

PIDA: Africa's Time for Action

**Interconnecting, Integrating, and Transforming
a Continent**

**Presentation to 2nd ClimDev-Africa
Addis Ababa, 20 OCT 2012**

Agenda

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- PIDA RATIONALE

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- PIDA OUTCOMES

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- IMPLEMENTATION STRATEGY

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- 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**

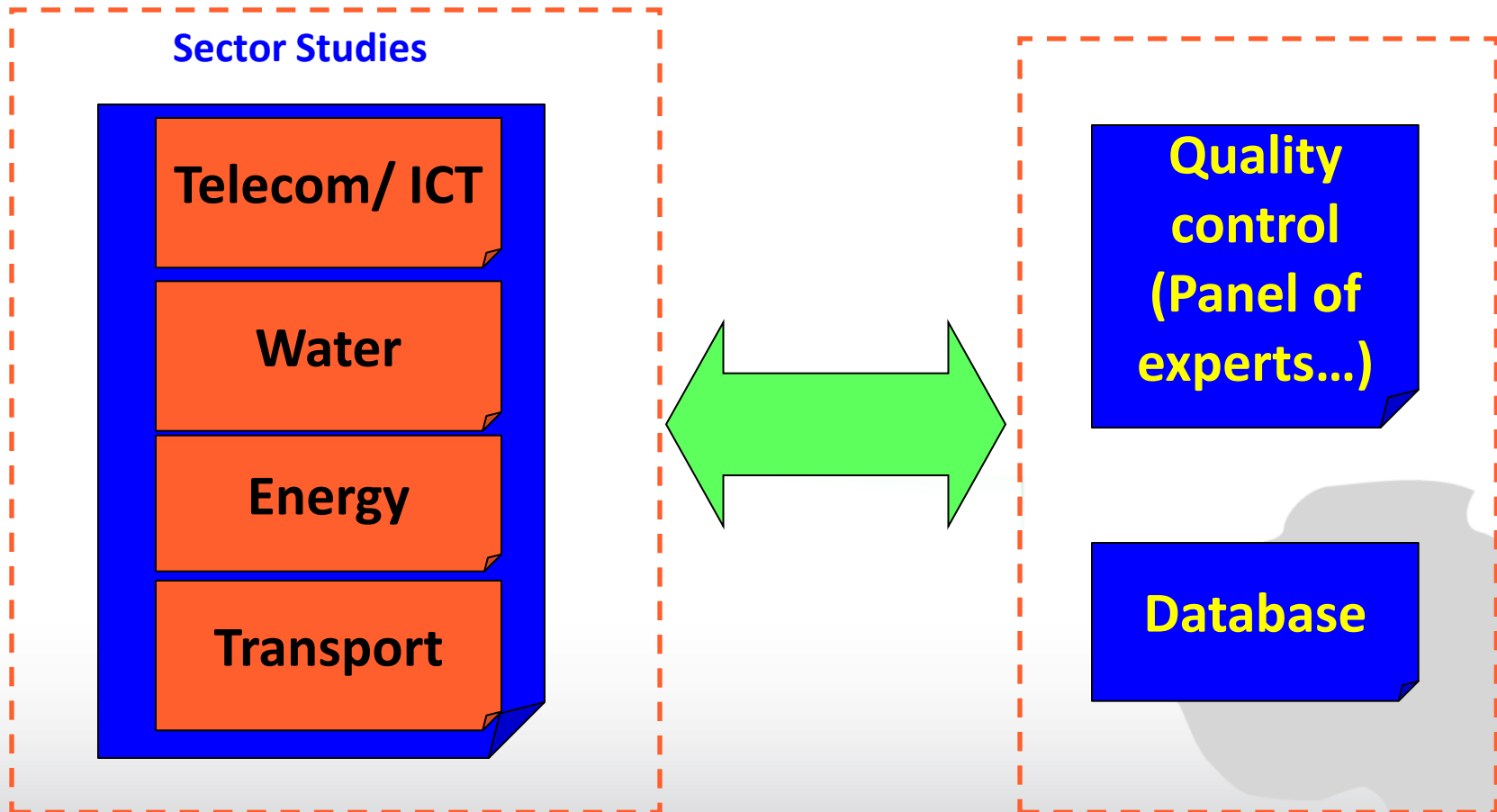
PIDA RATIONALE - Definition

- 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

Supporting Components



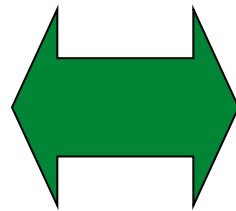
PIDA RATIONALE - Objectives and Outputs

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

**DIAGNOSIS
OF EXISTING
SITUATION**



**OUTLOOK
2040**



**STRATEGIC
FRAMEWORK**



**PIDA
2040**

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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**

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...

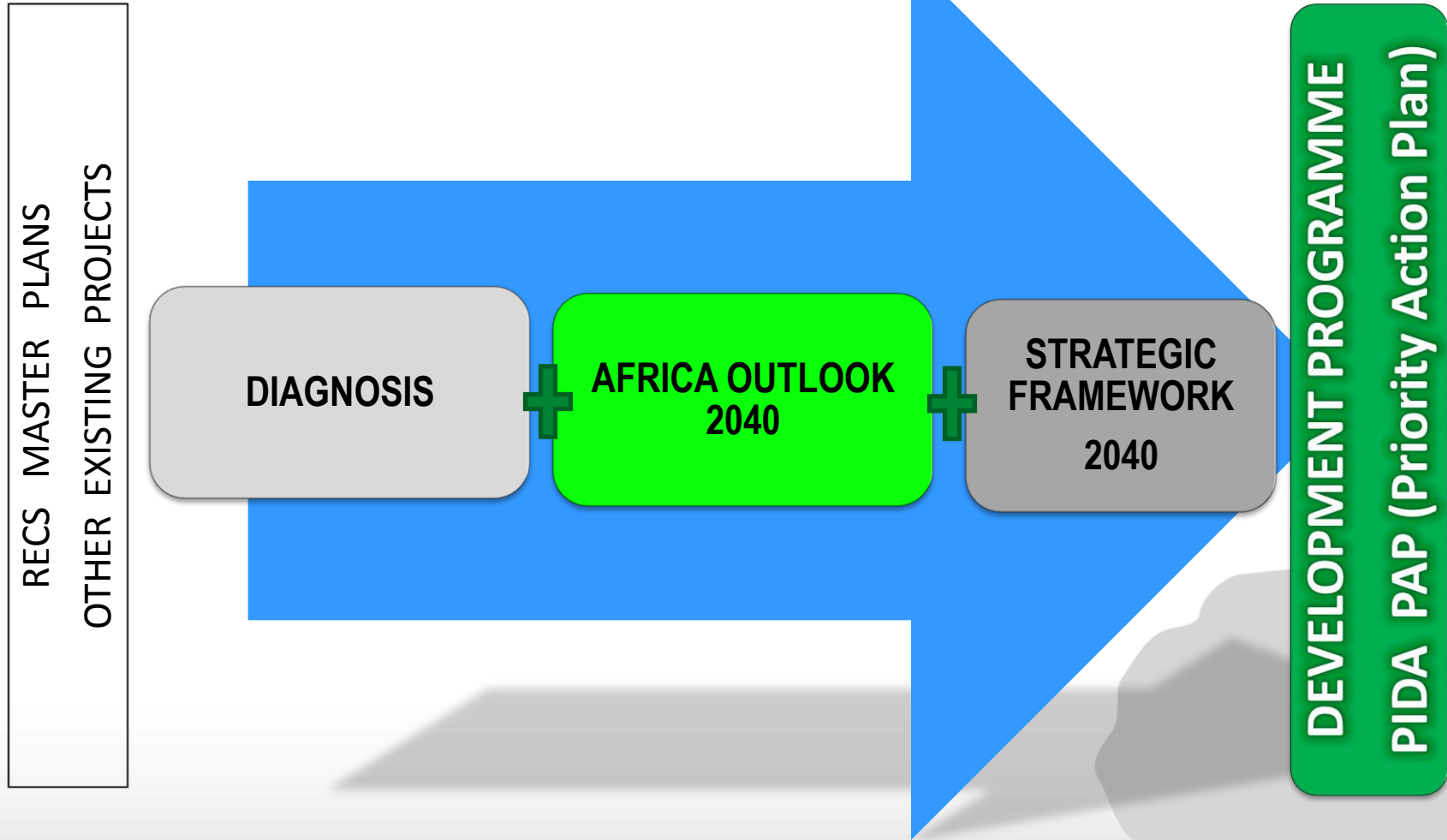
PIDA OUTCOMES

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**

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: 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.

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
accessibilit
y 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

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 hm³

PIDA - Ambitious, but affordable!

PIDA OUTCOMES: The PAP

***PIDA PAP broken down into 51
projects/programs***

24
transport

15
energy

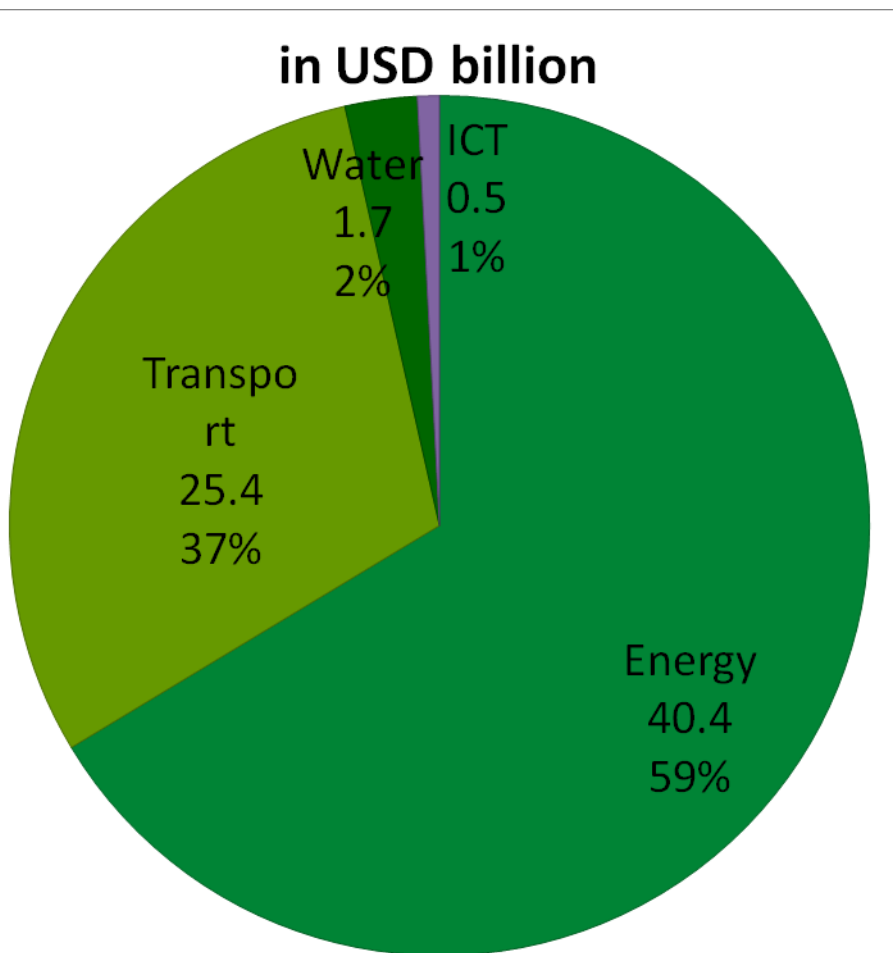
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TWR

3
ICT

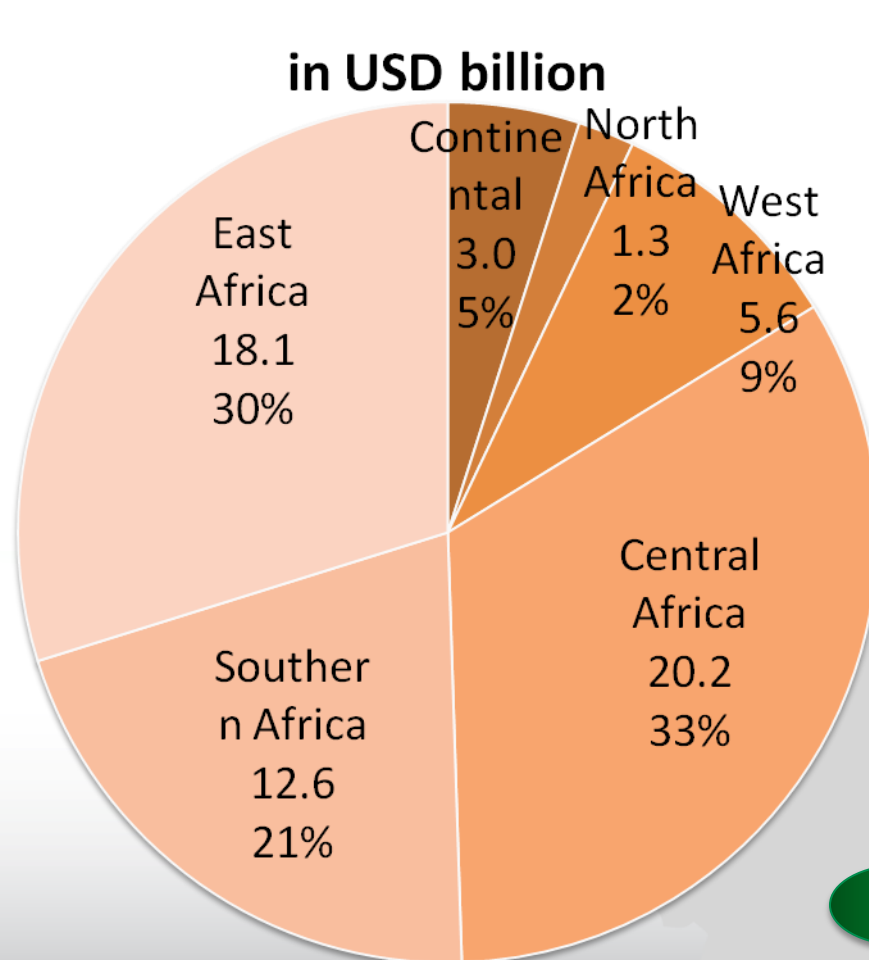
PIDA OUTCOMES: The PAP

PAP Investment Cost: \$68 bn - 2012-20

- BY SECTOR

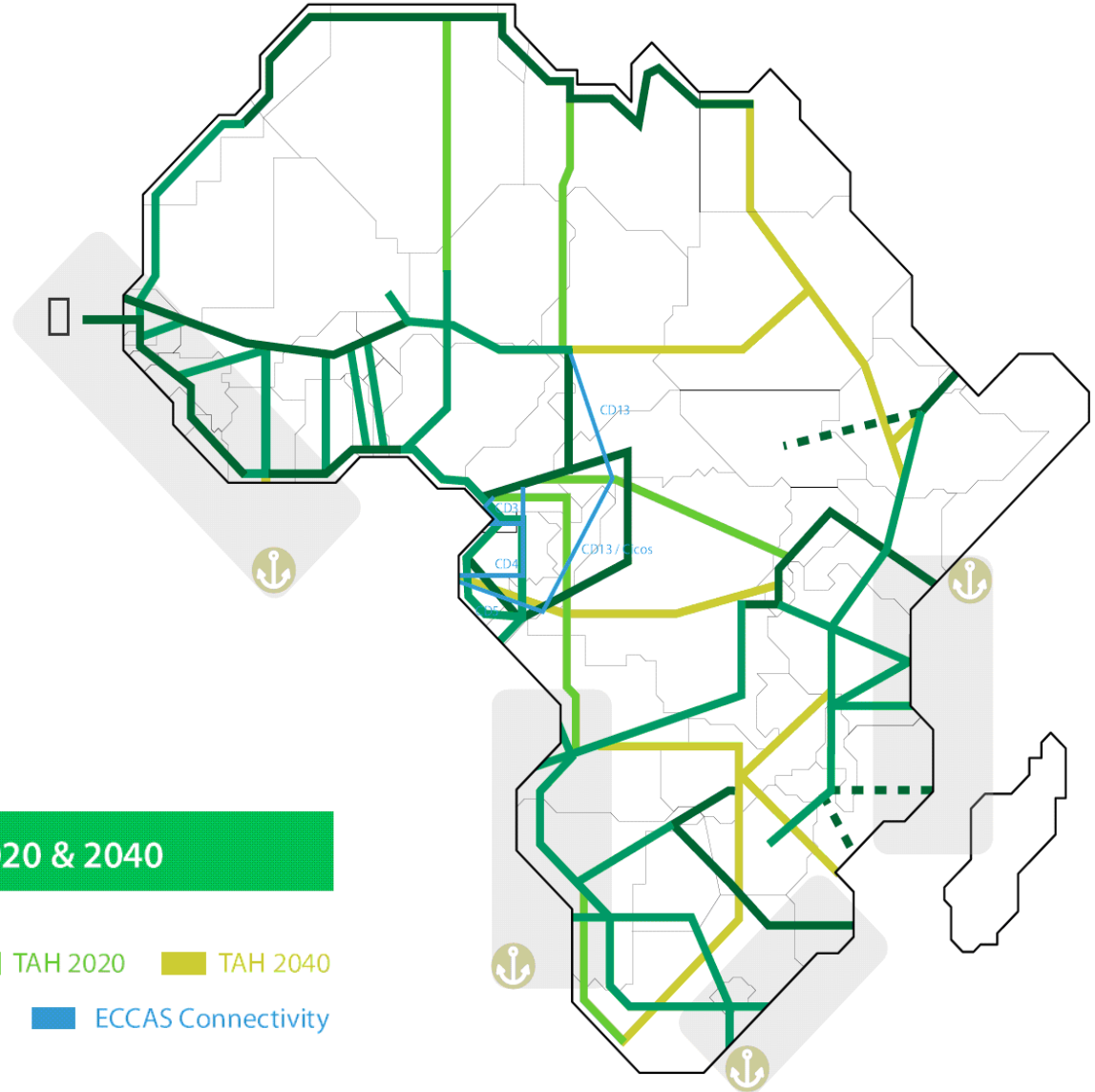


- BY REGION



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.



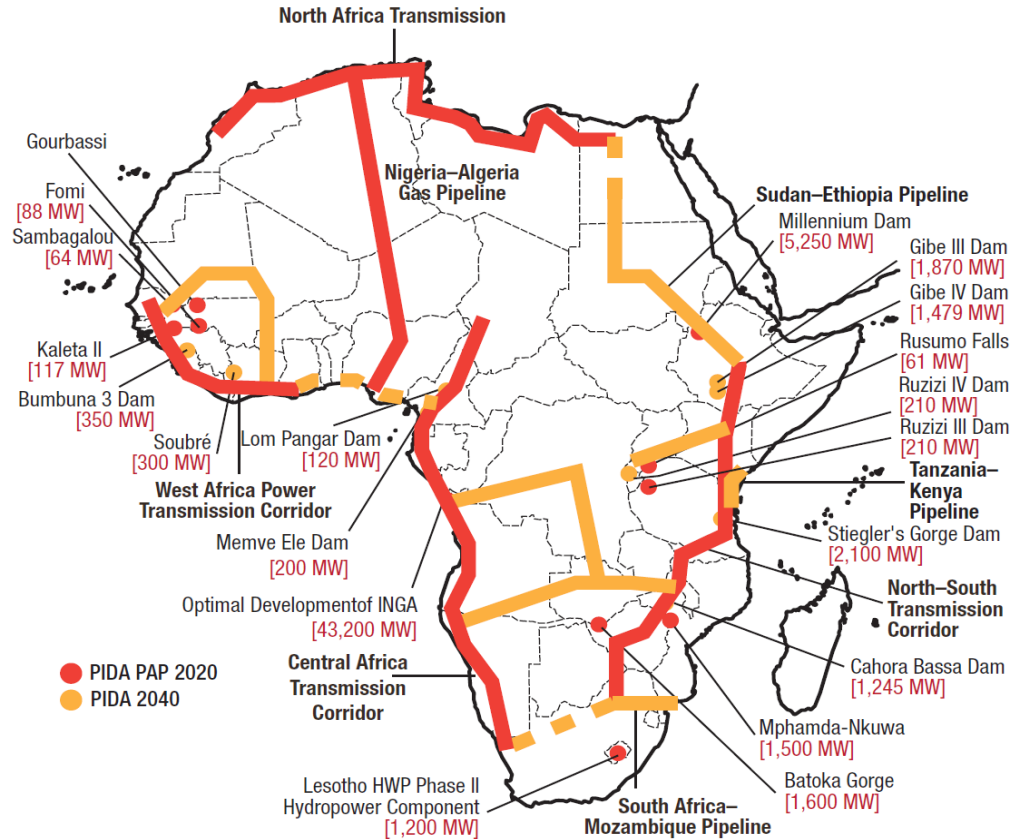
PIDA - TRANSPORT NETWORKS 2020 & 2040

- Corridor 2020
- Corridor 2040
- TAH 2020
- TAH 2040
- Hub Port Programmes
- ECCAS Connectivity

PIDA OUTCOMES: The PAP

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.



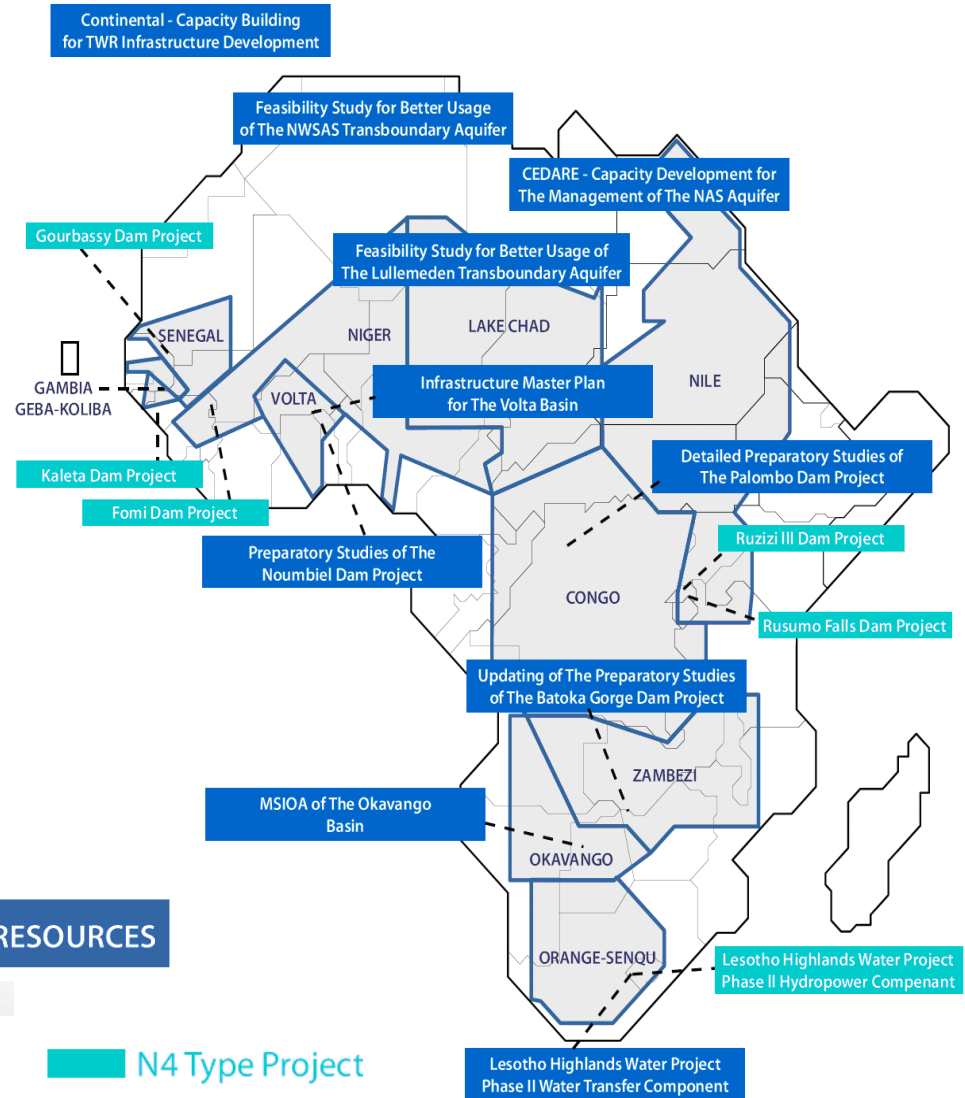
ENERGY - PIDA 2040 & PIDA PAP - GENERATION AND TRANSMISSION PROGRAMMES

■ PIDA PAP 2020

■ PIDA 2040

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.

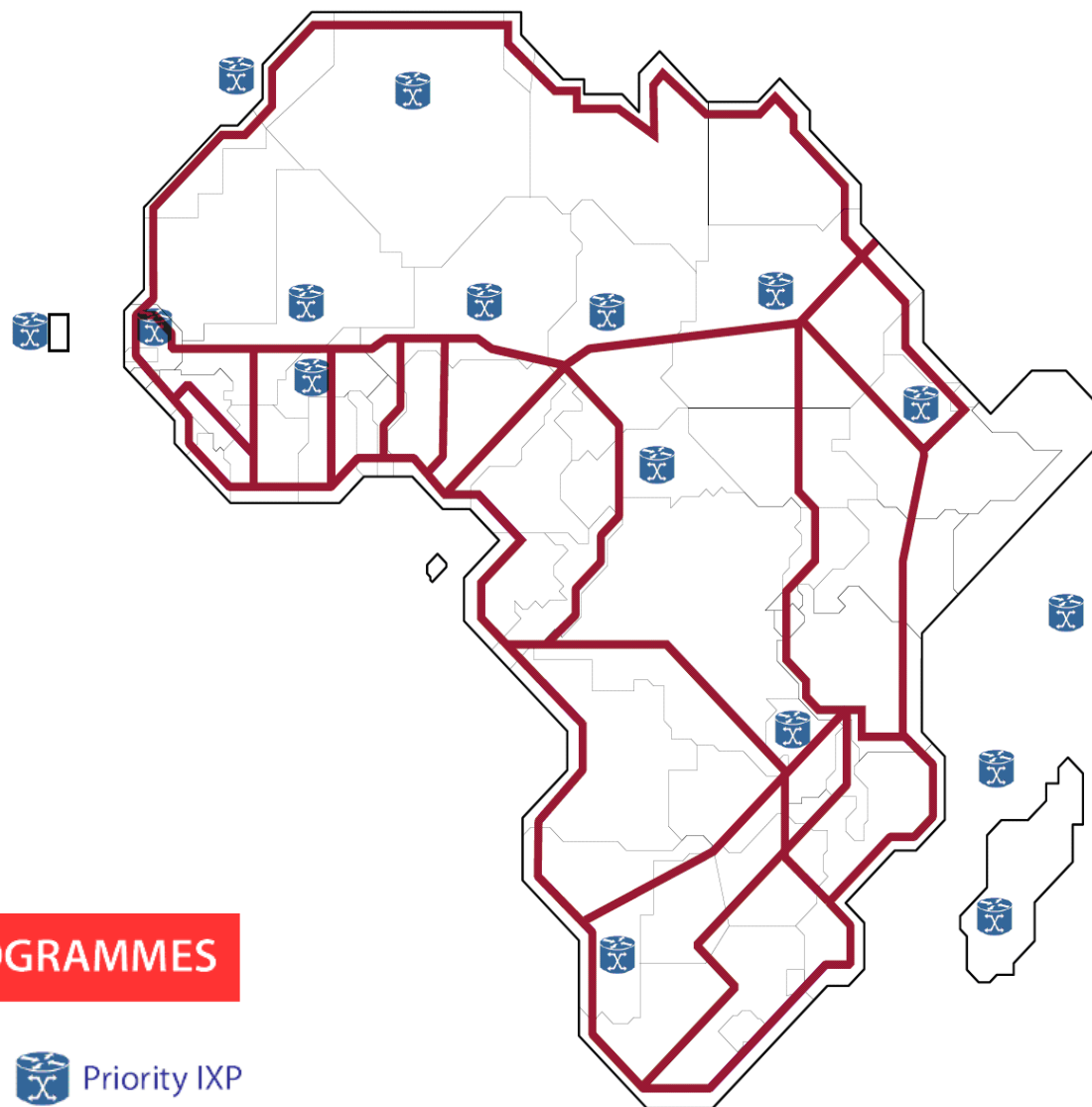


PIDA WATER RESOURCES PAP - TRANSBOUNDARY WATER RESOURCES

PIDA OUTCOMES: The PAP

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.



ICT PIDA PROGRAMMES

TERRESTRIAL CONNECTIVITY

Priority IXP

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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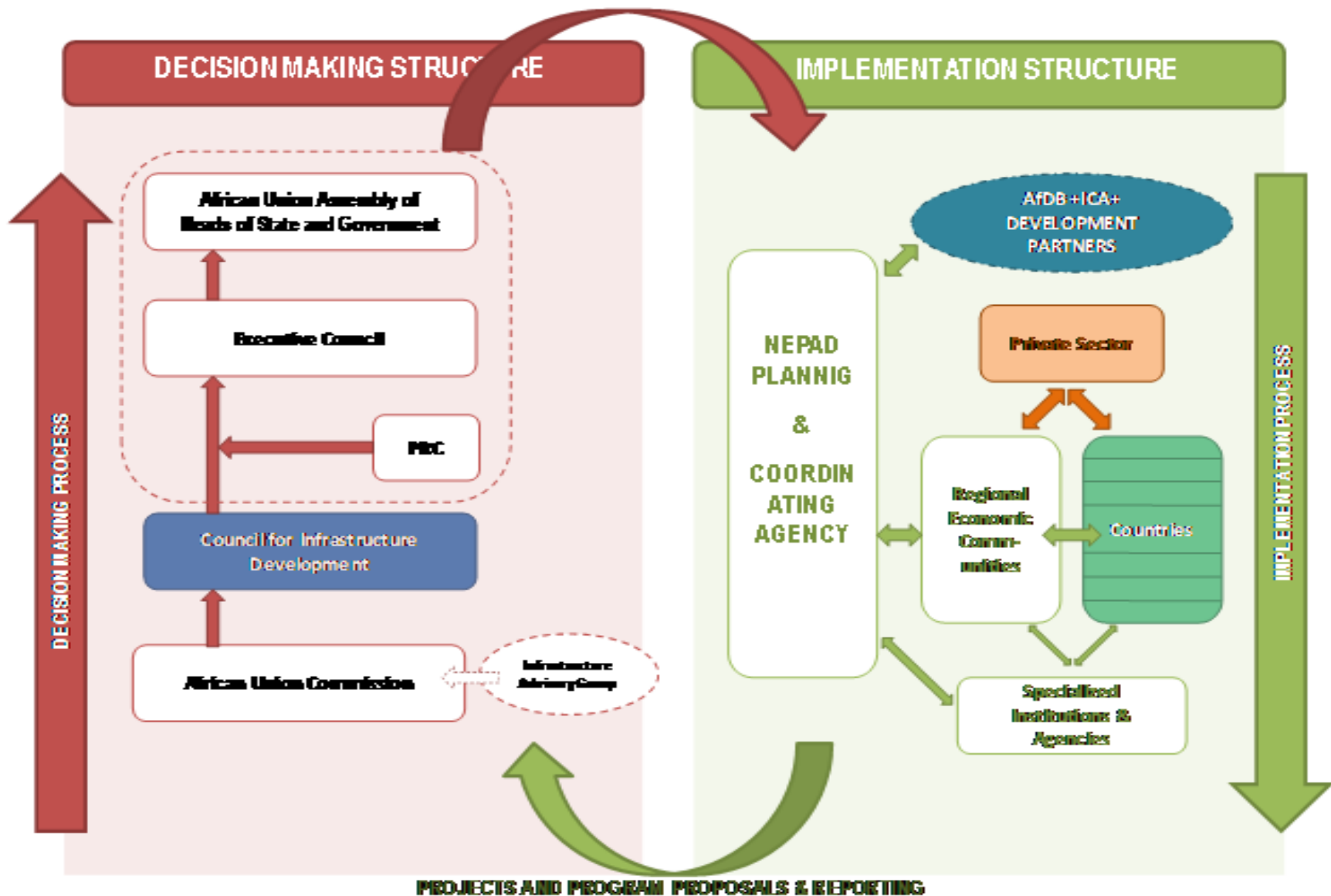
- CONCLUSION

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

DECISIONS FOR IMPLEMENTATION



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**

PUBLIC

MIX

PRIVATE

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

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

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

MERCI

OBRIGADO

THANK YOU

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