partners from the public and private sectors, the Power Africa Initiative aims to add at least 30,000 megawatts (MW) of new and cleaner electrical power capacity; 60 million electrical connections; 5000 km of new transmission lines and the mobilisation of US\$ 3 billion in support of transmission projects across sub-Saharan Africa.

In September 2014, AUDA-NEPAD and Power Africa signed a MoU to accelerate the implementation of priority energy projects throughout sub-Saharan Africa and bring them to financial close. The MoU entailed the selection of priority energy projects under the Africa Power Vision (APV), a roadmap to accelerate the effective implementation of priority energy projects under the aegis of AUDA-NEPAD.

The Power Africa and AUDA-NEPAD MoU was renewed on September 17 2020 in a virtual ceremony by Ambassador Jessye Lapenn, U.S. Ambassador to the African Union, and Dr. Ibrahim Mayaki, CEO of AUDA-NEPAD. In the renewed MoU the signatories renewed their commitment to the sustainable development of power sectors across Africa, prioritising least-developed countries, land-locked countries and island states. They also committed to efforts to increase the bankability of power transactions in Africa; reinforce and expand Africa's transmission networks; support regional energy trade; and develop opportunities for battery storage of energy.

The key objectives of the 2020 MoU are to:

Advance the development and reinforcement of transmission lines, transmission-related support systems and processes, and regional integration;

Collaborate on the implementation of a mega solar initiative in Southern Africa;

Pursue projects in the generation of renewable energy;

Collaborate on the development of a capacity-building program for energy storage; and

Mobilise institutional capital for the benefit of Africa's energy security.

The 2020 MOU builds five years of successful collaboration between Power Africa and AUDA-NEPAD and reinforces the synergies between the signatories' objectives and approaches. It emphasises the need for collaboration and liaison in the implementation of priority transmission, generation and renewable-energy interventions, transaction advisory assistance and support to RECs in achieving their master plan targets for transmission, generation and power pooling.

6.3.2 MEMORANDUM OF INTENT (MoI) FOR THE MEGA SOLAR PROGRAM

Namibia and Botswana share several characteristics that render them ideal for solar power generation, namely: low population densities; abundant flat land; high levels of solar irradiation; and stable, peaceful and transparent investment and political environments. They are also both committed to increasing the share of electricity produced by renewable sources. A concept study conducted by the USAID Southern Africa Energy Program (SAEP) confirmed the suitability of the two countries for a large multi-phased solar procurement program (2 – 5 GW) and also identified several sites within each country that are optimal for the development of large-scale solar resources.

Recognizing this, USAID (through the Power Africa initiative), the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), AfDB and AUDA-NEPAD have expressed their intention to sign a Memorandum of Intent (MoI) for large scale solar development in Botswana and Namibia, referred to as the Mega Solar Program. The MoI sets out the intentions of the parties to work together to harness the significant potential of solar energy to meet the domestic and regional power needs of Botswana, Namibia, and the Southern Africa region. It also aims to promote the regional energy goals of SADC and the Southern African Power Pool (SAPP) to provide the least cost, environmentally friendly and affordable energy to the region. Specifically, the Participants aim to work together to increase large scale dispatchable solar capacity to meet expected domestic demand for electricity in Botswana and Namibia by 2024, and to meet regional electricity demand by 2030.

The Governments of Botswana and Namibia will establish and convene a high-level Bilateral Steering Committee to implement the Mega Solar Program, and if deemed appropriate, representatives from the IBRD, IFC, and the AfDB may also become members of the Committee. On its part, Power Africa will provide where possible support through technical assistance, feasibility studies, grants and financing through its partners. AUDA-NEPAD intends to provide support by providing technical capacity for the planning and implementation of the Mega Solar Program using its PIDA instruments; enhancing monitoring and evaluation of the Program to facilitate knowledge transfer and replication; integrating the Project with existing AUDA-NEPAD projects through the PIDA Integrated Corridor Development Approach and supporting resource mobilisation using instruments such as the SDM, CBN, AIGM and market sounding events during PIDA Week.

It is expected that the Mega Solar Program MoI signing will be in February 2021 during the AU Heads of State and Government (HoSG) Summit.



SECTION 2

HIGHLIGHTS OF 2019/2020

1. INTERCONNECTING AFRICAN CAPITALS THROUGH HIGH-SPEED RAIL



The AUDA-NEPAD team with CPCS Transcom Consultants

The launching of an African Integrated High-Speed Railway Network (AIHSRN) was a decision of the highest level of political leadership within the African Union. The project has since gone through several stages in its design, including a validation exercise, as outlined below.

In 2014, a Technical Coordinating Team (TCC) was set up by the AUC, including AUDA-NEPAD, to guide the project's technical feasibility process, including a Detailed Scoping Study (DSS), and the development of a Master Plan. Thereafter, in 2016 the technical oversight responsibility of the DSS was assigned to AUDA-NEPAD by the AU's Department of Infrastructure and Energy. In December 2018, the terms of reference for the study were finalised by AUDA-NEPAD and a call for tenders was issued for the procurement of consultants to prepare the strategic framework document (i.e., the DSS leading to full Feasibility Studies, Detailed Designed, and Procurement of Tender Documents) of the AIHSRN Initiative.

CPCS Transcom Consultants were thereafter contracted by AUDA-NEPAD to prepare the DSS based on the terms of reference. The preparation of the Strategic Framework Document of the AIHSRN Initiative was formally launched in December 2018.



The DSS has three (3) major components:

A Strategic Framework Concept;

Two pilot studies chosen according to very specific criteria - the Walvis Bay-Windhoek – Gaborone - Pretoria (Namibia - Botswana -South Africa) study to commence by 2023, and the Dar-es-Salam - Kigali (Tanzania - Rwanda) study to commence by 2025.

A Masterplan 2063, to be programmed in two phases: Masterplan 2033 and Masterplan 2043)

In November 13, 2019, the Draft Final Report of the DSS was validated by AU Member States experts in Addis Ababa, Ethiopia. The report was presented (through a Strategic Note) to the STC on 24 November 2019 in Cairo, Egypt, during PIDA Week 2019 for political validation. The accompanying video clip (in AU languages) was also formally launched in Cairo, during PIDA Week 2019.

The following deliverables were validated:

The Draft Final Report

Two pilot study reports validated and endorsed by the STC

The Masterplan 2063;

A seven -minute Video clip describing the AIHSRN Strategic Framework Document, the DSS, the selected regional pilot projects and Master Plan.

Following the validation of the DSS study, the critical next step is the assessment of the capacity-readiness of the pilot countries to implement the selected regional railway projects, through the validation of a National Readiness Strategy. A Validation Workshop was held from 3 – 5 March 2020 in Windhoek, Namibia, to validate the Draft National Readiness Strategy (NRS) for the country.



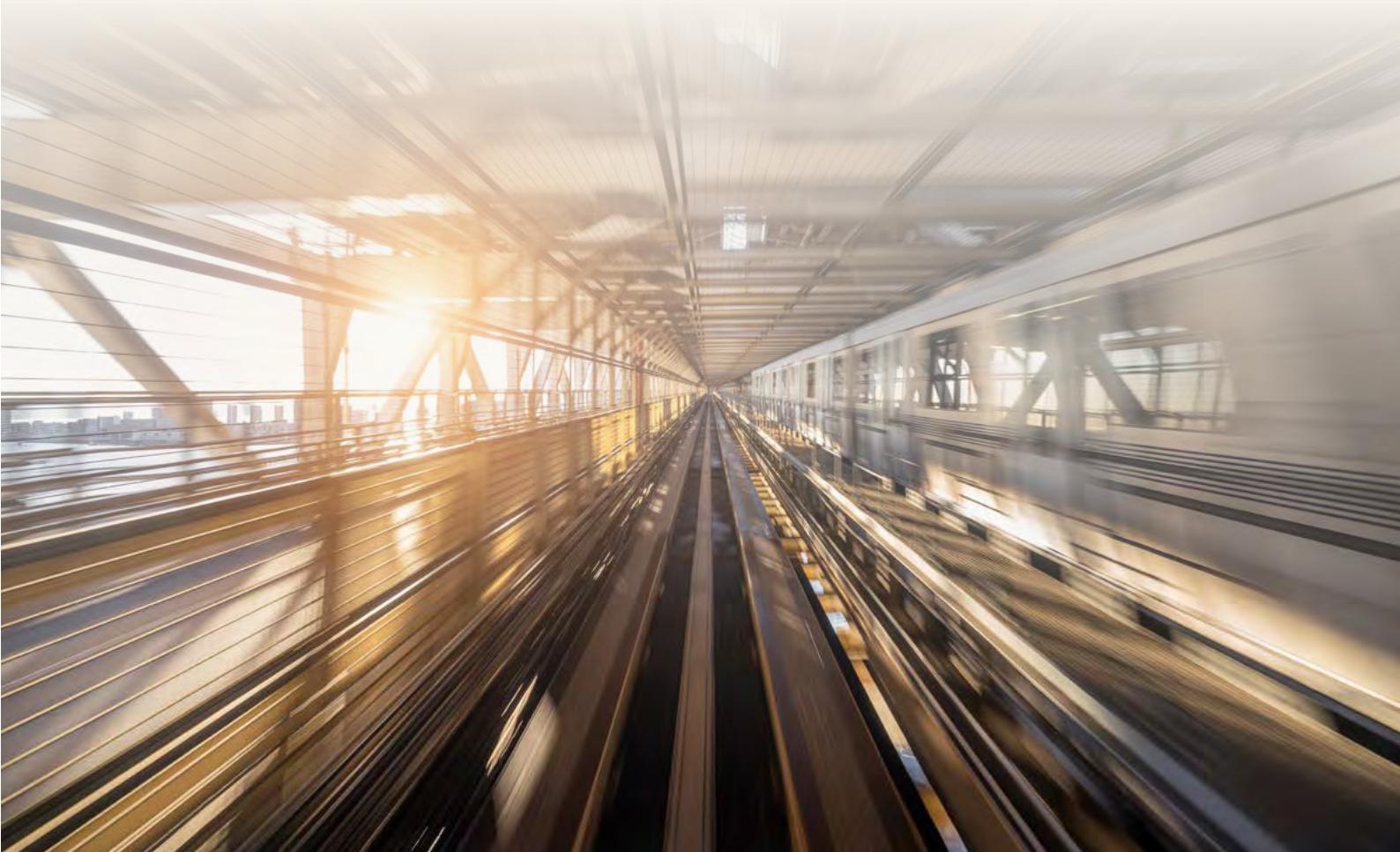
2. THE FIRST AFRICAN DIGITAL RAIL SUMMIT

The first African Digital Rail Summit was convened by AUDA-NEPAD and the International Union of Railways (IUC) in Cape Town, South Africa, from 25 to 27 February 2019. The theme of the summit was "Africa: The continent of the digital future for rail". The initiative is part of the African Union's Agenda 2063, of which the African Integrated High-Speed Railway Network is one of the flagship projects.

This high-level summit aimed to develop the African vision of digital rail, as defined in 2014 in Malabo as part of the vision of rail in Africa by 2040. A roadmap will be drawn up, major projects identified, and a strategy developed for the revitalisation of the African Union of Railways.

In a statement sent to the summit, Dr Ibrahim Assane Mayaki, CEO of AUDA-NEPAD said, "The African Integrated High-Speed Railway Network is one of the flagship projects of the African Union's Agenda 2063. The modernisation and extension of rail networks will not be possible without new digital technologies, a key element of "intelligent" transport. These technologies will help us achieve a key pillar of our regional integration."

Transport ministers from South Africa, Egypt, Morocco and Niger as well as the Director of the National Railways Office of Morocco were present in Cape Town. Also present were industrialists, economists, representatives of African sub-regional organisations, the World Bank, the African Development Bank, the Economic Commission for Africa, as well as experts in digital ecosystems.



3. ALTERNATIVE INVESTMENTS IN THE AFRICAN INFRASTRUCTURE SPACE



Ms Daphine Muzawazi, AUDA-NEPAD's Monitoring and Evaluation Officer for the Regional Integration and Trade Division speaking on the African Infrastructure Guarantee Mechanism

The AUDI-NEPAD session on 'Scaling Risk Mitigation to enable Greater Pension Fund Investment in Africa's Infrastructure: The African Infrastructure Guarantee Mechanism' was organised as part of the 3rd African Pension Funds and Alternatives Investment Conference.

The objectives of the session were to:

gauge the appetite of institutional investors for the implementation of the African Infrastructure Guarantee Mechanism, and its financial potential; and

identify what needed to be done to make the concept a reality, including possible implementation strategies and concrete action steps towards scaling risk mitigation and mobilising pension fund investment for African infrastructure,

The session panel, with representatives from the AUDI-NEPAD, the African Development Bank; the Development Bank of Southern Africa and the Trade and Development Bank debated on the African Infrastructure Guarantee Mechanism as an instrument of risk mitigation.

Recommendations from the session included:

- having a comprehensive early-stage guarantee that could cover development and construction risk;
- strengthening existing mechanisms through African Union continental coverage;
- working on building local institutional investors within countries who are best suited to take up currency risks as opposed to relying solely on foreign investors;
- working with development partners in the development of similar initiatives; and
- maintaining dialogue with the pension funds on what type of transactions that can be structured.

4. UPDATE ON AFRICA'S INTEGRATED HIGH-SPEED RAILWAY NETWORK PROJECT



Hon. Raila Odinga – High Representative for Infrastructure Development in Africa with Mr Adama Deen, AUDA-NEPAD Senior Advisor on Strategic Infrastructure

In December 2018, AUDA-NEPAD engaged the services of a consultant for Africa's Integrated High-Speed Railway Network Project. The first experts' meeting to review the outputs of consultancy was held from the 10 -12 April 2019 to review the results and the outcomes of the project preparation framework analysis.

At the meeting, Hon. Raila Odinga, African Union's High Representative for Infrastructure Development in Africa asserted that African "...must invest in infrastructure but do so diligently and ensure there is value for money in every infrastructure investment we undertake". He gave an example of the Kenya-Uganda railway to illustrate what railways could do to the growth of countries and economies. Costing £5m and described at the time as "the Lunatic Express", this railway later became a major success to the economies of Kenya and Uganda. Hon. Odinga called on African leaders to make the hard decisions to develop and build its High-Speed Rail for the benefit of the African people.

The meeting was attended by over 20 experts from around the continent. Its outcomes will be submitted to the forthcoming AU Specialised Technical Committee on Transcontinental Transport Infrastructure Connectivity Experts Meeting and Ministerial Conference, slated between 14 and 18 April 2019 in Cairo, Egypt, for endorsement and adoption.

5. LAUNCH OF THE AFRICAN NETWORK FOR WOMEN IN INFRASTRUCTURE (ANWIn)



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

African Union Commissioner for Infrastructure and Energy, H.E. Dr. Amani Abou-Zeid hosted a dialogue in Cairo to soft launch the African Network for Women in Infrastructure (ANWIn) – a new initiative aimed at promoting African women's participation in infrastructure development at the national, regional, and global levels. The initiative was developed by the AUC and AUDA-NEPAD with the support of the Government of Germany, through GIZ. At the event, Commissioner Abou-Zeid reiterated the importance of integrating policy and planning that prioritizes women and hardwires gender. She highlighted that a full programme of events will be held this year, with a formal launch of the Network planned for November 2019.

Dr Nagla al Adly, Director of International Cooperation in Egypt's National Council for Women shared Egypt's experience in women empowerment. In a keynote address, the Minister of Tourism and Hospitality Industry of Zimbabwe and Chair of the Sub-Committee on Tourism, H.E. Senator Prisca Mupfumira, emphasized that the Convention of the Elimination of Discrimination Against Women (CEDAW) focused on the need to promote women's participation and

ensure that gender equality is central to all programmes.

A panel discussion on the state of infrastructure gender imbalance in Africa concluded that the role of women and the gender dimensions in infrastructure remains marginal, even though the continent has made significant progress towards gender equality and protection of women's rights at the policy level. The designing of the second phase of the PIDA PAP is expected to address the pressing needs of women along the infrastructure value chains through the provision of appropriate gender-sensitive project selection criteria and tools.

With over 200 participants in attendance, the event served as a soft launch for the ANWIn. The Network should provide a platform for strategic advocacy, capacity building and networking aimed at enhancing the implementation of PIDA.



6. ADOPTION OF THE LANDMARK “CAIRO DECLARATION” ON INFRASTRUCTURE



Ministers from 39 African countries have confirmed their commitment to consider strategies for developing smart infrastructure to boost Africa's continental transformation and integration, by adopting the Egypt Declaration and Action Plans for the Transport, Energy and Tourism sectors.

The Declaration was adopted at the Second Ordinary Session of the African Union STC meeting on Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism, which kicked off 14 April in Cairo, Arab Republic of Egypt. The theme of the meeting was "Developing SMART Infrastructure to boost Africa's Continental Transformation and Integration." Organized by the African Union Commission jointly with the Government of Egypt, the AfDB, AUDA-NEPAD and the UNECA, the meeting drew over 400 participants from 39 AU member states, RECs, regional development banks and financial institutions, academia, private sector/ civil society, and representatives from the development partners and international organizations involved in energy, transport and tourism.

The outcomes of the Second Ordinary Session of the STC-TIIIET will be submitted for adoption by the African Union Assembly of Heads of State and Government at its Ordinary Session in July 2019.

The Declaration calls for member states and RECs to strengthen inter-African and continental cooperation in the development of infrastructure. Given the frequency and severity of climate-induced disaster on the continent, member states were requested to promote smart as well as climate-resilient infrastructure.

In her closing remarks, African Union Commissioner for Infrastructure and Energy, H.E. Dr. Amani Abou-Zeid said that the adoption of the Declaration of Cairo showed the collective endorsement and consensus for infrastructure development as an impetus for the regional integration of the continent.

The Director for Infrastructure and Urban Development, Mr. Amadou Oumarou, emphasized that the key priorities of the STC Agenda align with the Bank's Strategic priorities – the High 5s, which prompted the financing of projects within PIDA and beyond the framework fulfilling the objectives of this Specialised Technical Committee.

On her part, the Minister of Infrastructure and Transport the Togolese Republic and outgoing Chair of the STC, H.E. Ms. Zouréhatou Tcha-Kondo épse Kassah-Traoré, informed the meeting that the STC Sub-Committees had all met to review the implementation of the STC Plan of Action under the different sectors.

Member states were also requested to speed up ratification of pending legal instruments related to infrastructure, notably the Maritime Charter, Yamoussoukro Declaration, the Single African Air Transport Market, and Road Safety Charter.

7. AUD-AEPAD COOPERATION WITH EGYPT ON ENERGY



Dr Ibrahim Mayaki and Dr Mohamed Shaker El Markab, Minister of Electricity and Renewable Energy in Egypt signing minutes of the cooperation meeting on energy

assist - whenever possible - African countries in the development and implementation of not only energy infrastructure but also renewable projects and to make available experiences and lessons learned.

The meeting ended with the signing of a document which lists areas of cooperation between AUD-AEPAD and the Ministry of Electricity and Renewable Energy in Egypt, as follows:

- The development and implementation of a continental transmission network;
- The provision of clean energy to African countries with minimal access to electricity through the development and installation of micro /mini-grid systems;
- Establishment of an AUD-AEPAD Centre of Excellence in Renewable Energy in Cairo to provide the provision of technical assistance and capacity development to African countries in the renewable energy project development and implementation;
- The development of the Cairo to Cape Integrated Corridor, with the transmission lines required to transfer power to meet the development of the integrated corridor.

It was further agreed that a joint working group will meet and conclude the details of the cooperation.

Dr Mayaki further proposed that the President of the Arab Republic of Egypt, H.E. Abdel Fattah el-Sisi should champion the AUD-AEPAD flagship strategic programme on the development and implementation of the Continental Transmission Network. This will build upon the extensive experience of Egypt in the development and implementation of transmission networks, as well as building upon the strong commitment of Egypt to play its role in the further development of the African continent.



8. MAXIMISING JOB CREATION POTENTIAL OF THE BATOKA GORGE HYDRO-ELECTRIC SCHEME

AUDA-NEPAD and the Zambezi River Authority organised a joint meeting between 28 and 30 May 2019 in Lusaka, Zambia, with stakeholders to deliberate on concrete actions to maximise the job creation potential and domestic financial resource mobilisation for the Batoka Gorge Hydro-Electric Scheme. AUDA-NEPAD has been providing support to the Zambezi River Authority on the use of its tools for Job Maximisation and Domestic Financial Resource Maximisation for the Batoka Gorge Hydro-Electric Scheme, a priority project under PIDA.

A second pilot study was also conducted to examine the potential application of the 5% Agenda and the Africa Infrastructure Guarantee Mechanism to mobilise domestic financial resource for the project. Zambia and Zimbabwe have established pension and insurance funds with assets under management equivalent to US\$1.8 billion and US\$7.4 billion respectively, mostly held in long-term assets. Diaspora remittances through official channels into the two countries amount to US\$1.9 billion/year and these can be mobilised for development under the right conditions.

The AUDA-NEPAD Head of Regional Integration, Infrastructure and Trade, Mr Symerre Grey-Johnson, noted that the event marked a very important milestone in the history of PIDA as it showcased for the first time the confluence of multiple PIDA Instruments to maximise job creation and mobilise domestic resources to finance the Batoka Gorge project. If successful, this would be replicated on other PIDA projects such as the Grand Inga.

The meeting agreed to set up an Institutional Investors and Diaspora Engagement Committee to drive the process of mobilising domestic resources for the project. The committee will be led by AUDA-NEPAD and consist of the Zambezi River Authority, Regional Development Banks, the Governments of Zambia and Zimbabwe with equal representation from the Institutional Investors and Diaspora.



9. ADDRESSING THE FUNDING NEEDS TO MEET AFRICA'S DEMAND FOR POWER

Estimates by AUDa-NEPAD show that Africa's developmental agenda may veer off course without the proper infrastructure to drive the continent's economic agenda. Africa needs US\$188 billion to build modern energy infrastructure and meet the continental demand for power, the main driver of economic emancipation, a recent study has revealed. While Africa seeks alternative energy needs through solar, biofuels and other forms, ostensibly to bolster hydropower generation in most African states, there is a need for commitment to develop and modernise the infrastructure and enhance the transformation lives of more than three billion inhabitants.

Mr. Ibrah Mountaka Wahabou, the AUDa-NEPAD project manager for the Service Delivery Mechanism in the Regional Integration, Infrastructure and Trade Division, noted that Africa's quest to development should remain in tandem with the need to modern and development reliable cross-country-infrastructure linking all 55-member states for it to attain economic emancipation. Citing the US\$4 billion Batoka hydropower plant in which Zambia and Zimbabwe are tasked to raise 5% each of the local resources needed using local resources, he said AUDa-NEPAD stood ready to assist in mobilising resources and speeding up the project which will reduce the energy deficit affecting the two neighbours and ultimately benefit regional member states.

The developers of the project, according to the project plan, are expected to mobilise the remaining resources using various alternatives, including tapping into domestic markets and ensure the project comes to fruition as envisaged.

Zambia and Zimbabwe have since embraced the continental initiative of mobilising "homegrown resources" wholeheartedly for the development of the Batoka Gorge hydroelectric scheme with 20% of the cost provided for using local content in the form of local materials and local infrastructure development such as access roads and construction of villages.

The chairperson of the Zambezi River Authority (ZRA), Emeldah Chola, commended the relationship between AUDa-NEPAD and Association of Power Utilities of Africa (APUA), which is tasked to coordinate and execute priority regional and continental projects to ensure the realisation of Agenda 2063. The partnership further endeavoured to accelerate regional integration, infrastructure, energy, water and ICT, transport, trade, industrialisation, science, technology and innovation, natural resources, governance and food security, among other developmental roles.

10. MOBILISING DOMESTIC RESOURCES TO REPLENISH THE NEPAD IPPF SPECIAL FUND

Concerted efforts will be required to scale up support for domestic resource mobilization by AU Member States to bridge the financing gap of the NEPAD-IPPF Special Fund. This call was made by the African Union Director for Infrastructure and Energy, Mr. Cheikh Bedda, at the 29th Oversight Committee (OC) meeting of the NEPAD-IPPF Special Fund in Addis Ababa, Ethiopia on 28 June 2019.

NEPAD-IPPF Fund Manager, Mr. Mike Salawou, stated that cumulative contributions by donor partners including the African Development Bank amounted to US\$ 102 Million out of which US\$ 96.1 million had been committed to approving 91 projects. As per June 2019, 60 studies have been completed and without any new contributions to the Fund "NEPAD-IPPF will no longer be in a position to support further project preparation activities".

According to the Director for Infrastructure and Urban Development at the African Development Bank, Mr. Amadou Oumarou, "new contributions from Spain (EUR 3.0 million) and the African Development Bank (US\$ 4.13) are indications of confidence bestowed in the Fund's ability, and also recognise that the NEPAD-IPPF plays a critical role in infrastructure development in Africa".

The meeting offered the opportunity to discuss the NEPAD-IPPF Independent Review and New Business Model, the progress report, updates on continental infrastructure initiatives, and adoption of a proposed joint AUC/AUDA/AfDB Domestic Resource Mobilization Strategy for NEPAD-IPPF. Participants also endorsed the NEPAD-IPPF Special Fund as the key instrument for project preparation to accelerate the delivery of infrastructure on the continent. They also agreed that the NEPAD-IPPF resources are managed soundly under rigorous internal control, in addition to the governance around the administration of these resources, which is adequate.



11. INFRASTRUCTURE AS A DRIVER OF REGIONAL INTEGRATION TO PROMOTE DEVELOPMENT IN AFRICA

Since 2005, NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) has approved 76 grants for regional infrastructure projects, crowding in investment financing of over US\$ 8.7 billion, thereby directly impacting Africa's integration and development agenda. Mr Symerre Grey-Johnson, Head of the Regional Integration, Infrastructure and Trade Division at AUDA-NEPAD, made the statement during the African Development Bank Annual Meeting under the theme 'Regional integration' that was held in June 2019 in Equatorial Guinea.

According to reports, regional integration is often seen as less relevant for resource-rich countries since the demand for commodities typically comes from the global market rather than from regional demand. Regional integration in Africa, however, can play a vital role in diversifying economies away from dependence on the export of just a few mineral products; in delivering food and energy security; in generating jobs for the increasing number of young people; and in alleviating poverty and delivering shared prosperity. Therefore, to accelerate the integration, the priority of economic integration must be balanced by those of social, cultural and political integration. Policy instruments, especially for overlapping REC member nations, need to be harmonised. Currently, weak enforcement of existing treaties and non-tariff barriers continue to hinder the free movement of goods, services and persons across borders.



12. RETHINKING ICT AS A PRIME AND PRIMARY SECTOR IN AFRICA

Better connectivity will also be an important step to increasing the ICT sector's contribution to Africa's GDP, which currently stands at just 5%. However, government investments in ICT are lacking, said Mr Symerre Grey-Johnson of AUDA-NEPAD. The comments were made in an interview with The Guardian during the African Development Bank Annual Meeting that was held recently in Equatorial Guinea under the theme of 'Regional Integration'.

According to Grey-Johnson, in today's fast-moving world, all infrastructure depends on information and communication technologies (ICTs). Global, national and local infrastructure is controlled, managed and optimized by ICTs, whether power networks, water supplies, transportation systems or communications networks.

He further said that for the fundamental purpose of mobilizing financial capital to invest in ICT networks and services, a mix of open markets, free and fair competition, minimal restrictions, technological neutrality, and competent, effective regulation has proven itself repeatedly.

At the same time, however, the accelerated transformations of the ICT sectors of nearly every country continue to introduce new challenges for policymakers and regulators, who must cope with constantly changing technology and market conditions. The key imperative remains to enable and encourage investment financing of ICTs for development objectives, and to ensure that the market and regulatory environment facing current and potential investors will allow the maximum deployment of resources, in the most equitable and advantageous ways possible.

Through its ICT Broadband Infrastructure Programme, AUDA-NEPAD aims to connect all African countries to each other and to the rest of the world via broadband optical fibre. To this end, two cable systems, one submarine (Uhurunet) and another terrestrial (Umojanet) have been built.



13. ONE-STOP BORDER POSTS (OSBPS) AS AN INSTRUMENT OF TRADE FACILITATION

To strengthen the development and operations of One-Stop Border Post (OSBP), in each REC Regional Economic Community, seminars on 'training of trainers' and data collection for RECs took place in Kigali, Rwanda from 29th to 31st July 2019. The objective of the seminar was for the REC participants to; share knowledge and experiences in the development and operations of OSBPs. The seminar was co-sponsored by AUDA-NEPAD and Japan International Cooperation Agency (JICA) and hosted by the EAC.

REC participants were trained on the use of the AID and VPIC as monitoring tools for infrastructure development. To keep the database up to date, the delegates were requested to regularly populate the database with updates. COMESA, EAC, ECCAS, ECOWAS, IGAD, Union Economique et Monétaire Ouest Africaine (UEMOA) and UMA were each represented by three experts in the areas of infrastructure, customs and immigration.

Participants recommended that the OSBP procedure manual developed by EAC to be shared amongst the RECs as a model in the process of rolling out the OSBP. They also advocated for the cross-pollination of knowledge and ideas through benchmarking, pre-construction and post-construction monitoring of the OSBP, and for AUDA-NEPAD to develop model designs for OSBP as a continental blueprint.



14. PRESIDENTIAL INFRASTRUCTURE CHAMPIONING INITIATIVE (PICI) INTER-MINISTERIAL MEETING



The Presidential Infrastructure Championing Initiative (PICI) was hosted by the Government of the Arab Republic of Egypt in Cairo, on 21 October 2019. The PICI Inter-Ministerial Meeting, under the chairmanship of the Minister Mohammed Khalil Abdel Aty with the support of AUDA-NEPAD as the secretariat for PICI, discussed the detailed report prepared by the PICI Technical Task Team Workshop updating the status of PICI projects, challenges and recommendations for intervention from the Champions where necessary.

Before the official opening, all Ministers in attendance and Dr Ibrahim Mayaki, CEO of AUDA-NEPAD made a courtesy call to the President of the Arab Republic of Egypt.

In his opening remarks, Minister Aty underscored the need to undertake key continental infrastructure projects if the continent is to realise its growth potential through trade. Minister Atty further underscored the need for Africa to develop its capacity to be able to undertake these projects. Minister Jackson Mthembu (Co-chairperson) of South Africa, spoke on the importance of developing continental Infrastructure. He reiterated that the continent needs to accelerate its infrastructure development to match the growing population and rapid urbanisation to achieve development goals.

Minister Mustapha Kouraba, Minister of Works and Transport of Algeria presented the progress achieved in the implementation of the Trans-Sahara Highway connecting Algeria, Mali, Niger, Tunisia, Nigeria, and Chad. The Minister also presented to the meeting Algeria's desire to host the next PICI Africa-wide IMC Meeting.

Dr Mayaki provided the overarching frame of reference for the PICI and the underpinning success of the model through the Champions who bring visibility, unblock bottlenecks and give critical momentum leading to the acceleration of these projects. Based on the success in PICI, Dr Mayaki added, the PICI Africa-wide IMC will recommend to the AU and the African Union Commission that the PICI model is reflected in this PIDA Review as a positive approach for championing and accelerating the implementation of PIDA projects and that it should be replicated and strengthened.

The meeting received a detailed update on the status of all PICI projects. Furthermore, Sudan requested that the following projects be endorsed and considered as part of the PICI:

- The Suakin Seaport Harbour which has been previously submitted to the PICI Africa wide IMC, held in Cape Town on 5 February 2019;
- The Dakar-N'djamena-Port Sudan Railway; and
- The Babanusa – South Sudan Railway.

The meeting welcomed Sudan and endorsed its membership as part of the PICI. This decision will be shared at the Heads of State level.

The Report from the Inter-Ministerial Meeting will be finalised by AUDA-NEPAD and the South African Presidency to be submitted to the African Union Heads of State Summit scheduled for 9-10 February 2020, in Addis Ababa, Ethiopia and to be presented at the Heads of State and Government Orientation Committee on the margins of the AU Summit.