PIDA WEEK 2018

PIDA Implementation through Good Governance – realizing Smart Infrastructure for Africa’s Integration

November 26-28, 2018
Victoria Falls, Zimbabwe
Background

The Programme for Infrastructure Development in Africa (PIDA) was approved as the strategic framework for regional and continental infrastructure development by the AU Assembly (Assembly/AU/Decl.2 (XVIII)) during its 18th ordinary session held in Addis Ababa, Ethiopia, from 29th – 30th January 2012.

As a continental initiative, PIDA provides a common framework for African stakeholders to build the infrastructure necessary to integrate the continent physically, economically and socially, offering opportunities to boost intra-African trade, create new jobs for Africa’s growing population and improving overall socio-economic development on the continent.

The PIDA Priority Action Plan (PIDA-PAP) portfolio of projects prioritized for implementation from 2012 to 2020 comprises more than 400 projects in 51 cross-border programmes, covering the four sectors that include transport (235 projects), energy (54 projects), ICT (113 projects) and trans-boundary water resources management (9 projects). The capital cost of delivering the PIDA-PAP is estimated at US$ 68 billion or US$ 7.5 billion annually.

Of the 400+ PIDA PAP projects:
- 26% are moving from concept to pre-feasibility or feasibility phases;
- 16% are currently being structured for tendering; and
- 32% are either under construction or are already operational.

While progress is being recorded in PIDA implementation, it remains a reality that the pace of implementation is slow and not commensurate with global developments and Africa’s aspirations. Africa’s integration agenda is experiencing a critical and momentous epoch with the recently launched African Continental Free Trade Area (AfCFTA) and the creation of a Single African Air Transport Market (SAATM) earlier this year. Both these initiatives rely heavily on infrastructure development across all four (4) of the PIDA sectors. Industrialisation is critical to promoting economic growth, creating sustainable jobs, raising incomes and fostering transformative development. It is thus high on Africa's agenda and the concern of forums such as TICAD, the G20, FOCAC etc.

Current forecasts by the African Development Bank (AfDB) estimate that Africa’s infrastructure development requires between US$130-170 billion annually. While Africa grapples with mobilising domestic resources and private sector investments for PIDA projects, it needs to further address issues of good governance which can affect the quality and delivery of infrastructure. Large-scale transboundary projects of the sort implemented under PIDA are vulnerable to corruption and mismanagement due to their scale and political and strategic importance. PIDA project owners and stakeholders need to have the capacity, mechanisms and enabling environment to practice good
governance. While legal and regulatory frameworks such as the African Union Convention on Preventing and Combating Corruption (AUCPCC) are one measure towards enabling good governance overall, stakeholders have seen the need to come together and find concrete actions to address governance issues in infrastructure development. In this regard, the World Bank, AfDB and other partners held regional roundtables on good governance in infrastructure development in Cape Town in 2017, followed by another in Abidjan in June 2018. The roundtables were intended to enhance approaches, standards and tools for good governance in infrastructure development. Given the significance of PIDA, it is important that good governance is entrenched in PIDA implementation and this necessitates continued dialogue between affected stakeholders to devise appropriate strategies, tools and mechanisms.

PIDA Week was inaugurated in 2015 as a platform to bring together key stakeholders involved in the implementation of the PIDA programme, to take stock of progress and identify ways to continue to advance implementation. The first PIDA Week was held in Abidjan under the theme “Accelerating Infrastructure Implementation for Africa’s Integration” while the second event focused on job creation - “Creating Jobs through Regional Infrastructure Development”. In 2017, PIDA Week continued with emphasis on job creation and economic transformation - “Regional Infrastructure Development for Job Creation and Economic Transformation”. The 2017 event emphasized focus on project implementation by highlighting and showcasing five (5) specific PIDA projects:

- Central Corridor (Dar es Salaam to Chalinze Toll Road);
- Kinshasa-Brazzaville Road and Railway Bridge;
- Ethiopia-Sudan Power Interconnector;
- Zambia-Tanzania-Kenya Power Interconnection;
- Batoka Hydropower Plant;

The 2017 PIDA Week also included sessions on three (3) AU Agenda 2063 flagship projects:

- Inga III Hydropower project;
- High Speed Rail Network (HSRN); and
- Single African Air Transport Market (SAATM).

The result was the first-ever PIDA Week Communiqué which captured specific recommendations and action points emanating from the various sessions and discussions. In line with emerging developments such as industrialisation 4.0 and noting that the 2018 AU theme is “Winning the Fight against Corruption: A Sustainable Path to Africa’s Transformation”, PIDA Week 2018 will focus on good governance and smart infrastructure under the theme “PIDA Implementation through Good Governance – realising Smart Infrastructure for Africa’s Integration.”
Objectives
The main objective of PIDA Week is to showcase progress made in the implementation of selected PIDA projects, provide a marketing platform to accelerate their implementation, and address crucial issues around resource mobilisation, enabling environment etc. The Fourth PIDA Week in 2018 will build on previous events to continue to engage stakeholders on the effective delivery of infrastructure on the continent focusing specifically on good governance and how it can specifically help to:

- Enable project preparation and implementation;
- Support resource mobilisation;
- Promote private sector confidence to invest in PIDA projects;
- Encourage integration of PIDA projects into national development plans.

As part of the strategy of cross-linkages with PIDA stakeholders, the 2018 PIDA Week will incorporate the Africa Forum for Utility Regulators (AFUR) AGM and annual conference. The event will be hosted by the Government of Zimbabwe under the auspices of the Common Market for Eastern and Southern Africa (COMESA).

Theme and sub-themes
Theme: PIDA Implementation through Good Governance – realising Smart Infrastructure for Africa’s Integration.

The 2018 PIDA Week will focus on five (5) sub-themes:

(i) Project preparation, Resource Mobilisation and Financing Mechanisms
One of the major pre-requisites for the mobilisation of financing for projects is project preparation as well as demonstration of bankability of the projects. Mobilizing resources for project development, preparation and implementation is also an essential step towards ensuring effective infrastructure services delivery. There are various financing mechanisms that African stakeholders could use to ensure the implementation of infrastructure projects including domestic and international financing mechanism from both the public and private sectors. Recent development have also seen a global increase in innovative financing for infrastructure projects including climate finance as well as Public-Private Partnerships (PPPs). This Session will aim to discuss barriers, opportunities and emerging trends in projects preparation, resources mobilisation, and projects financing.

(ii) Capacity development, Job Creation and Empowerment
Limited capacity for projects preparation and implementation presents one of the major barriers to infrastructure development on the continent. There is a major need to build
and boost technical capacities and skills at all levels of the project life cycle as well as relevant institutions to ensure efficient development and management of infrastructure. In addition, suitable infrastructure development on the continent needs to also provide a platform to absorb capacities, create jobs and empower people including women and youth. This Session will aim to highlight the relevance and requirements for effective capacity development for infrastructure projects as well as discussing the job creation and empowerment potentials of infrastructure development on the continent.

(iii) **Smart and Integrated Infrastructure Development**

The continuing demand for effective infrastructure services delivery at the regional and continental levels to promote cross-border trade, industrialisation and the movement of goods and services calls for the development of smart and integrated infrastructure in Africa. New and emerging technologies provide ample opportunities to ensure services from infrastructure are made more efficient, reliable and cost-effective. For example, Smart Corridors would enable transport and trade facilitation and also contribute to: (1) improved corridor coordination and management; (2) reduction of transport cost as an overall component of exports and imports; and (3) reduced corruption along the corridors. This Session will cover emerging trends at the global and regional levels on smart infrastructure as well as discussing the opportunities and roadmaps to ensure integrated infrastructure services delivery on the continent.

(iv) **Technology, Innovation and Industrialisation**

One of the fundamental issues to address in infrastructure development in Africa is the establishment of a comprehensive framework that fosters innovations, technology transfer, technology adoption, technical co-operation as well as research and development. In Africa, where the system of innovation and the capacity is not adequate, the first step is to build innovation capacity that addresses local and specific issues. This will make it easier for technology absorption, modelling of technologies to meet local standards and conditions, and ensure effectiveness of businesses and public services. This will also drive industrialisation and regional integration as well as leapfrog development and economic growth on the continent, amongst others. This Session will aim to deliberate on various technology and innovation frameworks and how best they could be integrated within the wider objective of regional and continental infrastructure initiatives.

(v) **Policy, Legal and Regulatory Frameworks**
The development of a sustainable regional infrastructure and the promotion of regional integration and intra-African trade require the development of effective, comprehensive and harmonised continental regulatory frameworks, which will enhance regional cooperation and co-ordination of stakeholders including Member States as well as Regional Institutions. A harmonised regulatory framework at the continental and regional levels will facilitate the creation of an African common market, enhance private sector engagement and mobilise the huge financial and technical resources required to provide efficient infrastructure services to all Africans. There is, thus, a need to analyse existing regional and continental regulations including assessment of regulatory frameworks and institutions with a view to propose and implement action plans for harmonised continental and regional regulatory frameworks for effective cooperation between Member States and Regional Institutions in infrastructure development. This Session will aim to identify gaps, recommend best practices and actions in developing a harmonised continental and regional regulatory framework in infrastructure development.

Outcome
It is expected that PIDA Week participants will have the opportunity to meet and engage with key stakeholders in PIDA implementation, identify innovative project financing and partnership models, discuss ways to address challenges facing infrastructure development and contribute to advancing good practice in infrastructure development.

PIDA project owners will have the opportunity to promote their projects, identify investment opportunities and identify ways to advance implementation of their projects.

Recommendations will be captured through a report and Communiqué that will be presented as part of NEPAD’s reporting to the African Union in 2019.

Venue
The 2018 PIDA Week will be held at the Elephant Hills Resort in Victoria Falls, Zimbabwe.

Programme Outline

25 NOVEMBER 2018
(09:00 – 17:00) MoveAfrica Traffic Light System Ranking Meeting
The technical meeting will review the work done in 2018 with member states and SADC and COMESA and collectively agree on the ranking of the four pilot border posts.

(16:00 – 18:00) PIDA Steering Committee Meeting (Members only)
DAY 1: 26 NOVEMBER 2018

MORNING SESSION

(07:30 – 09:00) PIDA Week Media Breakfast (By invitation only)

The Breakfast Event jointly organized by the African Union Commission, the NEPAD Agency, the African Development Bank and the UN Economic Commission for Africa in collaboration with the Government of Zimbabwe, is aimed at helping media understand why PIDA Week is important, get familiar with the terminology and issues around the event, and introduce experts in the infrastructure area. The Briefing will take a big-picture look at the Programme for Infrastructure Development in Africa (PIDA), the Service Delivery Mechanism and the Continental Business Network (CBN), its history, what to expect through the 2018 PIDA Week, as well as its continental impact after the meeting has taken place.

The session also focuses on relating to the media fraternity how PIDA remains key to unlocking Africa’s infrastructure potential, showcase PIDA’s achievements and to acknowledge the advocacy role of media in promoting PIDA and all its projects.

The session also aims to bring together members of the PIDA journalists’ network, Infrastructure Policy Makers, Development Partners and Private Sector in a platform to raise the profile of Infrastructure Development in the African media landscape, increase the volume and quality of positive news on the role and impact of PIDA in Infrastructure development in Africa.

In an open forum, the panellists will discuss practical actions of what has been done by different stakeholders in the implementation of PIDA and what is needed to better plan and implement infrastructure projects. The different panellists from the Government of Zimbabwe, AUC, NEPAD Agency, AfDB and ECA will present on best practices and experiences and also address questions from the media and other PIDA stakeholders throughout the Session.

(09:00 – 13:00) AFUR Conference Day 1

(09:00 – 10:30) Parallel Session: The Continental Business Network Roundtable: Mobilizing private investment for infrastructure development (closed session)

The Continental Business Network’s (CBN) role, as a NEPAD and AU initiative, is to communicate private sector recommendations to high-level African policymakers on how to improve the investment climate for infrastructure development. The 5% Agenda is one
example of a recommendation that came out from the CBN’s report on De-Risking Infrastructure currently taken up further by the NEPAD Agency. However, what emanated from various technical meetings and CBN recommendations also, is the crucial need to increase private sector expertise at the early stage of project preparation. This calls for a more project focused approach while bearing in mind recommendations on policy and regulatory challenges as pursued by the CBN. However, to realize an integrated project focused approach, it is a pre-requisite to review and assess current CBN institutional and governance structures.

(09:00 – 10:30)  **Parallel Session: Excellence in Infrastructure Project Preparation: the idea of the PIDA Quality Label (closed session PPFN Meeting)**

The Project Preparation Facilities Network (PPFN) is a network of funding facilities and institutions dedicated to cooperate with the preparation of large-scale infrastructure projects. The NEPAD Agency established the PIDA Service Delivery Mechanism (SDM) to provide capacity for early-stage project preparation until the point where traditional PPFs can take over and feasibility studies can start.

Within the framework of the SDM, the NEPAD Agency is currently developing the PIDA Quality Label (QL) as a “vetting instrument” for PIDA projects in the (early) preparation phase. The objective of the PIDA QL is to improve and ensure the quality in project preparation.

As per the current conceptualization the PIDA QL shall have two levels:

- First level of PIDA QL certified if project fulfils the “quality-at-entry” criteria of PPFs so that they can take over with the financing of further project preparation;

- Second level of PIDA QL certified if project went through preparation cycle and fulfils typical bankability criteria and hence is ready for investment.

Corresponding to the methodology, the PIDA Quality Label should be developed in cooperation with PPFs to review and agree on respective technical/socio-environmental/economic/financial/ developmental viability criteria to classify projects as “well-prepared” and award the PIDA QL. The first step would be to get in dialogue with PPF to learn about their quality at entry criteria. The second step would be to discuss with PPFs about the specific projects that attained successful financing to hence, learn about the bankability criteria.
Therefore, the overall objective of this session is to have an open discussion on the PIDA Quality Label and to showcase the benefit of the QL for the PPFs i.e. a pipeline of projects ready for preparation with increased prospects for finance.

(11:00 – 13:00)  Parallel Session: Accelerating Project Preparation and Financing of PIDA Water Priority Transboundary and Hydropower Projects

The African Water Investment Program (AIP) has been developed to transform and improve the investment outlook for water security and sustainable sanitation in Africa through accelerating project preparations and mobilizing partnerships and resources. Projections of Africa's population of 1.6 billion by 2030 translates into a need to produce at least 50% more food; and at least a tenfold increase in water needs for energy production to support socio-economic development. Rapid urbanisation and industrialisation will both increase the water demand. This requires huge investment in water not only to satisfy the social and economic demands but also to build resilience of Africa’s and its ecosystems.

In November 2017, the NEPAD Agency and the African Ministers Council on Water (AMCOW) commissioned a review of the implementation of transboundary water projects under PIDA. According to the review water projects showed little progress compared to projects in other PIDA focus areas.

To address the limited progress from conceptualisation to implementation of water projects, the NEPAD Planning and Coordination Agency in collaboration with the Global Water Partnership (GWP) has established 'PIDA Water' as part of the second Phase of PIDA from 2019-2024. PIDA Water will be implemented within the framework of AIP.

(11:00 – 13:00)  Parallel Session: Africa Climate-Resilient Investment Facility (AFRI-RES)

(11:00 – 13:00)  Parallel Session: Single Africa Air Transport Market (SAATM)

AFTERNOON SESSION

(14:00 – 15:00)  Opening Plenary
(15:45 – 16:30)  PIDA PAP Implementation Report
The PIDA Priority Action Plan (PIDA-PAP), presents itself as a 10-year strategy extending to 2020, of projects and programmes aimed at promoting regional integration. It comprises 51 programmes and projects divided into 433 projects covering transport, energy, information and communication technology (ICT) and trans-boundary water sectors.

The overall capital cost of delivering the PAP from 2012 through 2020 was expected to be nearly US$68 billion, or about $7.5 billion annually for the following nine years. Energy and transport projects and programmes represented around 95% of the total cost, demonstrating the critical need for transformative investments in these sectors to support African trade, promote growth and create jobs. Investment needs for ICT and water represented lower percentages.

The first phase of PIDA PAP is now coming to an end and considering that new organizational priorities have emerged such as Water and Sanitation, which has now become a priority area, there is need for all PIDA stakeholders to examine, discuss and assess what has been done in the first phase as well as laying the foundation of a program design for the second phase of PIDA, while bearing in mind the necessity to take good note of the best practices and lessons learned.

Similarly, new partners are willing to come join forces in supporting the new phase of PIDA including the European Union and the Government of China, hence the importance of giving an overview of the first phase and start reflecting on how the second phase will be shaped.

(16:30 – 18:00) High-Level Roundtable on Good Governance for Infrastructure Development

It is now no secret that strong governance structures are crucial to deliver the most socio-economic impactful infrastructure projects. In fact, infrastructure is a cornerstone of a country’s economic development helping to significantly reduce inequality and poverty through direct and indirect effects and at a much larger scale. However, in order to develop infrastructure project that are inclusive, good governance must be a prerequisite condition for infrastructure delivery in any given country. This process hence implies to put in place the right governance structures and tools.

It is therefore proposed to have the roundtable session preceded by a “fire-starter” presentation to initiate the debate and benefit from the insights of the panelists and audience.
DAY 2: 27 NOVEMBER 2018

(08:30 – 18:30) AFUR Conference Day 2
(09:00 – 10:30) Job Creation Toolkit soft launch
(10:30 – 11:00) Coffee Break
(10:00 - 11:30) Status update - PIDA Week 2017 showcase projects
(11:30 – 13:00) PIDA Week 2018 Showcase - PIDA Project 1
(13:00 – 14:30) Lunch Break

Looking at Kasumbalesa the dialogue will focus on issues surrounding tariffs, preferential treatments and capacity of border officials.

Based on the initial rankings so far, the meeting will showcase how the Traffic Light System’s (TLS) function can play a catalytic role bringing together strategic partnerships in the development of infrastructure, technology, applications and cash management solutions for the proposed improvements of logistics at border posts.

(14:30 – 16:00) PIDA Week 2018 Showcase - PIDA Project 2
(16:00 – 16:30) Coffee Break

(16:30 – 18:00) Good Practice in PIDA Corridor Implementation
The session will present the PIDA Corridor Good Practice Guide as a useful knowledge product and reference material for stakeholders on how to plan, prepare and implement trans-boundary corridors in a holistic and integrated manner. The session will also incorporate experiences in corridor development from stakeholders such as JICA, DBSA and RECs.

DAY 3: 28 NOVEMBER 2018

(09:00 – 11:00) Report back on Parallel and Plenary Sessions followed by facilitated discussion
(11:00 – 11:30) Coffee Break
The PIDA Outlook: Demands and trends for regional infrastructure development in the next decade

Since the adoption of the PIDA-PAP in 2012, several socio-economic, political and technological changes occurred that leads to a new demand for regional infrastructure development. For example: technical innovation now allows for more climate friendly large scale renewable energy generation (e.g. Lake Turkana Wind Farm) and distribution. Political milestone agreements such as the AfCFTA demand for cross-border transport, energy and ICT connectivity to enable the functioning of a free trade area that benefits industrial development and income growth.

Therefore, with respect to large-scale infrastructure, there is a lot of potential for interactive debate on innovation and trends being mindful of how to scale these while pursuing regional socio-economic integration. Thus, the fundamental question is: What are the future demands and trends of infrastructure development in Africa and how to address them?

The AUC and the NEPAD Agency built on that assumption and proposed multi-sectoral and integrated infrastructure corridors as a potential feature of the PIDA-PAP 2. This idea will be presented by AUC/NEPAD as a teaser for the audience and the panel discussion. After the presentation, the moderator will a panel discussion to:
- Brainstorm about the future of infrastructure development in Africa i.e. what are the current trends and needs; how to address climate resilient and friendly infrastructure; how to scale wind and solar energy projects etc.?
- Gain feedback from the expertise gathered on the panel on the idea of integrated corridors.

In this respect, the overall session objective is to facilitate an open debate to identify future infrastructure demands and trends. These insights will feed into the PIDA-PAP 2 and the integrated corridor approach.

(13:00 – 14:30) Lunch Break

(14:30 – 15:30) Presentation of Communique and Closing

(15:30 – 18:00) AFUR Annual General Assembly
DAY 4 – 29 NOVEMBER 2018

Site-Visit – Kazungula Bridge
Expected Attendance

- PIDA Project owners
- AFUR members
- Project developers
- Government officials
- Financial Institutions, banks, Private Equity & Debt investors
- Law firms, Advisory and Auditing Firms
- Institutional investors: Pension Funds, Insurance Companies, Commercial Banks, Mutual Funds, Hedge Funds & Sovereign Wealth Funds
- Public Private Partnership Units
- Investors, Business Executives & Entrepreneurs
- Multilateral & Development Finance Institutions
- Regional Economic Communities & Institutions
- Utilities and Regulatory Bodies
- Industry Sector Specialists
- Media
- Logistics / Supply Chain Companies
- Academic & Research Bodies
- Civil Society
- Allied Industries (Cement, Iron, Steel Producers,