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1. PIDA RATIONALE
2. PIDA OUTCOMES
3. IMPLEMENTATION STRATEGY
4. CONCLUSION
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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
PIDA RATIONALE - Previous Studies

- NEPAD STAP
  - Launched in 2002
  - Objectives: to expedite the implementation of projects and programs already identified by RECs
  - Reviews in 2003, 2004

- AUC Master Plans and Continental policies initiative
  - Launched in 2005

- MLTSF
  - Launched in 2006
  - Objectives: to provide a strategic framework for the development of infrastructure on the continent based on coherent strategic goals, to define criteria for project selection and to define and institute a monitoring framework to track gaps and progress
  - Disrupted in 2007
Rationale for the merger

- Common platform for infrastructure development in Africa
- Rationalisation of a plethora of regional/continental initiatives
- Harmonise donor intervention
- Fast tracking Africa development and integration
PIDA RATIONALE - Definition

- PIDA is a program dedicated to facilitating continental integration, socioeconomic development and trade, through improved regional infrastructure
PIDA RATIONALE - Multi sector program with several components

Major Components

- Sector Studies
  - Telecom/ ICT
  - Water
  - Energy
  - Transport

Supporting Components

- Quality control (Panel of experts...)
- Database
**PIDA RATIONALE - Objectives and Outputs**

**Objectives**

- A Strategic Framework for 2040

- Infrastructure Development Programme (2040)

- Implementation strategy & process

**Outputs**

- Vision on Africa’s infrastructure
- Strategic objectives
- Sector policies
- Regional and continental physical infrastructure projects
- Priority projects and measures
- Phases: Short term (2012-2020), Medium term (2020-2030) and Long term (2030-2040)
- Rolling plan of priority actions
- Financing
- Monitoring & Evaluation process
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...
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: 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: 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: 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.
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**

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

<table>
<thead>
<tr>
<th>Indicators</th>
<th>PIDA 2040</th>
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<tbody>
<tr>
<td>Modern highways</td>
<td>37 300 KM</td>
</tr>
<tr>
<td>Modern railways</td>
<td>30 200 KM</td>
</tr>
<tr>
<td>Port Added ton capacity</td>
<td>1.3 billion tons</td>
</tr>
<tr>
<td>Hydroelectric power generation</td>
<td>61 099 MW</td>
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<tr>
<td>Interconnecting power lines</td>
<td>16 500 KM</td>
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<tr>
<td>New water storage capacity</td>
<td>20 101 hm³</td>
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**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**
  - Energy: 40.4 billion (59%)
  - Transport: 25.4 billion (37%)
  - Water: 1.7 billion (2%)
  - ICT: 0.5 billion (1%)

- **BY REGION**
  - Southern Africa: 12.6 billion (21%)
  - East Africa: 18.1 billion (30%)
  - Central Africa: 20.2 billion (33%)
  - Continental: 3.0 billion (5%)
  - North Africa: 1.3 billion (2%)
  - West Africa: 5.6 billion (9%)
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.
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.
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: The PAP**

**Water Resources: 2020 & 2040**
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: 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
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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

PIDA’s implementation success lies in assurances that it will be financed

- Extension of Platform for project sponsors to meet infrastructure financiers
- Support to Infrastructure Project Preparation funds for PPP and regional projects
- Regional projects require strong involvement by countries and RECs
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
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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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...)

CONCLUSION
CONCLUSION

**Next steps**

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