PIDA: Africa's Time for Action

Interconnecting, Integrating, and Transforming a Continent

PIDA Presentation to EU Continental Seminar on Infrastructure

Addis Ababa, 01st October 2013

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PIDA RATIONALE - African Infrastructure

- Critical role of infrastructure in Africa widely recognized
- Deficit in Africa infrastructure also widely recognized
- Multiple regional and continental initiatives to close the gap

But

- Overwhelming evidence that these efforts are not fully successful

We need to

- Enhance African integration
- Expedite the development process
- Focus our approach to address the real, causal factors

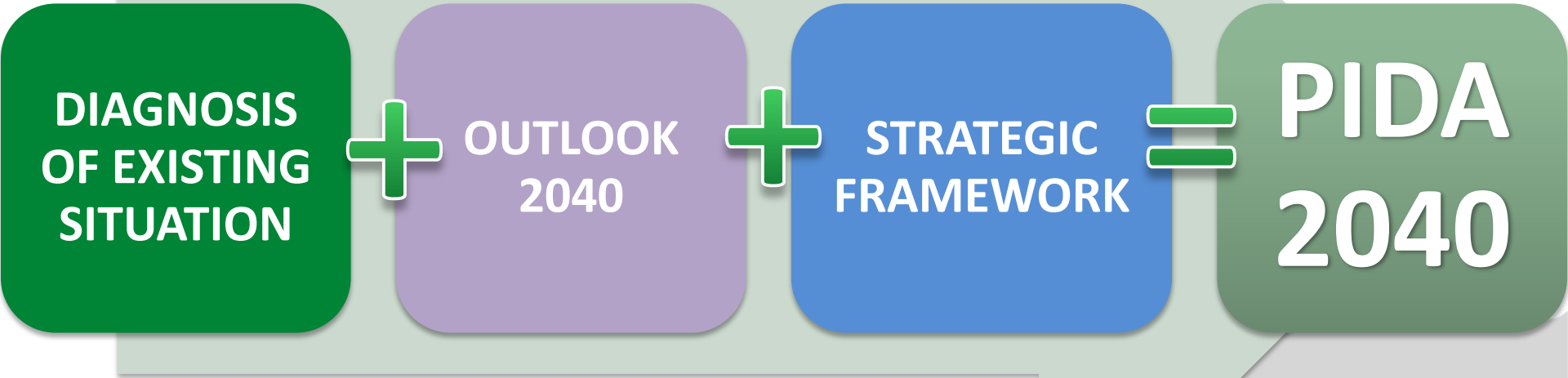
Rationale for the merger

- Common platform for infrastructure development in Africa in four sectors: transport, energy, ICT and transboundary water
- Rationalisation of a plethora of regional/continental initiatives
- Harmonise donor intervention
- Fast tracking Africa development and integration

PIDA RATIONALE - PROCESS

Vision from the AUC 2004 Strategic Plan :

Build an integrated, prosperous and peaceful Africa, driven by its citizens and representing a dynamic force in the International Arena



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PIDA OUTCOMES

PIDA Economic Outlook- GDP projections to 2040

- PIDA's macro and sector outlooks to 2040 are grounded on a 6.2% annual overall rate of growth of African GDP.
- The main drivers of this growth are population, technology absorption and education.

- **Results show a six fold GDP increase by 2040 and a per capita income above $10,000**

PIDA OUTCOMES

From GDP projections 2040 to Sector Forecasts

If the 6.2% average GDP growth is achieved:

- **Power demand** will increase at an average annual growth rate of nearly 6%.
- **Transport volumes** will increase 6–8 times, with a particularly strong increase of up to 14 times for some landlocked countries…

PIDA OUTCOMES

From GDP projections 2040 to Sector Forecasts

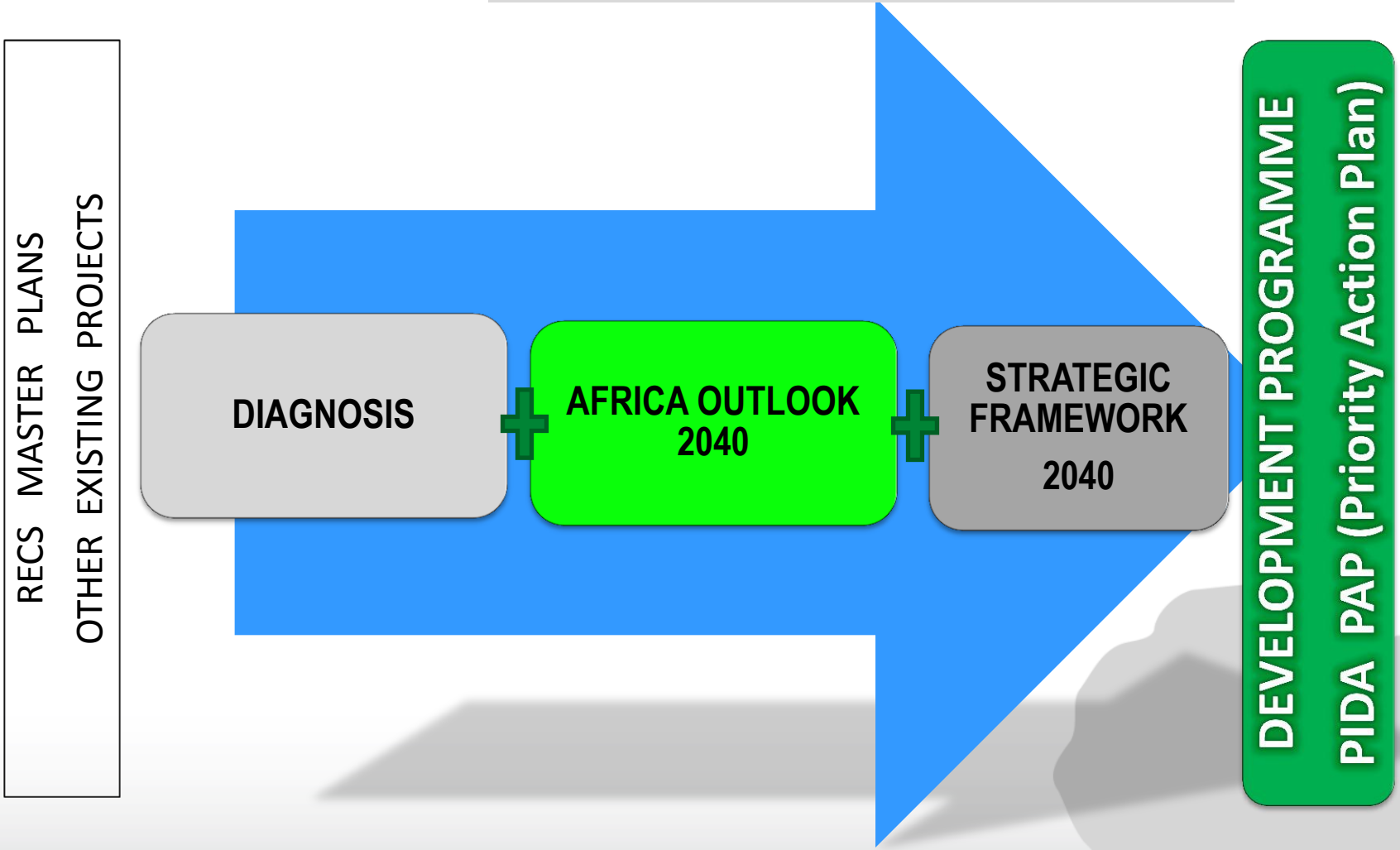
If the 6.2% average GDP growth is achieved:

- **Water needs** will push some river basins - including the Nile, Niger, Orange and Volta basins - to the ecological brink.
- **Information and Communications Technology (ICT) demand** will swell by a factor of 20 before 2020 as Africa catches up with broadband.

❑ **THIS INCREASED DEMAND WILL REQUIRE ADEQUATE REGIONAL INFRASTRUCTURE THAT PIDA PROPOSES**

PIDA OUTCOMES

STUDY PROCESS



PIDA OUTCOMES: Findings per sector

Transport: *work toward an integrated continent where the transport infrastructure and services enable the free movement of goods and people*

Improving the connectedness of African capitals and major centers with modern paved roads

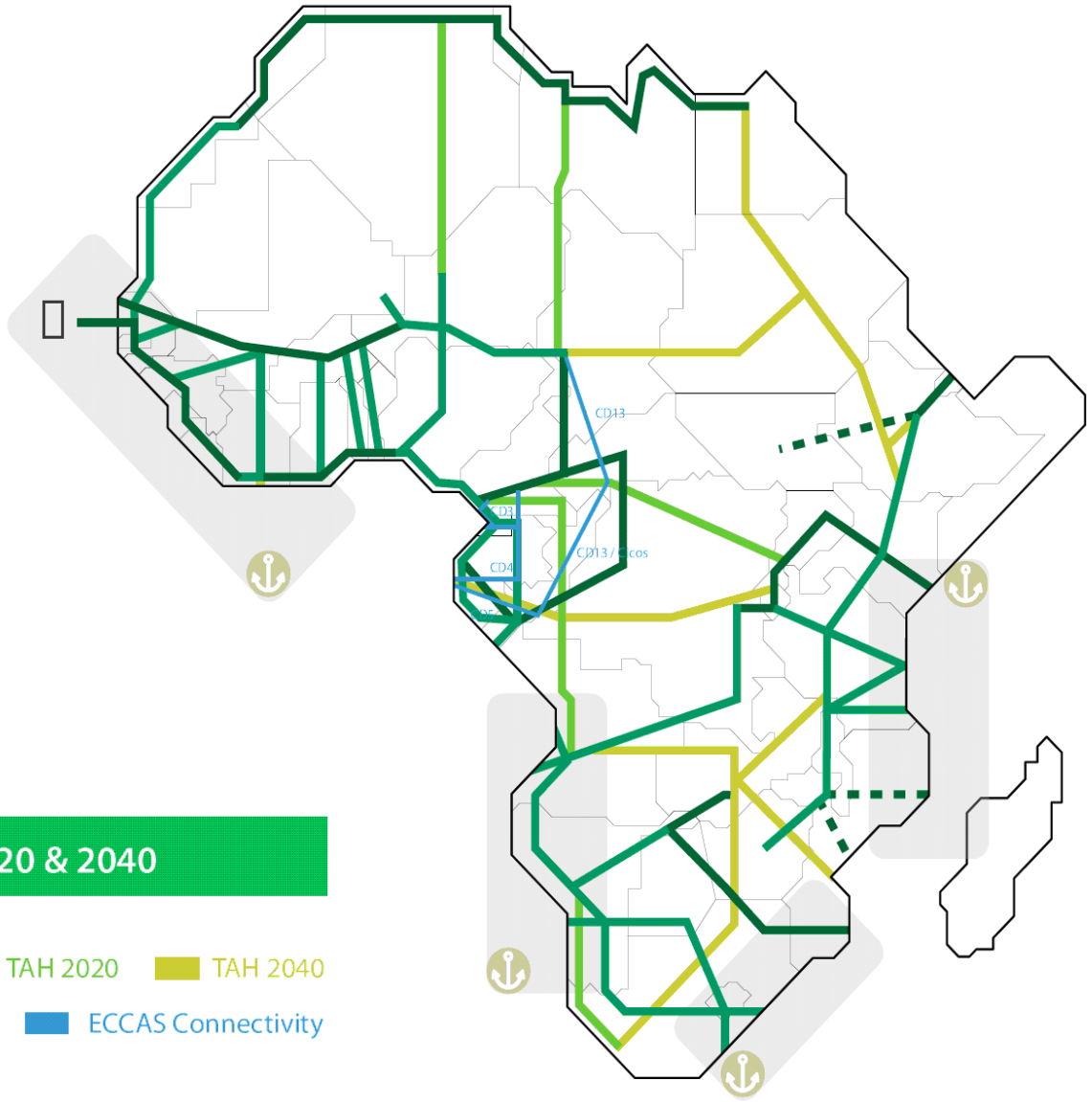
Satisfying demand at the least economic cost, with priority for landlocked countries, while minimizing the environmental impact

Developing modern ARTIN corridors and air transport services to bring the performance up to best world practice in efficiency, cost, reliability, and safety

PIDA OUTCOMES

Transport Networks: 2020&2040

The transport program links the major production and consumption centers, provides connectivity among the major cities, defines the best hub ports and railway routes, and opens the land-locked countries to improved regional and continental trade.



PIDA - TRANSPORT NETWORKS 2020 & 2040

Corridor 2020 | Corridor 2040 | TAH 2020 | TAH 2040

Hub Port Programmes | ECCAS Connectivity

PIDA OUTCOMES: Findings per sector

Energy: *develop efficient, reliable, cost-effective, and environmentally friendly infrastructure; and, enhance access to modern energy services*

Developing major regional and continental hydroelectric projects

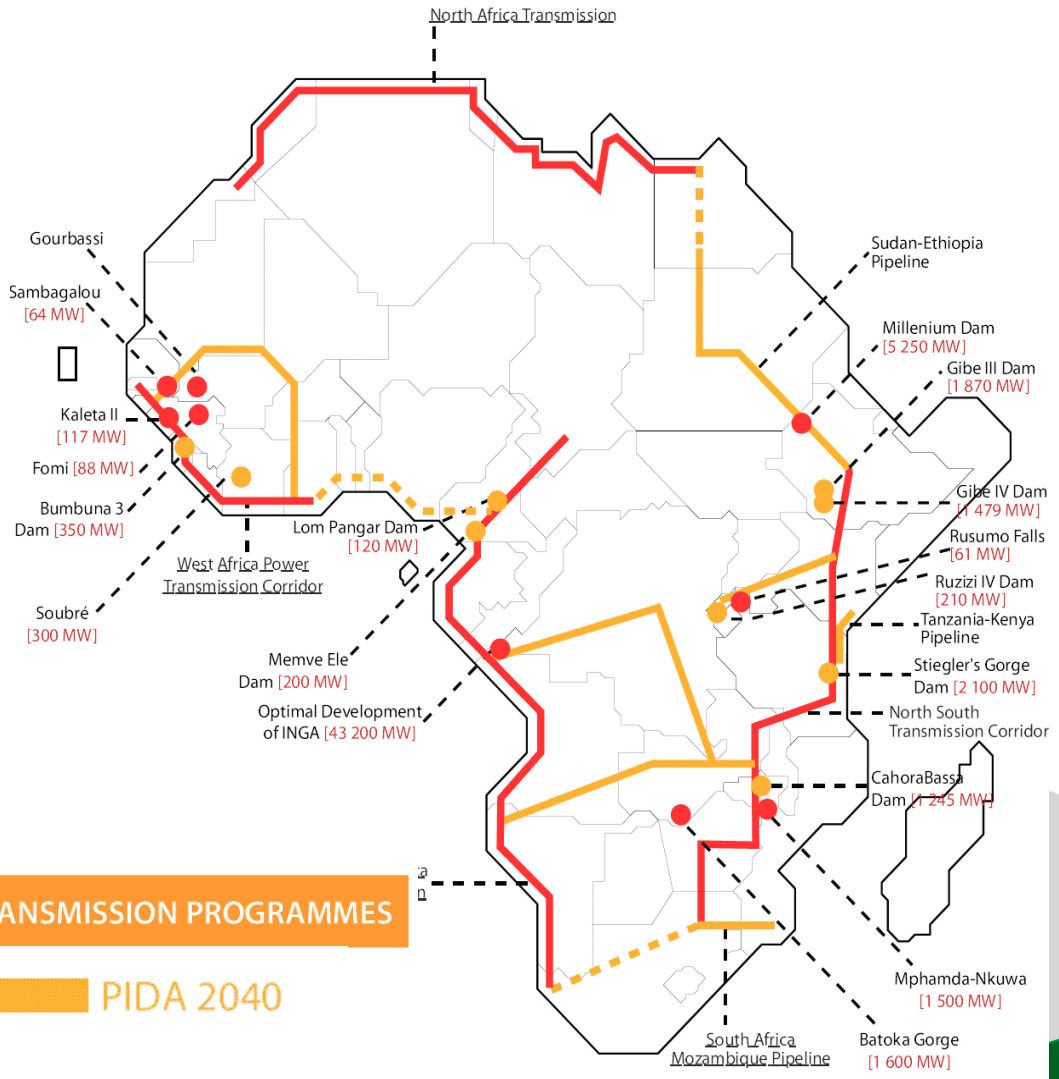
Implementing high-capacity oil refineries and oil and gas pipeline projects

Developing renewable energy resources

PIDA OUTCOMES

Generation & Transmission: 2020&2040

The energy infrastructure program focuses on major hydroelectric projects and interconnects the power pools to meet the forecast increase in demand. One regional petroleum products pipeline is also included.



ENERGY - PIDA 2040 & PIDA PAP - GENERATION AND TRANSMISSION PROGRAMMES

PIDA PAP 2020 PIDA 2040

PIDA OUTCOMES: Findings per sector

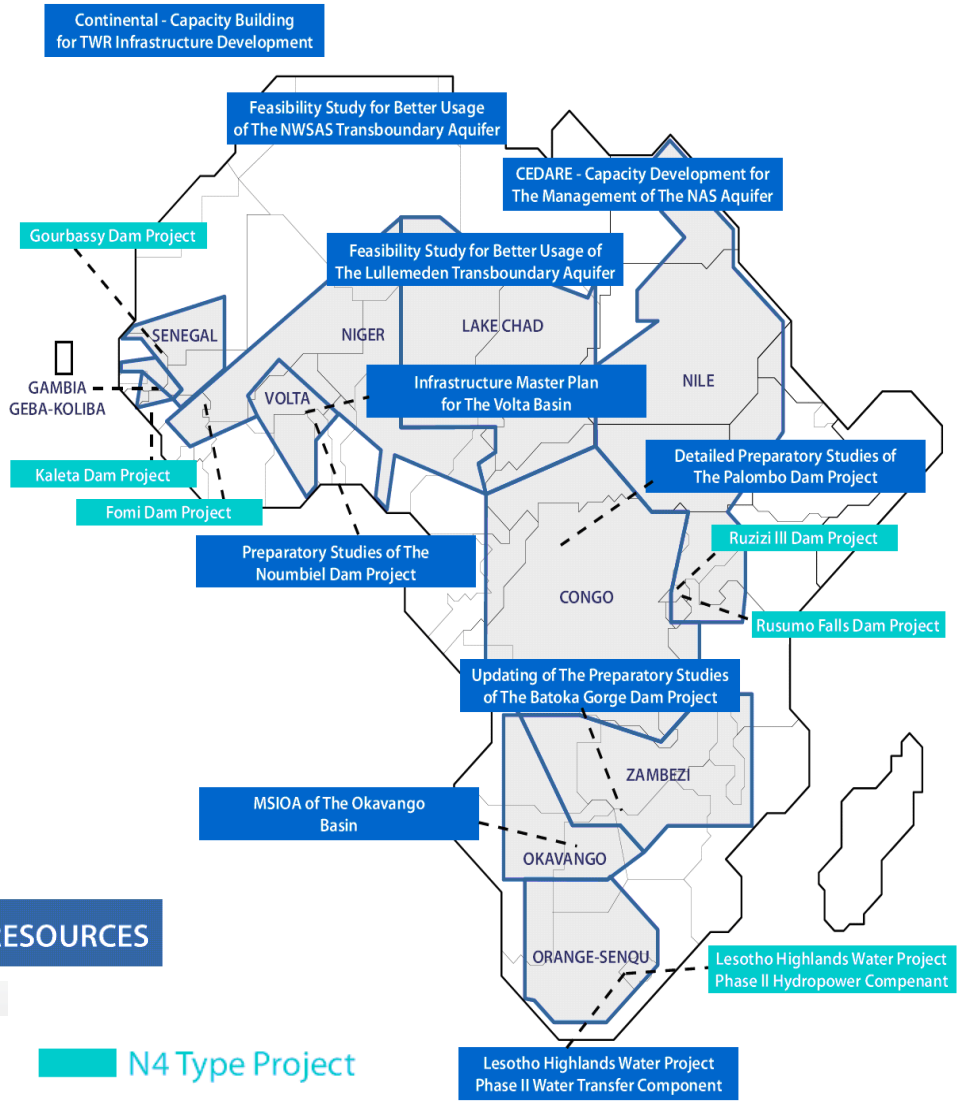
TWR: *develop projects, strengthen resource management frameworks, and ensure water security for socioeconomic development*

- Strengthening institutions for efficient cooperation on shared water resources
- Developing transboundary water infrastructure to meet increasing water demands while protecting people and the environment
- Strengthening finances for transboundary water development and management
- Improving knowledge on transboundary water basins and shared aquifers.

PIDA OUTCOMES

Water Resources: 2020&2040

The transboundary water program targets the development of multipurpose dams and builds the capacity of Africa's lake and river basin organizations so that they can plan and develop hydraulic infrastructure. The program would also help address the looming food deficit.



PIDA OUTCOMES: Findings per sector

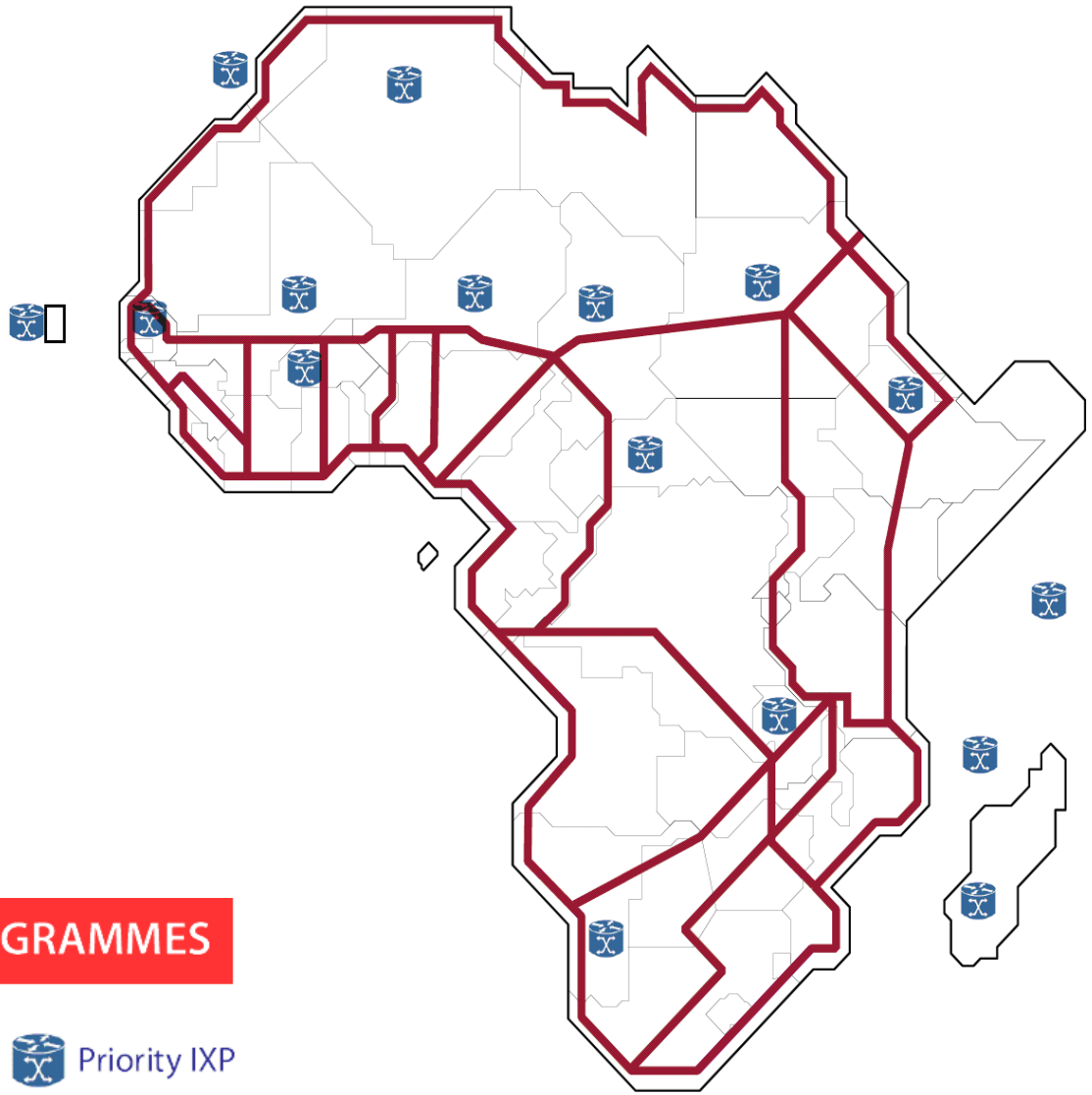
ICT: enable an information society and integrated digital economy in which all actors have access to reliable and affordable ICT networks

- Transform Africa into an e-society
- Satisfy African broadband demand – at least cost
- Increase accessibility and security of access for all country
- Provide uniformly accessible services to develop social and regional integration

PIDA OUTCOMES

ICT: 2020

The ICT program will establish an enabling environment for completing the land fiber optic infrastructure and installing Internet exchange points in countries without them. It will connect each country to two different submarine cables to take advantage of the expanded capacity.



PIDA OUTCOMES

Total PIDA capital cost is $360bn to 2040 and will deliver

Indicators	PIDA 2040
Modern highways	37 300 KM
Modern railways	30 200 KM
Port Added ton capacity	1,3 billion tons
Hydroelectric power generation	61 099 MW
Interconnecting power lines	16 500 KM
New water storage capacity	20 101 hm^3

PIDA - Ambitious, but affordable!

PIDA OUTCOMES: The PAP

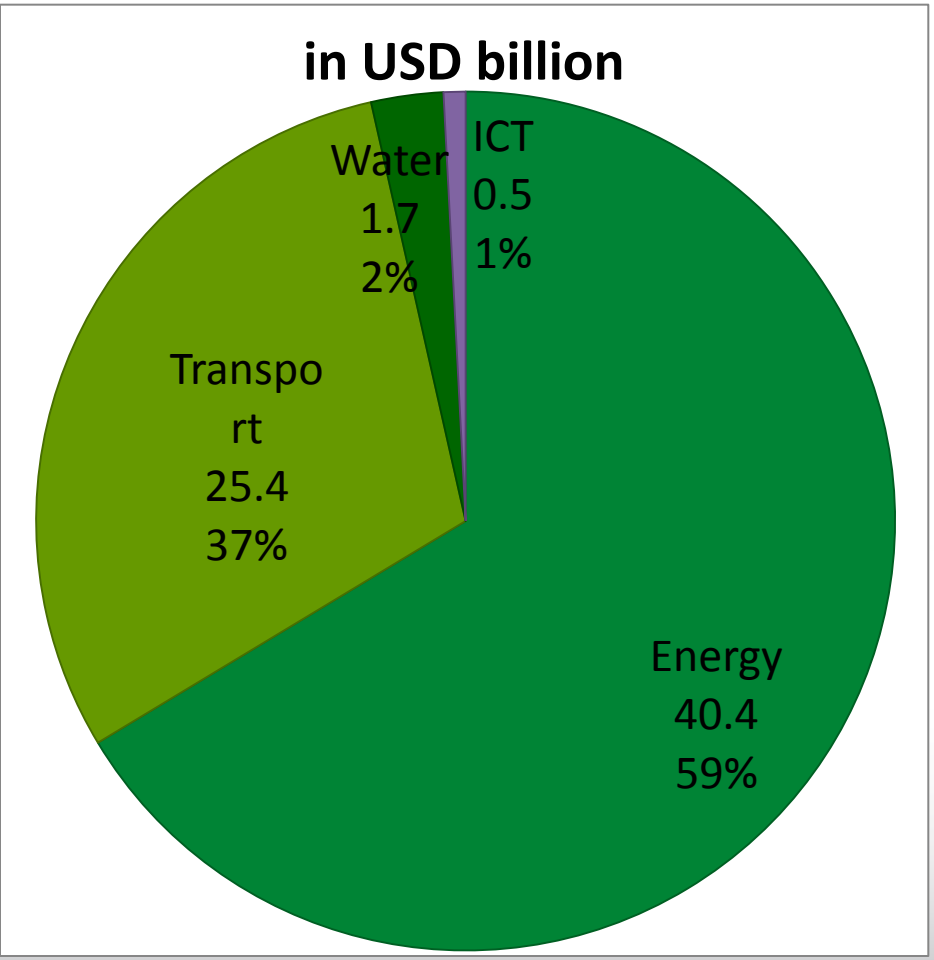
PIDA PAP broken down into 51 projects/programs

24 transport	15 energy
9 TWR	3 ICT

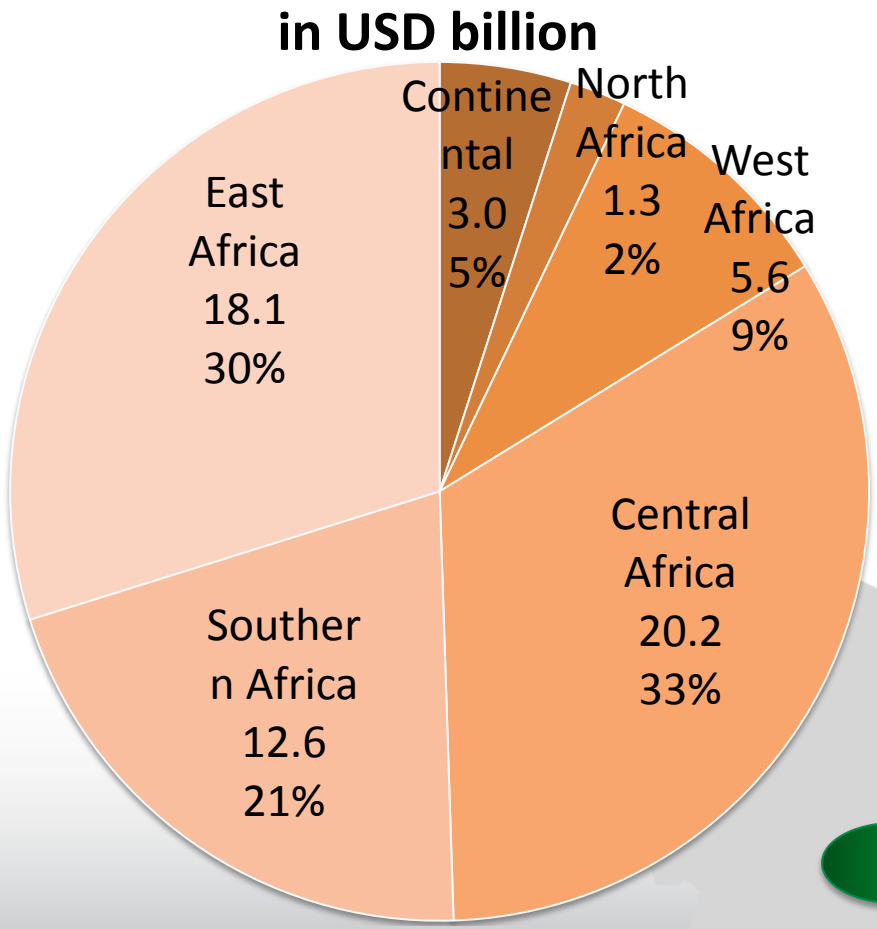
PIDA OUTCOMES: The PAP

PAP Investment Cost: $68 bn - 2012-20

- BY SECTOR



- BY REGION



PIDA OUTCOMES: The PAP

PAP Investment ($68 bn)

AMBITIOUS BUT AFFORDABLE

- Less than 0,2% of 2011 GDP, or 1% of national budgets, or 5% of Investment budgets

RESOURCE MOBILIZATION

- Mainly from domestic sources (50% in ’20 to 75% in ‘40)
- Private sector, ICA members & emerging partners

PROJECT PREPARATION

- Needs are estimated to 5 - 8% of total investment cost

PIDA IMPLEMENTATION STRATEGY

Financing will need to come mostly from domestic sources (public & private)

- Domestic Bond Markets, inc. remittances
- Sovereign Wealth Funds
- Enabling environment for more private participation

PUBLIC | MIX | PRIVATE

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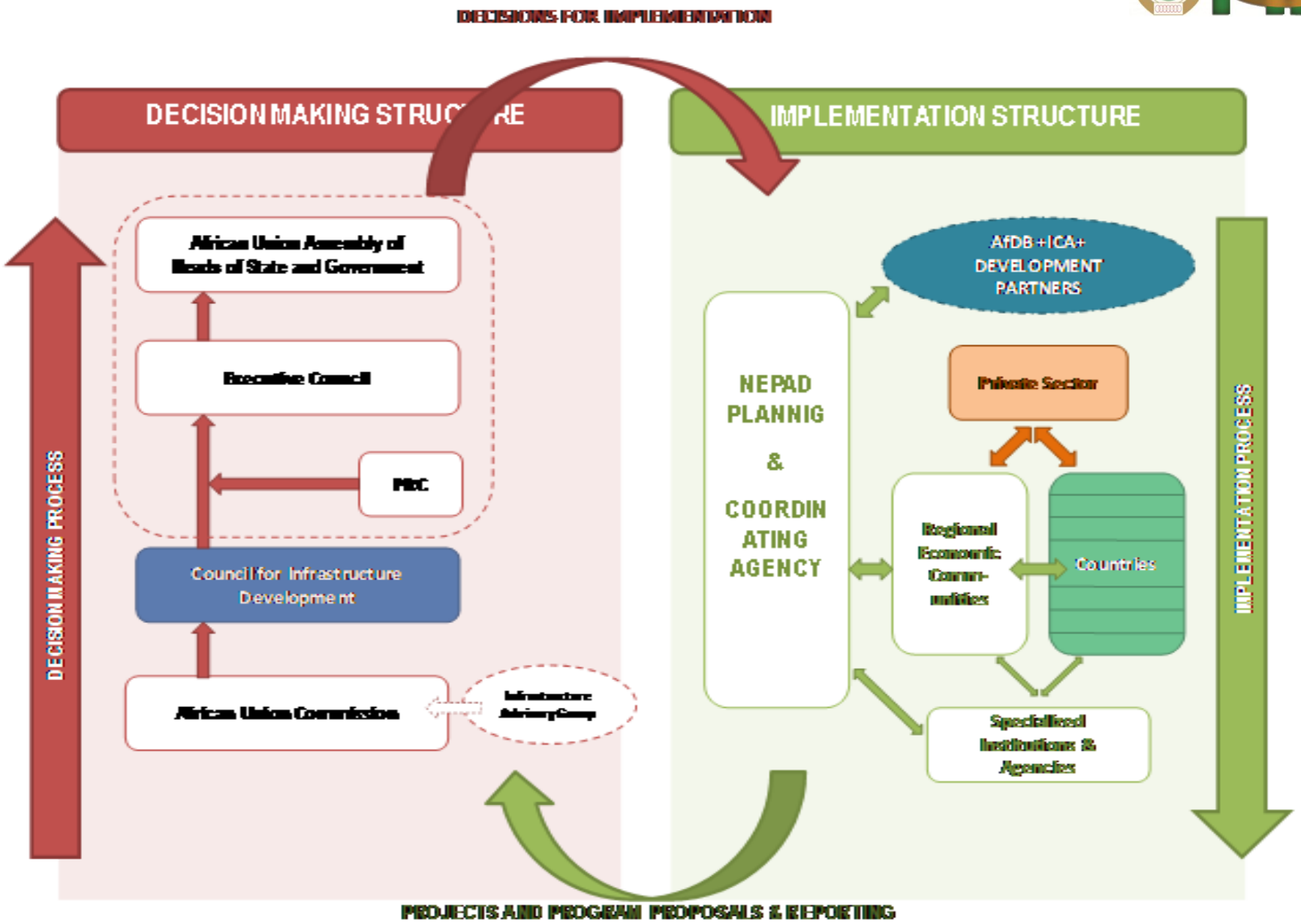
PIDA IMPLEMENTATION STRATEGY

Operationalization of Institutional Architecture for PIDA Implementation

- IAIDA defines responsibilities of Continental, Regional institutions (AUC, NPCA, RECs) and Member States.
- Builds on principles of subsidiarity.
- Allows high level advocacy.
- Provides a mechanism for reviewing performance and rolling over the PAP with access to the highest levels of the AU, RECs and Member States.

Implementation Strategy & Process



PIDA IMPLEMENTATION STRATEGY

Country role in PIDA implementation

- Projects are implemented by countries on whose territory they are located and by their agencies (public or private)

- Countries are critical and efficient players
- Implement “soft” components (harmonisation of continental and regional policies)
- Financing project preparation, capital investment, operation and maintenance

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CONCLUSION

Next steps

1. Implement quick wins in the PIDA-PAP and prepare all projects for implementation
2. Support targeted capacity building for AUC, NPCA, RECs, Spec. Institutions & Agencies
3. Develop a resource mobilization strategy
4. Mobilize finance for project preparation
5. Monitor progress and report on delivery

CONCLUSION

Acknowledging PIDA as the African-owned and African-led programme

Tackling soft governance issues necessary for true regional integration - harmonization, facilitation, monitoring, and evaluation

Keeping strong political commitment

Advocating for strong partnerships (Donors, PPP…)

MERCI

OBRIGADO

THANK YOU

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ANNEXES
PIDA PAP PROJECTS AND PROGRAMS

ANNEX 1

PIDA PAP: Transport

24 ITEMS = US$ 25.4bn

Transportation	corridor efficiency monitoring system
Abidjan-Lagos Coastal Corridor	To modernize the heavily travelled ARTIN corridor in West Africa to promote trade facilitation, one-stop border posts (OSBPs), capacity enhancement and implementation of public-private partnership (PPP) in five countries
Dakar-Niamey Multimodal Corridor	To modernize the heavily travelled ARTIN corridor in West Africa to promote trade facilitation, one-stop border posts (OSBPs), capacity enhancement and implementation of public-private partnership (PPP) in four countries
Praia-Dakar-Abidjan Multimodal Corridor	To improve marine transport and connectivity between island and mainland countries by creating a new maritime service between regional ports, as well as a modern information system to link the maritime service with ports and roads in the Dakar-Abidjan Corridor
Abidjan-Ouagadougou/ Bamako Corridor	To modernize and rehabilitate the multimodal corridor damaged by civil war in Côte d'Ivoire
West Africa Hub Port and Rail Programme	To address future capacity problems in West African ports with two components: a regional hub port and rail linkage master plan, and port expansion
West Africa Air Transport	To improve air transport service in West Africa, which is currently limited by the lack of a regional air hub
Pointe Noire, Brazzaville/Kinshasa, Bangui, N'djamena Multimodal Corridor	To revive river transport in the Congo-Ubangi River Basin, and modernize road transport along the corridor
Kinshasa-Brazzaville Bridge Road and Rail Project, and Rail link to Ilebo	To improve regional transportation and trade systems by building a crossing linking Kinshasa and Brazzaville, thereby ensuring continuity in railway traffic from Matadi and Pointe Noire to the eastern border of the DRC and Eastern and Southern Africa
Douala-Bangui Douala- Ndjamena Corridor	To modernize the highest priority multimodal ARTIN corridor in Central Africa and facilitate travel for people and goods across the borders between Cameroon, Chad and the Central African Republic
Central African Inter-Capitals Connectivity	To provide several missing inter-capital connectors
Central Africa Air Transport	To improve air transport service and upgrade airports in Central Africa, which currently lacks a regional air hub
Central Africa Hub Port and Rail Programme	To address Central African port capacity constraints through a regional hub, a rail linkage master plan and port expansion
Trans-Maghreb Highway	To improve travel for people and goods across the Maghreb, where trade and travel are limited by artificial barriers. Will design and implement a smart corridor system along the highway and install OSBPs

Northern Multimodal Corridor	To modernize the highest priority multimodal African Regional Transport Integration Network (ARTIN) corridor in East Africa. Will facilitate travel by people and goods across the borders between Kenya, Uganda, Rwanda, Burundi and the Democratic Republic of Congo (DRC), with a spur to South Sudan
North-South Multimodal Corridor	To modernize the highest priority multimodal ARTIN corridor in southern Africa and facilitate transport of people and goods across the borders between South Africa, Botswana, Zimbabwe, Zambia, Malawi and the DRC
Central Corridor	To modernize the third priority ARTIN corridor in East Africa and facilitate travel for people and goods across the borders between Tanzania, Uganda, Rwanda, Burundi and the DRC
Southern Africa Hub Port and Rail Programme	To develop sufficient port capacity to handle future demand from both domestic sources and landlocked countries
Djibouti-Addis Corridor	To revive the rail system in the high-priority multimodal ARTIN corridor in eastern Africa and increase the flow of goods across the border between Djibouti and Ethiopia
Lamu Gateway Development	To develop sufficient port capacity to handle future demand from both domestic sources and landlocked countries, with priority given to the Lamu Gateway in Kenya
Beira/Nacala Multimodal Corridor	To modernize and upgrade the rail and port systems serving a major coal export area at Moatize, Mozambique. This is part of the Beira and Nacala corridors
Trans-African Highway (TAH) programme	To focus on completion of the TAH missing links in Phase I of this continental connectivity programme
Single African Sky Phase 1	To create a high-level, satellite-based air navigation system for the African continent
Yamoussoukro Decision (YD) Implementation	To identify countries ready to fully execute YD, and discuss launch of a voluntary open-skies club on full-membership basis
Smart Corridor Programme, Phase I	To develop model smart corridor technology and design/implement a continental and regional corridor efficiency monitoring system

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ANNEX 2:
PIDA PAP: Energy
15 ITEMS = US$ 40.4bn

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Energy	Nphamda-Nkuwa	To build a hydroelectric power plant with a capacity of 1,500 megawatts (MW) for export to the Southern African Power Pool market
	Lesotho HWP Phase II - hydropower component	To supply power to Lesotho and export power to South Africa
	Batoka	To build a hydroelectric plant with a capacity of 1,600 MW to enable export of electricity, involving Zambia and Zimbabwe
	Ruzizi III	To build a hydroelectric plant with a capacity of 145 MW to share power between Rwanda, Burundi and the DRC
	Uganda-Kenya Pipeline	To establish a 300 km pipeline for a lower-cost mode of transport of petroleum products between Uganda and Kenya
	Great Millennium Renaissance Dam	To build a 5,250 MW plant to supply the domestic market in Ethiopia and export electricity to the Eastern African Power Pool market
	North-South Power Transmission Corridor	To establish a 8,000 km line from Egypt through Sudan, South Sudan, Ethiopia, Kenya, Malawi, Mozambique, Zambia and Zimbabwe to South Africa
	Inga Hydro Phase 1	To build a 4,200 MW capacity run-of-the-river hydropower station on the Congo river with eight turbines in the DRC
	Central African Interconnection	To establish a 3,800 km line from the DRC to South Africa through Angola, Gabon and Namibia to Equatorial Guinea, Cameroon and Chad
	Sambagalou	To provide 128 MW of hydropower capacity, 930 km from the mouth of the Gambia river to supply Senegal, Guinea, Guinea Bissau and The Gambia
	West African Power Transmission Corridor	To establish a 2,000 km line along the coast connecting with an existing line involving Guinea, Guinea Bissau, The Gambia, Sierra Leone, Liberia, Côte d'Ivoire and Ghana
	North Africa Transmission	To establish a 2,700 km line from Morocco to Egypt through Algeria, Tunisia and Libya
	Kaleta	To generate hydropower of 117 MW in Guinea
	Rusumo Falls	To produce hydropower of 61 MW for Burundi, Rwanda and Tanzania
	Nigeria-Algeria Pipeline	To establish a 4,100 km gas pipeline from Warri to Hassi R'Mel in Algeria for export to Europe involving Nigeria, Niger and Algeria

ANNEX 3:
PIDA PAP: Transboundary Water
9 ITEMS = US$ 2.0bn

Water	Lesotho HWP Phase II - water transfer component	To supply water to Gauteng Province in South Africa via a water transfer programme
	Palambo	To improve the navigability of Obangui river with added hydropower component
	Fomi	To build a hydropower station in Guinea with irrigation water supply for Mali and regulation of the Niger river involving 9 countries
	Multisectoral Investment Opportunity Studies	To identify and prepare investment programmes in the basin
	Gourbassy	To regulate the Senegal river in 4 countries via a multipurpose dam located in Guinea
	Noumbiel	To build a multipurpose dam with hydropower generation component for Burkina Faso and Ghana
	Nubian Sandstone Aquifer System	To implement a regional strategy for utilization of the aquifer system
	North-West Sahara Aquifer System	To conduct pre-feasibility studies for the improved use of the aquifer system
	Iullemeden Aquifer System	To conduct pre-feasibility studies for the improved use of the aquifer system

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ANNEX 4:
PIDA PAP: ICT
3 ITEMS = US$ 0.5bn

ICT	ICT Enabling Environment	To improve the environment for the private sector to invest in high-speed broadband infrastructure
	ICT Terrestrial for Connectivity	To secure each country connection by at least two broadband cables
	Internet Exchange Point (IXP) programme	To provide adequate Internet node exchange to maximize internal traffic

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