

African Integrated High Speed Railway Network Project (AIHSRNP/HSR)

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HSR Coordination and Experts Meeting

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African Integrated High Speed Railway Network (AIHSRN/HSR) Project



Presentation Outline

1. **BACKGROUND: Agenda 2063 and AIHSRN Initiative**
2. **OBJECTIVES**
3. **INSTITUTIONAL ARCHITECTURE: AIHSRN Initiative**
4. **THE PROJECT**
 - + Key Guiding Principles
 - + Agenda 2063 HSR – Results Framework
 - + Concept to Implementation
 - + The Compelling Deliverable: 1st 10-Year Implementation
Plan of Agenda 2063 – AIHSRNP
 - + Technology options
 - + Financing Strategy/Options
5. **NEXT STEPS**
6. **CONCLUSIONS**



African Integrated High Speed Railway Network (AIHSRN/HSR) Project



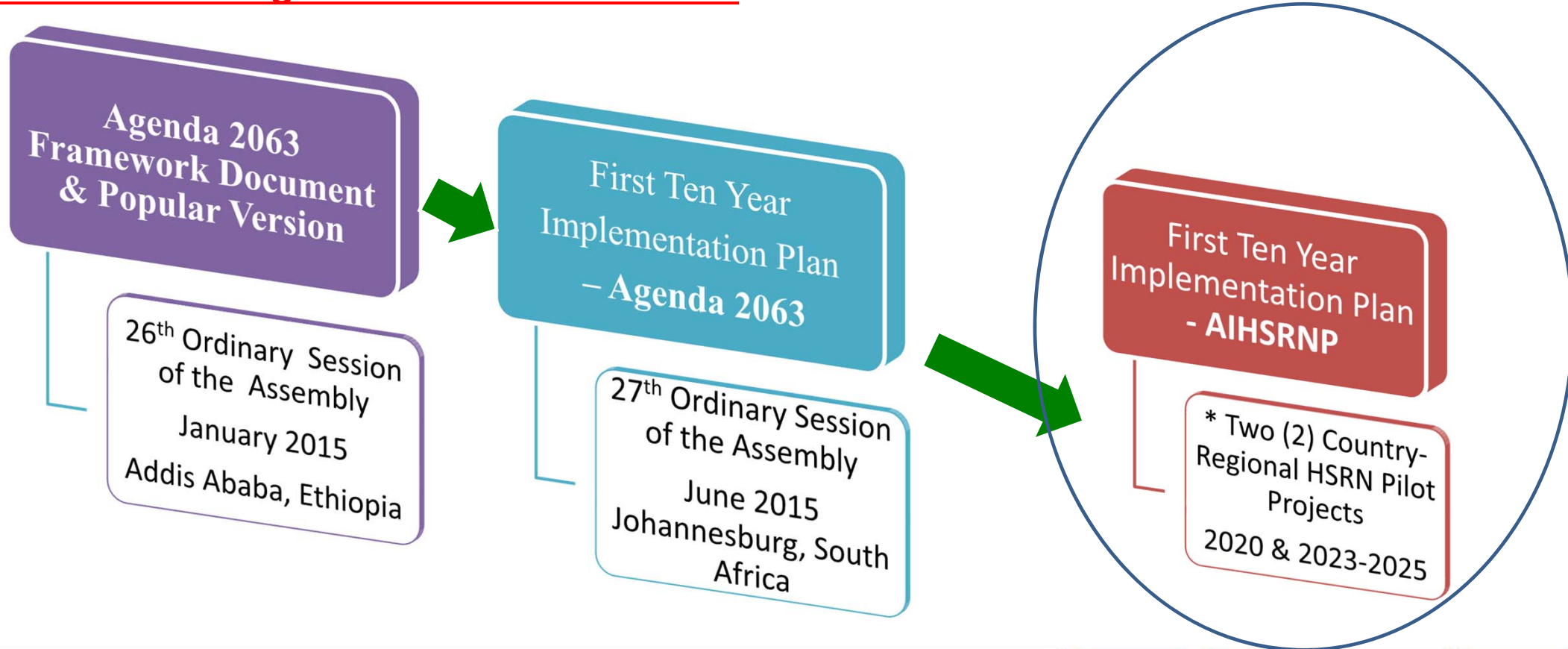
Presentation Outline

- African Union Summit **Decision 24** of the AU Assembly of **March 2013**.
[Assembly/AU/24 (XXIV)]
- ... approved the **Africa Agenda 2063**.
- **AIHSRN Initiative** – as a flagship project of **Agenda 2063**

1. **In March, 2013**, during his visit to Africa, the President of People's Republic of China, H.E. Mr. Xi Jinping, came up with the **principles of sincerity, practical results, affinity and good faith** in conducting China's relations with Africa.
2. **In May, 2014**, during his visit to Africa, the **Premier of the People's Republic of China, H.E. Mr. Li Keqiang** put forward **"High Speed Railway, Aviation, Road Highways and Industrialization Infrastructure"** - cooperation between Africa and People's Republic of China, expressing the willingness to help African friends achieve their **"Century Dream"**.



Agenda 2063 and Agenda 2063 HSRNP - Nexus



2. Objectives of Agenda 2063 AIHSRN Project

GOAL of AGENDA 2063 HSRNP: Accelerating the physical, and economic Integration of Africa, through Continental High Speed Railway Connectivity (**i.e. The AIHSRNP**)

1st Objective: Agenda 2063 Results Framework, sets a **2023 target of completing at least, 20%** of the construction on the **first regional high speed rail pilot project** - linking the **first set of cooperating Country-Capital Cities, of the African Union – beginning 2020.**

2nd Objective: Agenda 2063 Results Framework, sets a **2025 target of completing at least, 20%** of the construction on the **second regional high speed rail pilot project** - linking the **second set of cooperating Country-Capital Cities, of the African Union – beginning 2023.**



3. Agenda 2063 – Stakeholders & HSRNP Institutional Architecture

National Level

RMCs

- The **RMCs** will be responsible for the **implementation of Agenda 2063 - HSRNP**.

Regional Level

RECs

- The **RECs** will marshal the consensus of member states.

Continental Level

AUC, NEPAD, AfDB, ECA

- The continental level (AUC, NEPAD, AfDB & ECA) will be responsible for setting the broad **Results Framework and Outcomes**, as well as broad monitoring and evaluation based on inputs from the RECs.

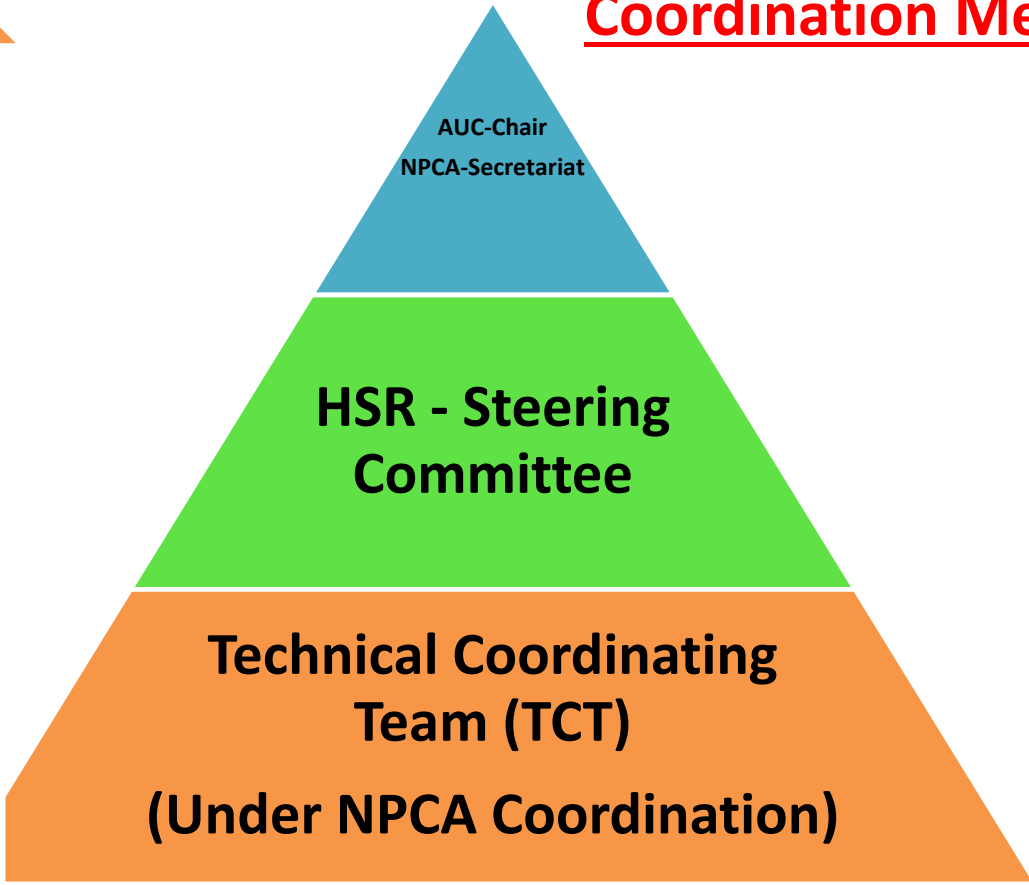




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Coordination Mechanism - 2063 AIHSRN Project



Steering Committee

1. AUC – Chair
2. NPCA – Secretariat
3. AfDB – Member
4. ECA – Member
5. All RECs - Member

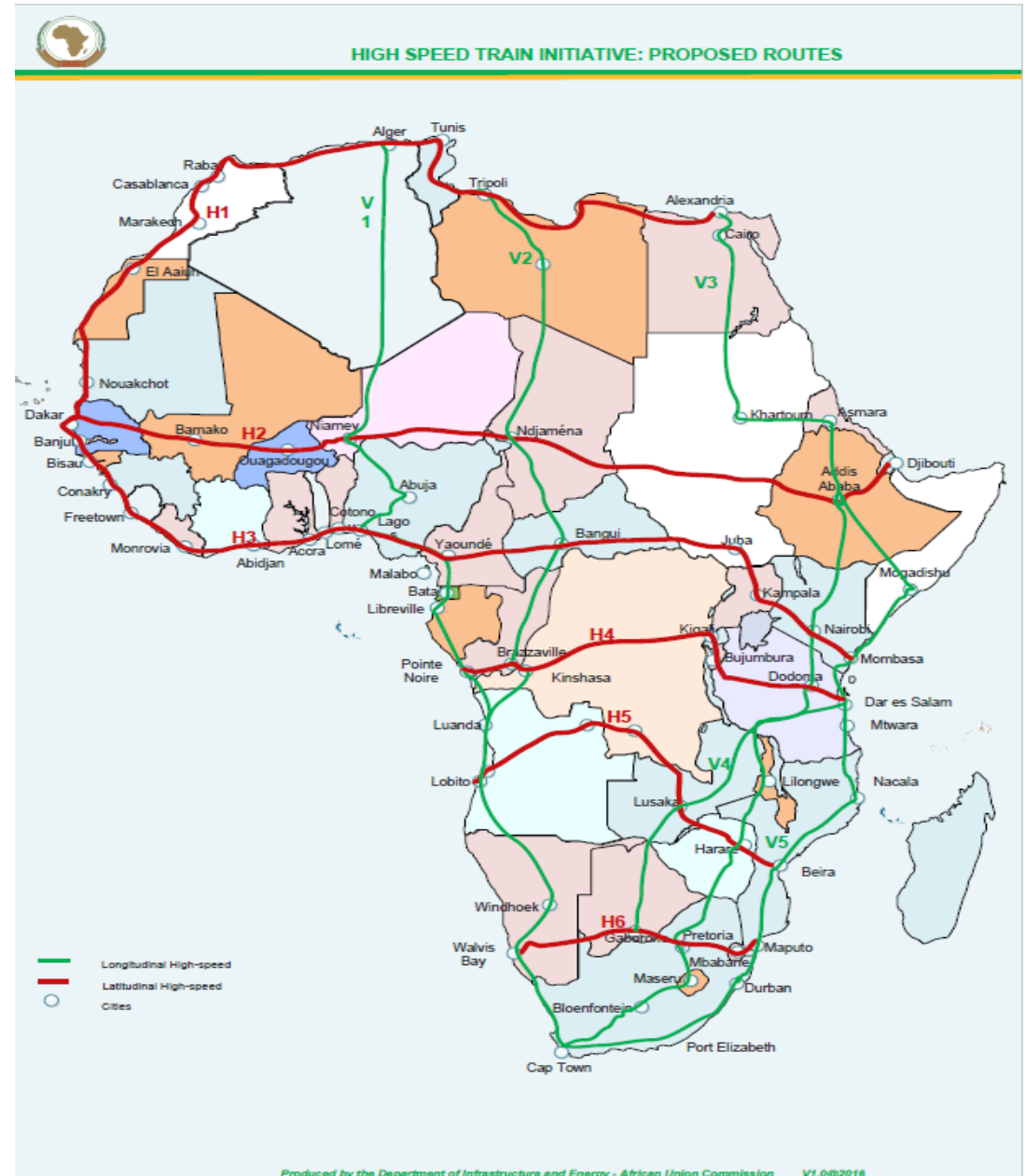
Technical Coordinating Team (TCT)

- 1) AUC; 2) NPCA; 3) AfDB
- 4) Resource Experts:
Experts (2): Transnet (South Africa)
Expert(1): African Strategic Advisors (South Africa)
Independent Expert (1) – Eng. Joster Onyango
1-Expert: ONCF - Morocco



4. The Project

- + Key Guiding Principles
- + **Agenda 2063 HSR – Results Framework**
- + Concept to Implementation
- + **The Compelling Deliverable: 1st 10 Year Implementation Plan of Agenda 2063 – HSR**
- + Technology options
- + Financing Strategy/Options





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Key Guiding Principles

- 1) Connectivity of Capitals and Economic hubs:** Given the pan-African nature of the continental high speed rail project, a key objective is connectivity of Africa's Capital cities and megacities, including but not limited to, commercial hubs/economic zones, and tourist destinations...
- 2) Integrated Approach:** The viability and sustainability of the AIHSRN, will largely depend on the extent, to which - its development - is **linked to the planning, development and operation of existing/planned national and regional HSR networks, power and electricity and ICT infrastructure facilities, of the continent.**
- 3) Inter-operability:** **The existing conventional ("low speed") freight and passenger rail network** in Africa, essentially, form the backbone of the continent's railway infrastructure assets - contributing significantly, to the development and operations of Africa's manufacturing, mining, and industrial outputs.
- 4) Selection of High Speed Rail Routes/Corridors:** Cognizance of the magnitude of the investment required of the AIHSRN project – **key selected routes/corridors, based on a proven business case, will be piloted, for replication.**

Agenda 2063 AIHSRNP – Results Framework: Goal: Priorities: Targets: Indicators

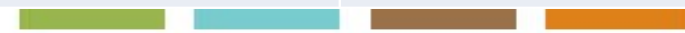
GOAL 10: World Class Infrastructure Connectivity (TAH)

| PRIORITY AREA | PROJECT | COMPONENT | TARGET | KEY PROCESS/ACTION |
|-----------------------------|---|---|--|--------------------|
| Infrastructure Connectivity | National 1. <u>National readiness for TAH implementation</u> | Technical studies for rehabilitating and/or constructing the 12,000km TAH missing links | Technical Studies & Construction to be completed by 2018?? | RECs/RMCs |



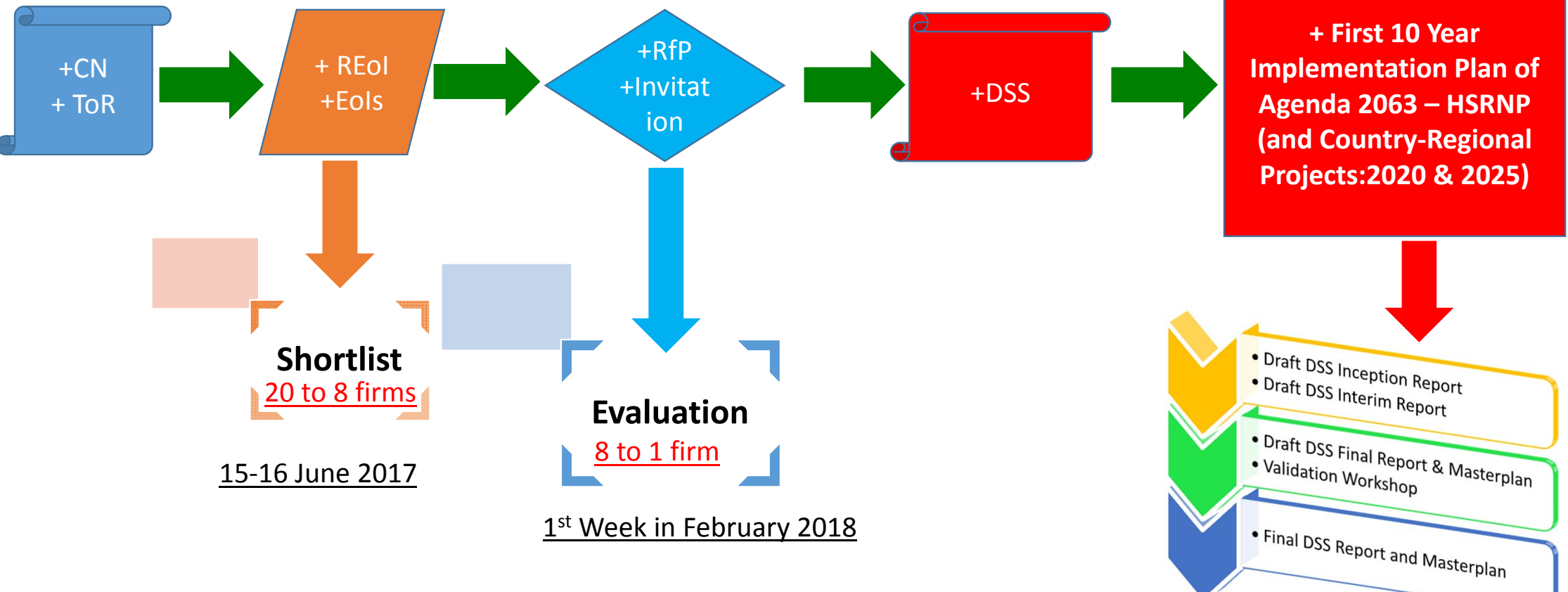
GOAL 10: World Class Infrastructure Connectivity (HSRN)

| PRIORITY AREA | PROJECT | COMPONENT | TARGET | KEY PROCESS/ACTION |
|-----------------------------|--|--|--|---|
| Infrastructure Connectivity | 2. National readiness for HSR implementation | At least 20% of the construction on the 1st Pilot Project of the AIHSRNP, is completed by 2023 | <ol style="list-style-type: none"> 1) Preparation and signing of First Treaty/Cooperation by Cooperating States/Stakeholders by end-2017 2) Commencement of construction of the first Pilot Project, linking the first set of country-capital Cities – begins 2020 3) Preparation and signing of Second Treaty/Cooperation by Cooperating States/Stakeholders by 2023 4) Commencement of construction of the second Pilot Project, linking the second set of country-capital Cities – begins 2025 | <p>AUC/ECA/RECs</p> <p>NPCA/AfDB/RECs</p> <p>AUC/ECA/RECs</p> <p>NPCA/AfDB/RECs</p> |



The Project

Concept (CN) to Implementation: 2013-2023



HSR Technology Options for the First 10 Year Implementation Plan: 2013-2023/2025 & 50-Year Rollout

TGV Réseau
France, since 1992



236
miles / hour

Shinkansen
Japan, since 1964



275
miles / hour

Maglev Train
Shanghai, since 2003



311
miles / hour

Chuo Shinkansen*
Japan



374
miles / hour

Hyperloop*
Los Angeles -
San Francisco, U.S.



700
miles / hour



Financing the Agenda 2063 – First 10 Year Implementation Plan:

Broad-based Perspective

- (i) Domestic resource mobilization (DRM) is meant to contribute at least 75% to 90% of the financing of Agenda 2063 on average per country
 - (ii) Enhanced **fiscal resource mobilization**;
 - (iii) Maximization of natural resource rents – OGM, agriculture, maritime, tourism, etc.;
 - (iv) **Leveraging** of the increasingly important pool of **African institutional savings** – pension funds, central bank foreign exchange reserves, sovereign wealth funds and capital market development;
 - (v) Curbing of **illicit financial flows**;
 - (vi) **Efficiency gains**: improved governance, and fighting corruption to stop financial leakages and wastages in government.
- **Other Sources of Financing:**
 - (i) Agenda 2063 should also be rightly financed through **external financing mechanisms** including **FDI**, official development assistance (**ODA**);
 - (ii) Financial cooperation from emerging development partners such as **BRICS** countries, Arab world, etc.;
 - (iii) **FDI, PPP** and other forms of investment partnerships;
 - (iv) Leveraging **Diaspora remittances** and **Savings**;
 - (v) Improved access to the international financial markets



Financing the Agenda 2063 – AIHSRNP requires Innovative Financing

Strategy Equity (SE)

$$X = \frac{SE+SD}{}$$

Strategy Debt (SD)

$$Y = \frac{\text{Multi-Revenue Streams}}{}$$

Multiple Revenue/Income Streams

$$Y > X = \frac{\text{Business Case}}{}$$





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Agenda 2063 - HSR Resource Mobilization Architecture

Agenda 2063 Results Framework set out a Resource Mobilization Strategy (RMS) for the First Ten Year Implementation Plan of Agenda 2063, and by extension >>>>>Agenda 2063 HSRN Project.

□ Under the direction of the Agenda 2063 Ministerial Committee and the AUC:

- The **African Development Bank is the lead institution** in facilitating, coordinating, monitoring and evaluation of **Agenda 2063 RMS>>>>>HSR**;
- Key stakeholders in the implementation of the RMS at the continental level in addition to the **AU and AfDB include UN-ECA** at continental level;
- **Other Stakeholders: RECs, regional DFIs and stock exchanges** at the regional level. Regional associations such as the African DFI associations, the African Venture Capital Association (AVCA) and the Association of African Stock Exchange will also play a significant role in the mobilization process.





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The Project: Deliverables

The deliverables of Phase 1, i.e., Detailed Scoping Study (DSS), are as follows:

1) First 10-year Implementation Plan of Agenda 2063 AIHSRNP; and the two (2) sets of Country-Capital Cities Pilot Projects.

1.1 Draft Inception Report

1.2 Draft Interim Report and Master Plan

1.3 Draft-Final Report and Masterplan

1.4 Validated Final Report and Masterplan

2.0 Agenda 2063 Africa Integrated High Speed Railway Network and Masterplan (including 4 x 6 longitudinal and latitudinal continental high speed railway Map)

3.0 Terms of Reference (ToR) for Pre-feasibility/Feasibility Study

4.0 Request for Proposal (RfP) for Pre-feasibility/Feasibility Study

5.0 Indicative cost of Pre-Feasibility Study/Feasibility Study

Forward planning



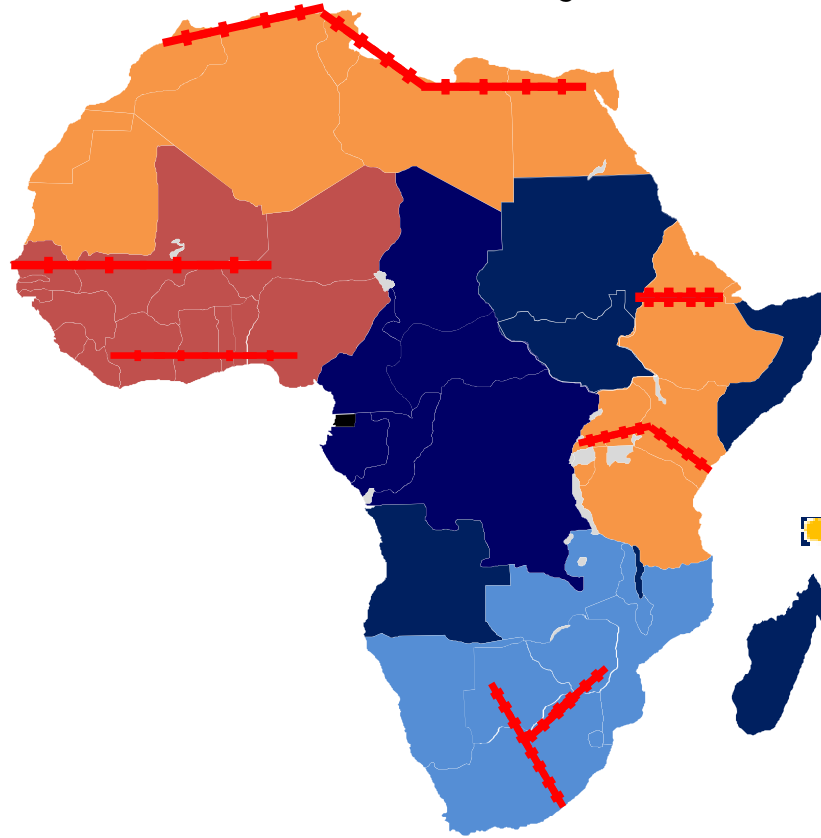


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Potential sets of Regional HSR Networks 2020-2025



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5. STEPS/ NEXT STEPS: Roadmap: Technical Feasibility/Procurement Processes **June 2017- December 2018**



5. NEXT STEPS: Roadmap: Technical Feasibility/Procurement Processes June 2017- December 2018 (Cont.)

AU/NPCA internal processes and Tender Board Approvals: 15 February
2018

Signing and award of Contract: 15 March 2018





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Short Term Action Plan: Road Map: January-March 2018

| # | Task | Dates | | Venue | Output |
|---|---|------------|------------|-----------------------------|---|
| 1 | Evaluation Workshop: DSS-RfP (Technical and Financial Proposals) | 2018-02-05 | 2018-02-08 | Magaliesburg - Johannesburg | RfP - Technical Proposals Evaluation Report |
| 2 | National/Regional Readiness Workshop to implement Agenda 2063 AIHSRNP | 2018-02-20 | 2018-02-22 | Nairobi, Kenya | Draft National Readiness Strategy (including preparation of Regional Treaty/Cooperation agreement by RMCs for HSR implementation) |
| 3 | National/Regional Readiness Workshop to implement Agenda 2063 AIHSRNP | 2018-03-20 | 2018-03-22 | Rabat, Morocco | Draft National Readiness Strategy (including preparation of Regional Treaty/Cooperation agreement by RMCs for HSR implementation) |
| 4 | Continental HSR Resource Mobilization Roundtable | 2018-03-29 | 2018-03-30 | Abidjan, Cote d'Ivoire | To secure resource mobilization pledges and Commitments for C-HSRNP |

6. CONCLUSIONS: Key Messages

1. **Agenda 2063 Results Framework** provides the **framework** for the planning, development and implementation of **Agenda 2063 AIHSRN Initiative**.
2. **As a regional Initiative - Agenda 2063-AIHSRN Project (especially, the 1st set of Pilot Projects) – as a key driver of Regional Integration** - will be realized only through **Regional Cooperation**, between/amongst Member States, with RECs, and Continental Stakeholders (AUC, NPCA, AfDB, ECA) – playing their respective roles and mandates.
3. **National Readiness for Implementation of AIHSRN Initiative** (i.e., domestication, ownership, and reflection of AIHSRN) in national development plans (NDPs/PIPs) – is a pre-requisite for success of this transformation agenda of the African Union.
4. We must develop a strategy, to **coalesce the ‘willing and readiness’**, of member countries, and their respective RECs – to begin the commencement of the implementation of the **first regional high speed railway pilot project**, by December 2020.



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Coordination and Experts Meeting

Inaugural Meeting of the Coordination Mechanism



HSR Coordination and Experts Meeting

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THANK YOU

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