

Service Delivery Mechanism (SDM)

Rationale for the SDM

- ❖ ...contribution of AU (AUC-NEPAD) as **Africa's owned tool**
– to unblock capacity constraints, at **upstream phase of project preparation stage...**

(...40% of PIDA PAP ...)

- ❖ Tendency of **PPFs** to concentrate on **relative downstream activities ...**
- ❖ To give **critical momentum to enhance project bankability** at project preparation and project development stages'...

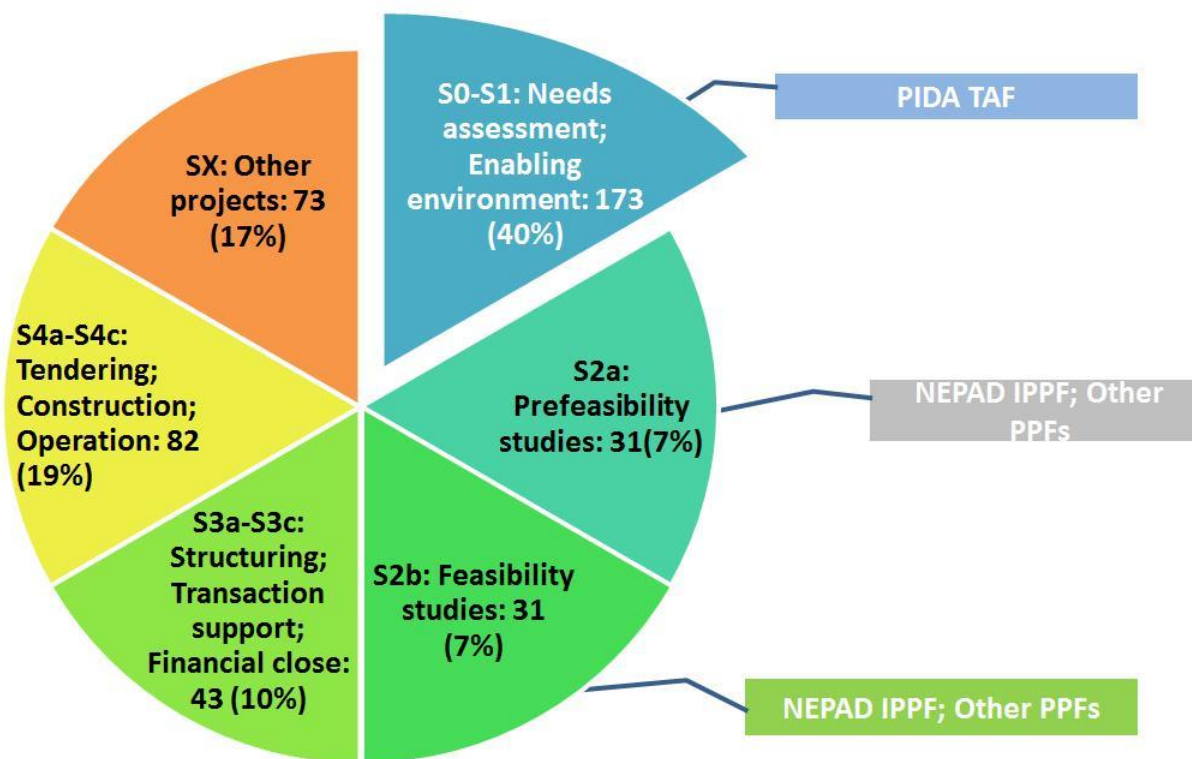
Service Delivery Mechanism (SDM)

What is **SDM**?

- ❖ Grant-based **short term facility**
- ❖ **A Service Delivery Mechanism (SDM)**
- ❖ **A seed fund...**under consideration
- ❖ **Focus areas:** Origination/ Needs assessment/ Enabling environment stage
- ❖ **Service offerings** – is complementary to PPFs downstream activities

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FOCUS AREAS OF TAF: PIDA PAP2020 Projects: Decomposed by Stages



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SDM v. NEPAD IPPF/PPFs: Service Offerings

Task	SDM	NEPAD IPPF (& PPFs)	Africa50
Small Grant Activities	<ul style="list-style-type: none"> Needs assessment Enabling environment: (P,L,R) Project definition/Proposal: Scenario Analysis to determine “project best-alternative”; Sector planning studies Special purpose studies: Tariff review, PPP reform; SPV development, etc. Capacity buying/Framework consultants Advisory services Concept notes; ToRs; PIMs; EOIs; RfPs Business planning Institutional strengthening & support (set up PMUs, PPUs) 	<ul style="list-style-type: none"> Prefeasibility studies Feasibility studies Structuring Detailed Engineering design Transaction support Capacity building Basic Technical and Financial modelling 	<ul style="list-style-type: none"> Detailed Engineering Design Structuring Transaction support Detailed Financial Modelling

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Tunnel of Funds - PIDA Technical Assistance Facility

