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Overview of the policy and regulatory environment for innovative financing of sustainable energy and infrastructure development in Africa

Policy and regulatory environment for innovative financing of sustainable energy and infrastructure development in Africa

I. Introduction

1. The Private Sector Development and Finance Division of the Economic Commission for Africa (ECA) leads the Commission's work on energy, infrastructure and services, through which, the Commission intends to enhance the capacity of member States to formulate and implement policies and programmes aimed at increasing private sector investment in infrastructure, energy and services, leading to improved infrastructure provision, job creation and economic growth. The secretariat views the continent's energy and infrastructure challenges through a lens of finance, public-private partnerships and project development. Regulatory reforms to attract private sector investment in the energy and infrastructure sectors are therefore at the core of its function.

2. This report presents the Commission's work in the area of innovative financing of sustainable energy and infrastructure development in Africa. The overarching perspective is on the regulatory environment for private sector investment and regional strategic planning of the energy and transport sectors. The structure of the report is as follows: sections II and III provide the background and objectives, section IV examines the financing of energy infrastructure and services, section V focuses on transport infrastructure and services, and section VI explores emerging issues that ECA will tackle. Conclusions along with a proposal of issues for discussion comprise section VII.

II. Background

3. In Africa, lack of finance remains a major challenge in the implementation of infrastructure projects in general and regional ones in particular. According to the African Development Bank in their report African Economic Outlook 2018, the continent's infrastructure funding needs have reached an annual figure of \$170 billion, leaving an annual gap estimated at

* E/ECA/CPRTIIT/1/1.

\$108 billion. In the energy sector alone, an estimated annual investment of \$90 billion is required to meet energy access targets. Investment in infrastructure is crucial in supporting and sustaining the growth dividends in Africa. The construction and operation of infrastructure facilities in Africa have traditionally been dominated by the public sector. The Governments of most African countries experience enormous financial challenges in providing critical infrastructure to their citizens and it is now generally acknowledged that government and public funding, while crucial in terms of the contribution it represents, will not be enough to bridge the continent's financing gap.

III. Objective

4. The overall objective of the report is to present recent developments in innovative financing of sustainable energy and infrastructure projects in Africa and the role of ECA in that regard. It is intended that the points raised will generate discussion on emerging issues in the energy and infrastructure sectors and that specific areas will be identified where the involvement of ECA would be beneficial to member States.

IV. Financing energy infrastructure and services

5. The recognition of the crucial role that energy plays in facilitating socioeconomic development, and that its insufficient provision is a hurdle to development, has brought it to the forefront of national, regional and global priorities. National sector development strategies in most of Africa reflect the need to expand energy access rapidly, facilitated through the endorsement of Sustainable Development Goal 7.

6. Despite appreciable progress, challenges remain in respect of the African electricity market. More than 595 million people on the continent do not have access to electricity. The latest progress report on Goal 7 warns that the progress made to date is not on track to achieve the universal access goal by 2030, and that, of the proportion of the population predicted to be without access to electricity by 2030, nearly 90 per cent are projected to reside in Africa. This challenge is driven in part by rapid population growth. The 2016 report by the World Bank, *Regulatory Indicators for Sustainable Energy: A Global Scorecard for Policy Makers*,¹ indicated that Africa has one of the least developed policy environments to support the energy sector, in particular grid densification and expansion, and solar power. In 2018, the World Bank published *The Energy Progress Report*, which concluded that there were some improvements, based on the evidence of 50 countries from around the world, showing that they had developed significant policy frameworks at the national level to accelerate the uptake of renewable energy.²

7. In addition, findings from that tracking report emphasized that the regulatory environment and the ancillary deteriorating fiscal position of many national utilities are key challenges in the electricity energy sector. Accordingly, closing the financing gap in Africa requires a concerted effort to tackle a combination of the feasibility or bankability of proposed energy projects, country risks, the profitability or viability of projects, and the legal and regulatory environment. An enabling environment is, therefore, necessary to attract the private sector to the energy sector and to mobilize the \$90 billion annual investment required through to 2030 in Africa.

¹ Known as the RISE report, the publication is available at <http://documents.worldbank.org/curated/en/538181487106403375/pdf/112828-REVISED-PUBLIC-RISE-2016-Report.pdf>.

² See chapter 2 on electrification. Available at https://trackingsdg7.esmap.org/data/files/download-documents/chapter_2_electrification.pdf.

A. Innovative financing of and investment in bioenergy development

8. Modern bioenergy development still faces challenges in the energy market, in terms of policies, plans, financing and acceptance. This is despite its huge potential to increase access to affordable and clean energy. In recognition of this potential, the African Union Commission, supported by ECA launched an initiative to develop regional bioenergy development strategies and investment plans. The initiative was mandated by Ministers at the second ordinary session of the African Union Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism, held in Cairo in April 2019. It is aimed at increasing the pipeline of bioenergy projects throughout African countries, and escalate investment in various modern bioenergy projects as determined by the priorities and comparative advantages of the countries.

9. The expected accomplishment of this initiative is enhanced technical capacity to develop a range of bioenergy projects. It will do this by identifying the appropriate project developers for support, following a systematic methodology. These identified projects will be taken through a rigorous project development process (definition, feasibility, structuring and packaging, transaction and post-implementation). It will also tackle the lack of early stage project preparation that is often not supported by commercial finance institutions and even some development assistance instruments. In essence, the strategies and investment plans will make the business case for bioenergy very strong and build networks to assist in incubating project concepts at country and regional levels.

B. Methodology to crowd-in private sector investment in the electricity subsector

10. The methodology aims to investigate the effectiveness of electricity sector policy, and legislative and regulatory frameworks in their ability to attract the market appetite of private investors, from an investor's perspective. To provide the most complete overview of all regulations relating to electricity infrastructure investment, it is useful to define the following three regulatory dimensions:

(a) Market openness (energy market structure and governance): assesses the required legislation and regulatory texts that ensure good electricity infrastructure, development planning and long-term visibility to investors. Regulations should concern governmental strategic targets and adequate sector governance and market structures to build a level playing field for investors;

(b) Market attractiveness (sector economics): assesses the required legislation and regulations that ensure competitive development and implementation of electricity infrastructures together with fair competition among stakeholders;

(c) Market readiness (market maturity): assesses the required technical regulations to ensure efficient integration and management of electricity infrastructures in national power systems.

11. The aim of the initiative is to prepare an analysis of the electricity regulatory environment of African countries, illustrating the results of the analysis, drawing conclusions and providing policy recommendations and a call to action for the institutional stakeholders. In particular, two types of deliverables will be prepared:

(a) Continental electricity regulatory review framework. The framework will provide a cross-country analysis and relying on a comparative approach will focus on providing policy recommendations to African countries and regional institutions. Potentially, the framework could take advantage of similar (higher-level) analyses conducted on relevant countries outside of Africa (a benchmark) in order to contextualize best practices and better inform recommendations;

(b) Country reports. For each country in scope, a report will be prepared giving a more detailed analysis on the local situations, identifying main regulatory gaps and providing specific recommendations and call to action.

C. The “offtake” risks for independent power producers

12. The “offtake risk” – the prospect of not getting paid for the power generated and dispatched – encapsulates an investor’s biggest nightmare, especially non-State actors. Research on this topic was conducted by Rademeyer in 2016 and Stigliani in 2018.³ Many countries in Africa have a single buyer model whereby all generated electricity is first sold to a national utility before being distributed. However, the financial sustainability of electric utilities in many countries remains highly unstable.

13. Taking a closer look at the nature of a power market is instructive. A power market has the following characteristics: open and competitive markets in which customers choose their supplier of power and how they receive and use power; consists of multiple buyers and sellers and no one entity can unduly influence the price in the market; information on choices is readily available, for example, through the Internet, power pool, advertising; transmission and distribution are regulated but operate with incentives to perform; and generation and retailing are regulated only minimally (mainly for environmental compliance, market power and consumer protection). A fully competitive power market is a long-term goal for most countries. This is far from being achieved in Africa, despite the plethora of reforms, which means that there is room for countries to work within their current constraints—creating electricity markets that take into consideration African-specific contexts. This means designing risk mitigation instruments for investors who want to finance power projects in African countries. Fortunately, national governments, development finance institutions and their international partners offer some instruments at project level to mitigate risks.

14. One obstacle to financing is the perceived (and frequently genuine) poor financial and governance state of the main off taker. Utilities are often caught between political realities, such as the need to keep down the cost of power for the general population, and the actual cost of the power being produced. Utilities also face the problem of other State-owned enterprises that tend to default on repayments and, as a result, they are often obliged to sell power at a tariff that is below their actual cost of production.⁴

15. It is in this context that the Ministry of Water, Irrigation and Electricity of the Government of Ethiopia engaged Africa50 and ECA to design a partnership model that involves Industrial Parks Development Corporation as an offtaker for power to supply electricity to the parks and their adjacent areas. This interest is driven by the overall reform process in Ethiopia that seeks to increase power supply through private investment or various public–private

³ www.insideafricalaw.com/publications/how-can-independent-power-producer-ipp-investments-be-accelerated-on-the-african-continent; and <https://medium.com/climate-policy-initiative-energy-finance/offtake-risk-the-pivotal-energy-finance-barrier-blocking-africas-path-to-power-d28a0b72c7>.

⁴ www.txfnews.com/News/Article/6275/RLSF-A-new-approach-to-mitigating-offtaker-risk-in-African-power.

partnership models. Accordingly, the ongoing regulatory reforms, including tariff revisions, are expected to provide a degree of incentive to private sector operators.

16. ECA is providing an analysis of the policy, legal and regulatory frameworks, and the institutional arrangements of the energy sector from an overarching perspective of private sector generation and supply of electricity to industrial parks in the country. Specifically, the aim is that ECA is able to: improve understanding of the scope, operational modalities, and energy demand of the Adama Industrial Park and ongoing efforts to meet this demand; improve understanding of the legal and regulatory constraints and incentives for private sector investment in energy generation and supply to the industrial park; improve understanding of business model options for generating and supplying electricity to the park; and contribute to the ongoing process to reform the regulation of the energy sector in Ethiopia.

V. Financing transport infrastructure and services

17. Sound policies, rules, regulations and laws are critical to attract finance, particularly from the private sector, for transport infrastructure and services development. The majority of the Commission's contribution to financing transport infrastructure and services is through the development of policies, strategies and action plans at the regional level.⁵ Such strategies and action plans help to create project pipelines and a platform for engaging with investors and partners. Regional infrastructure development, particularly in the framework of the Programme for Infrastructure Development in Africa (PIDA) and road safety are two areas in which ECA continues to be very active.⁶

A. The common African position on strategic infrastructure partnerships

18. Building partnerships has emerged as a key strategy to implement African infrastructure programmes, in particular regional ones. There are two broad categories of partnerships in regional infrastructure development: partnerships among regional, subregional organizations and countries in Africa (internal partnerships); and partnerships between African countries and organizations on the one hand, and development partners on the other (external partnerships). The European Union, for example, is a core external partner of African countries and organizations in the infrastructure sector. The European Union–Africa Partnership on Infrastructure, established in 2005, is the framework for channelling European Union support to infrastructure development in Africa. The European Union–Africa Infrastructure Trust Fund was launched in 2007 to support the implementation of the partnership.

19. The new Alliance for Sustainable Investment and Jobs, for example, is aimed at unlocking private investment to explore the huge opportunities that exist for producing benefits to the economics of Africa and Europe. Through the Alliance, the European Union proposes to focus its investment in areas with the potential for job creation and value addition in Africa, specifically, transport, digitization, energy and agriculture. In the context of this Alliance, the Transport Task Force, which was created by the European Union and of which ECA is a member, encompassed three clusters: road safety, aviation and connectivity. Enhancing connectivity has become of geostrategic importance for trade, growth and the economy overall. In the light of this, the aim of the

⁵ E/ECA/CRCI/5/3.

⁶ E/ECA/COE/31/17-AU/CAMEF/EXP/17(VII).

transport connectivity task force is to improve the interconnectedness within Africa and between Africa and Europe, for enhanced growth and job creation.

20. The Belt and Road Initiative provides an opportunity for investment in regional infrastructure projects. China and an increasing number of African countries and organizations have signed memorandums of understanding on this initiative, which is already mainstreamed into the Forum for China–Africa Cooperation. Better coordination with partners is now sought to ensure coherence and consistency with continental programmes and initiatives, notably PIDA and Agenda 2063 of the African Union.

21. Japan, through the Tokyo International Conference on African Development, is promoting high-quality infrastructure, which is associated with economic efficiency (low life-cycle cost); safety and resilience against natural disaster; consideration of environmental and social impact; and contribution to the local society and economy (transfer of technology and human resources development). Japan is also using this international conference to emphasize the following principles: the need for debt sustainability in Africa; the need to strengthen private sector involvement in Africa’s development; the importance of human resource development and Japanese experience in this area; and the inclusive and transparent nature of the Conference. The following questions should be considered with regard to these principles:

(a) How can Africa hold its partners accountable for the principles that they themselves have articulated?

(b) How can these principles be implemented in practice to ensure that Africa derives maximum benefits from them?

(c) What are the region’s own principles and strategies for engaging with partners on its regional infrastructure development?

22. To answer the above questions, ECA is spearheading the articulation of a common African position to engage with non-African countries and organizations in strategic infrastructure partnerships (see box). This mandate stems from the first PIDA policy dialogue organized by the African Union Commission in December 2018. It was reinforced by the second ordinary session of the African Union Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism, which recommended that “all stakeholders should use PIDA as a strategic framework while engaging with African and non-African partners”.

23. The building blocks of the common African position, which will be an integral part of the second PIDA Priority Action Plan (PIDA PAP 2) spanning the period 2021–2030, are emerging following a series of consultative meetings in Pretoria, South Africa (5 and 6 August 2019), Kigali (10 and 11 September 2019) and Malabo, Equatorial Guinea (24–26 September 2019).

Box

Emerging common African position on partnerships for regional infrastructure development

Dealing with existing partnership agreements

- Integrating infrastructure partnership strategy into PIDA Priority Action Plan 2
- African Ministers and Heads of State endorsing the common African position

Interface between actions at regional and national levels

- Aligning continental, regional and national priorities
- Signing memorandums of understanding between the African Union Commission–African Union Development Agency and member States

Diversity of actors, projects and partnership objectives

- Adopting a differentiated partnership approach
- Rebranding PIDA Week

Sustainability

- Building capacity for infrastructure development
- Undertaking exhaustive consultations in preparing PIDA Priority Action Plan 2
- Institutionalizing projects (for inclusion in national development plans)

Scope of partnership

- Embracing comprehensive partnerships, covering the areas of finance, capacity-building, and the regulatory environment for infrastructure development, particularly for private sector participation

Monitoring and evaluation

- Developing key performance indicators to hold partners accountable for their commitments.

24. Going forward, African countries and organizations are recommended to fully implement the common African position in their engagements on infrastructure development with non-African organizations and countries.

B. Road safety: African post-2020 strategy and action plan

25. Despite concerted efforts, including General Assembly resolution 64/255 that proclaimed 2011–2020 as the Decade of Action for Road Safety in March 2010, and other actions that followed (such as the African Road Safety Action Plan, the United Nations Road Safety Trust Fund and country-level initiatives), road safety remains a major challenge in Africa, where the risk of death from road traffic injury is as high as 26.6 per 100,000 population, compared with 17.0 per 100,000 in South-East Asia and 9.3 per 100,000 in Europe. Road safety performance reviews undertaken by ECA in collaboration with the Secretariat and the Special Envoy of the Secretary-General for Road Safety have provided useful insights into the scale of the challenge in Africa. In Uganda, for example, road crash fatalities rose by 25.9 per cent from 2,597 to 3,503 casualties between 2007 and 2016; 10 people are killed per day in road traffic crashes, the highest level in East Africa; and 24 people are killed per 100 road crashes in the country. In Cameroon, road crashes number 16,583 and 1,500 deaths are recorded on average each year; and the risk of road death per 100,000 people is estimated by the World Health Organization (WHO) at 27.6 per cent.

26. The implementation of the 2011–2020 African Road Safety Action Plan is drawing to a close. Both ECA and the African Union Commission are leading the development of a successor initiative to the 2011–2020 Action Plan. The mandate to undertake this work came from the recommendations of the second

ordinary session of the African Union Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism, that the African Union Commission with the support of ECA, should take necessary actions to submit to the Bureau of the Specialized Technical Committee, a draft decision for the Summit, reflecting the African member States common position and the concrete measures for the post-decade and engage in relevant discussions at the international level.⁷

27. The African post-2020 Road Safety Strategy and Action Plan were drafted and presented at the fourth African Road Safety Conference jointly organized by ECA and the African Union Commission, held in Addis Ababa from 30 September to 1 October 2019. The efforts to implement the Road Safety Action Plan and the Decade of Action for Road Safety were acknowledged, and reasons were identified for the low performance by African countries in the implementation of the Action Plan, including lack of political leadership and accountability, and inadequate involvement of the private sector and civil society. The importance of strengthening road safety data management in Africa to support evidence-based decision-making, and of tackling discrepancies between data provided by WHO and national data were also emphasized in the Action Plan.

28. African countries were therefore recommended to support the accelerated operationalization of the African Road Safety Observatory. They were also recommended to ratify the African Road Safety Charter, emulating the example of Namibia, the only country that has ratified the Charter; and to use decision support systems in road safety management in the light of the new opportunities that digitization offers. ECA, the African Union Commission, the African Transport Policy Programme and the African Development Bank were all recommended to support the creation of centres of excellence on road safety involving African universities, and to strengthen national commitments to road safety. In that regard, they were called upon to identify high-level political leaders to act as road safety champions on the continent; conduct road safety performance reviews in member States; explore opportunities to fund road safety activities through grants; and introduce mechanisms to recognize significant contributions to improving road safety in Africa.

C. Luxembourg Protocol: a common, coherent system to finance railway stock

29. The provision of rolling stock is a critical part of any partnership between the public and private sectors. One example is the “build-operate-transfer” financing structure. In any new rail project, the cost of rolling stock represents 25–30 per cent of total expenditure throughout the life of the partnership. The Luxembourg Protocol is a radical, relatively new legal instrument that will allow States to pass on that cost to the private sector. It will play a key role in attracting private capital to support existing and new rail projects by facilitating the provision of finance from banks and other funders for rolling stock procurement.

30. The Luxembourg Protocol was adopted in 2007. The European Union has already ratified the Protocol, in respect of its competences. A growing number of countries in Europe, and outside Europe, including South Africa, are working towards its ratification. Countries in Africa are encouraged to ratify the Luxembourg Protocol at the earliest opportunity. There are no downsides, as the costs of registrations should be easily outstripped by savings on documentation and cheaper finance rates. This instrument will provide relief to States in terms of significant financial burdens, create fresh sources of investment for the rail industry and thereby attract entrepreneurs and investors,

⁷ Taken from STC-TTIIET/Min/Final/Rpt(II).

and it will help to underwrite the economic development of Africa in the coming decades. In addition, the Protocol will make future financing more focused and transparent, and empower African manufacturers, operators, lessors and financiers to provide solutions that tackle the needs of the rail industry on the continent. The commitment by African leaders to a major expansion of the rail sector, as a key component of a sustainable growth and development agenda, has already been made. The logic is undeniable and construction has begun. The only question is how to pay for it. By facilitating cost-effective private sector finance for rolling stock, the Luxembourg Protocol will provide an important part of the answer.

31. One of the benefits of this system is that, for the first time in the rail industry, there will be a lifelong, unique identifier for each item of rolling stock, issued by the registry and fixed permanently on the asset. This will bring additional industry benefits, facilitating instant tracking of asset location and helping with insurance issues and accurate maintenance records throughout the entire life of the asset. The Protocol will be crucial for ensuring a creditor's security when the rolling stock crosses borders because the creditor's rights will be recognized in the same way in each of the States where the rolling stock happens to be (as long as that State has ratified the Protocol), and also because it will make multinational financing easier, as the same rules will apply in different jurisdictions. The application of the Protocol to purely domestic transactions, where all of the parties or financed assets are in the same country, will also be important because, at present, there are often no clear rules on a creditor's security position in any given State or even a local title registry.

32. The Luxembourg Protocol will preserve capital for Governments and save money for borrowers and lessees because the increased legal certainty for a creditor will lower risks generally – leading to greater readiness by banks, institutions and other private investors to provide funding for rolling stock procurement at a cheaper rate – and will facilitate significant savings by reducing bank capital requirements under Basel III.

VI. Emerging opportunities

A. Public-private partnerships

33. First, the Africa–Europe Alliance Transport and Connectivity Task Force meeting in May 2019, to which a representative of ECA attended, addressed ways of scaling up investment, private sector involvement and innovative financing in the transport sector in Africa. Among the challenges identified by the Task Force were the following: the weakness of official development assistance to mobilize private funds for infrastructure projects, underdeveloped financial markets; low capacity to borrow; regulatory barriers; and weaknesses in the enabling policy environment – all of which reduce access to finance. Even when financing is available, project quality, procurement, implementation procedures and maintenance remain a challenge, requiring continued enhancement of capacity and technical assistance. Preparation time of projects is also excessively long and uncertain, resulting in the lack of a well-structured pipeline of bankable investment opportunities.

34. Secondly, there have been many attempts to launch public–private partnership in African countries, but they have met challenges due to issues of affordability of services by the final user, poor structuring and social acceptance. This reduced the appetite for private investment mainly on road and rail projects. Not all African transport projects, particularly regional ones, are fit for people-public-private partnership models, as illustrated by the fact that PIDA projects have yet to be implemented through public–private

partnerships. The viability of public–private partnership transport projects depends on the volume (economic return) and the affordability of the toll.

35. Going forward, ECA will support the implementation of the following recommendations of the Task Force:

(a) Define a clear road map of investment and project pipeline for African transport corridors;

(b) At national level, promote greater and better coordination between levels of government to improve local governance and strengthen efficiency in public investment and use of infrastructure assets;

(c) Improve the investment and financial tools offer. Investment should be assessed for long infrastructure life expectancy. Use the blending modality as a default option in order to attract public loans and private sector financing;

(d) Promote the use of public–private partnership.

36. Specific recommendations on public–private partnership include: improving legislative and regulatory frameworks in order to attract private sector financing for such partnerships, and ensure the financial soundness of their structures; clarifying the concept of public–private partnership and clearly delineating roles and responsibilities of all stakeholders; defining the social acceptability of service costs; and selecting bankable projects that have promising chances when provided with an acceptable level of “de-risking” tools.

B. Digitization of transport planning

37. Internet access is spreading rapidly in Africa, offering new opportunities in the use of information technology services, in particular decision support systems, to solve problems in the economic sectors and the transport sector. There is a scope for transfer of knowledge to Africa to deal specifically with planning and managing mobility and access as well as road safety. It is imperative to assess the current use and the demand and gaps in the supply of such system, and the sustainability of the use of decision support systems in transport planning and road safety in Africa.

38. ECA will enhance the capacity of African countries and organizations in the use of information technology systems for transport planning and road safety on the continent. The Commission’s work in this area will improve the efficiency and effectiveness of the transport sector with the view to supporting the region’s economic transformation.

C. Focusing on the implications of the African Continental Free Trade Area for regional transport infrastructure and services

39. This line of enquiry is rooted in the need to reduce transport costs and travel time through high-quality infrastructure and services. The Commission’s work in this area is to shed light on the mutually reinforcing relationship between trade and transport and to underscore the need for strategic integrated planning of the two sectors. This approach could enhance the economic viability of corridors and fast-track the pace of implementation of the region’s cross-border infrastructure projects. Specifically, ECA will examine the impact of regional transport infrastructure and services on the Agreement Establishing the African Continental Free Trade Area on the one hand, and the implications of the process on regional transport development on the other. Findings of the study will have important policy implications, particularly in relation to the prioritization of corridors, selection of transport mode and the geometric and

pavement designs of cross-border highways. This area of research will also enable ECA to deepen its work on trade in services with a focus on transport, which is one of the areas of focus in regard to African Continental Free Trade Area negotiations on services.

D. Promoting the single African air transport market

40. The launching of the single African air transport market in January 2018 was a momentous event for the continent's aviation industry. The transport market is a flagship project of Agenda 2063 and will be operationalized by the Yamoussoukro Decision on the liberalization of access to air transport markets in Africa. ECA will develop quantifiable indicators to measure progress in the implementation of the Decision, based on its regulations, including those on the duties and responsibilities of the monitoring body; powers, functions and operations of the executing agency; competition in air transport services; dispute settlement; and consumer protection. The essence is to develop a performance monitoring dashboard for the Decision and hence for air transport liberalization in Africa. The dashboard will be a useful tool for the executing agency and the monitoring body of the Yamoussoukro Decision – for which ECA is the secretariat – and will help to track the performance of countries that have signed the solemn commitment to the single African air transport market.

VII. Conclusion

41. Since 2018, the new Private Sector Development and Finance Division at ECA has been supporting African countries and organizations in improving the policy and regulatory environment on the continent, through assisting in the development of regional strategies and action plans that are useful in building pipelines of bankable projects and in engaging development partners in an effective way. This has been the case in the Commission's support to ongoing efforts to develop the second phase of PIDA along with the African post-2020 Road Safety Strategy and Action Plan.

42. In the light of the above, the following questions should be considered:

(a) What are the challenges to private sector investment in energy and infrastructure projects in Africa?

(b) To what extent are public-private partnerships used to finance energy and infrastructure projects in Africa? What are the challenges encountered in this regard and what can be done to address these challenges?

(c) What should be the region's principles and strategies for engaging with non-African countries and organizations in its regional infrastructure development?

(d) What could be considered as key performance indicators for effective infrastructure partnerships with non-African countries and organizations from an African perspective?