

AFRICAN UNION

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SPEECH OF HER EXCELLENCY

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**COMMISSIONER FOR INFRASTRUCTURE AND ENERGY
AFRICAN UNION COMMISSION (AUC)**

OPENING CEREMONY

4TH PIDA WEEK

VICTORIA FALLS, ZIMBABWE

26 NOVEMBER, 2018

- Honorable Raila Amollo Odinga, African Union High Representative for Infrastructure Development;
 - Excellency Mr. Joel Biggie Matiza, Minister of Transport and Infrastructural Development and Transport;
 - Excellency Dr. Ibrahim Assane Mayaki, Chief Executive Officer of NEPAD Agency;
 - Excellency Mrs. Chileshe Kapwepwe, Secretary General of COMESA;
 - Eng. Amos Marawa, Permanent Secretary at the Ministry of Transport and Infrastructural Development and Transport;
 - Ms. Carla Montesi, European Commission's Director for Planet and Prosperity;
 - Ms. Moono Mupotola Director of Regional Integration at the African Development Bank;
 - Mr. Xiao Weiming, Director-General of the Belt and Road Unit, National Development and Reform Commission, the People's Republic of China;
 - Distinguished participants;
 - Ladies and Gentlemen,
 - All protocol observed.
1. On behalf of the Chairperson of the African Union Commission, His Excellency Mr. Mahamat Moussa Faki, and on my own behalf, I would like to express our sincere appreciation to the President and the Government of the Republic of Zimbabwe for the warm hospitality extended to us since our arrival in this beautiful city of Victoria Falls. I would also like to acknowledge the presence of Mr. Joel Biggie Matiza, Minister of Transport and Infrastructural Development and Transport, representing the Zimbabwean Government. We highly appreciate your presence in this opening ceremony as a demonstration of your Government's commitment to advocate and promote Africa's interests.
 2. I wish to take this opportunity to congratulate Honorable Raila Amollo Odinga for his appointment as African Union High Representative for

Infrastructure Development. As we push for Africa's infrastructure development, we look forward to working closely with him to achieve a united and interconnected Continent that enjoys easy movement of goods and its citizens.

3. I would also like to express our gratitude to the Secretariat of the Common Market for Eastern and Southern Africa (COMESA), NEPAD Planning and Coordinating Agency (NPCA), and GIZ for their efforts and collaborations with us in facilitating this important event. My gratitude also goes to the African Development Bank (AfDB), the European Union and GIZ for their continued technical and financial support. I would also like to thank all our participants at this very important event – **the 4th PIDA Week**.
4. The PIDA Week offers a valuable opportunity for public decision makers, project developers, private sector, civil society, and academia to exchange views and proffer solutions towards the implementation of regional infrastructure projects on the continent.
5. As we are all aware, the development and provision of efficient infrastructure services including both hard and soft infrastructure will provide a crucial platform for Africa to enhance economic productivity, facilitate trade, and accelerate industrialization and markets development at the national, regional, continental and global levels.
6. Currently, the low levels of infrastructure poses one of the biggest challenges to Africa's industrialization and development agenda, which is having a negative impact on Africa's competitiveness and participation in the global markets. According to the World Bank, the poor state of infrastructure in Sub-Saharan Africa in respect of its electricity, water, roads and ICT, reduces national economic growth by 2% annually and reduces productivity by as much as 40%. About 600 million people are left without access to electricity while only less than 20% of Africa's population are using the internet despite Africa being the fastest growing and second largest mobile phone market in the world. More than half of Africa's roads are unpaved while less than half of Africa's rural population has access to

an all-season road to meet their basic needs. In the water sector, only about 28% of Africa's poorest countries have access to improved sanitation facilities.

**Excellencies,
Distinguished Delegates,
Ladies and Gentlemen,**

7. Meeting Africa's infrastructure needs and developing cost-effective infrastructure services requires significant investments. The financing gap in Africa for infrastructure development is estimated at between US\$130 - 170 billion per year. Despite encouraging investments on infrastructure, both at the domestic and international levels, which averages about US\$75 billion per year, there is a need for significant increase in infrastructure investments on the continent.
8. The theme of the 4th PIDA Week is **“Realizing Africa's Integration through Smart Infrastructure and Good Governance”** for two important reasons. First, the scarcity of financial resources and the low levels of access to infrastructure as well as the increasing demand for efficient services means future infrastructure systems have to be smart, integrated, efficient as well as transformative. Second, the huge financing and volumes of infrastructure required calls for good governance at all levels of projects development including mobilization of resources, projects implementation, maintenance and operation. There is a great need for efficient fiscal management and elimination of wastages and corruption at all levels of project development. Thus the 4th PIDA Week will seek to highlight the roles of good governance and smart systems in accelerating infrastructure development and expansion on the continent.
9. The 4th PIDA Week also intends to build on the relative achievements and the momentum created in the previous three events to continue to engage stakeholders on the effective delivery of infrastructure on the continent. It

aims at providing a platform for stakeholders to engage in accelerating and synergizing their efforts to: (1) accelerate projects preparation and implementation;(2) mobilize adequate financial and technical resources for projects; (3) increase private sector participation in PIDA implementation; and (4) mobilize Member States to integrate the PIDA projects into their national development plans.

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10. Since the adoption of the PIDA Initiative in 2012, the African Union Commission (AUC), in collaboration with its implementing partners – the NEPAD Planning and Coordinating Agency (NPCA), the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA) and the Regional Economic Communities (RECs) – have been concentrating on ensuring the delivery of the Priority Action Plan, which consists of about 433 individual projects fiches. It is worth noting some of the achievements, which include:

- Creation of the PIDA Service Delivery Mechanism (PIDA SDM) to provide implementers, most notably the RECs, with consultants to advise them on early stage project preparation.
- Creation of the Infrastructure Projects Preparation Funds (IPPF) as a domestic fund mobilization strategy for projects preparation.
- Creation of the Continental Business Network (CBN) acting as the highest level platform for private sector involvement in the PIDA projects.
- Establishment of the Presidential infrastructure Champion Initiative (PICl) to mobilize the personal involvement and championing of strategic regional and continental infrastructure projects by African Heads of State and Government.

11. In addition to the progress recorded by the implementing partners, the Member States have also made significant strides in ensuring the implementation of PIDA projects. From the 433 individual project fiches: about 32% of the projects are either under construction or already operational; 16% of projects are currently being structure for tendering while about 26% of projects have moved from concept to pre-feasibly and feasibility phases.
12. These are remarkable achievements within a short period of time considering the many barriers that exist within the continent. However, the scale of the challenge in infrastructure development on the continent calls for more accelerated implementation and innovative approaches to meet-up with the increasing demand for infrastructure services.
13. Currently, the African Union Commission is leading the development of the second phase of the PIDA Priority Action Plan (PAP), which is expected to be implemented from 2020 -2030. The African Union Commission in collaboration with its continental and international partners have already initiated some key processes that will facility the selection of projects in the Second Phase of the Priority Action Plan. The Mid-Term review process of the First Phase of the Priority Action Plan is starting and we hope to identify key strategies and recommendations that include:
 - How to enhance the Institutional Architecture governing the delivery of PIDA;
 - How to accelerate implementation of projects and improve the mechanisms put in place for the delivery of PIDA;
 - How to enhance mobilisation of financial and technical resources; and
 - How to effectively formulate the second phase of the Priority Action Plan.

14. In the development of the Second Phase of the PIDA, we envisage the integration of several key issues as criteria for the selection of projects including:

- Smart and integrated corridor approaches;
- Integration of renewable energy such as solar and wind systems;
- Jobs creation potentials of projects;
- Youth and Gender sensitivity potentials of projects; and
- Climate resilience, amongst others.

15. We hope to finalise the process of the adoption of the Second Phase of the Priority Action Plan by the Summit of AU Heads of State and Government in January 2021. But we need to also ensure that ongoing projects in the First Phase are accelerated and implemented on the ground.

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16. Please allow me to highlight some important strategies for our Regional and continental partners as well as our African Member States required to address the barriers to projects implementation.

17. At the political level, there is a need for African countries and Regional Economic Communities (RECs) to mainstream infrastructure projects into their national and regional development plans. It is also important that African Member States take ownership in the development and implementation of national and continental initiatives. This is necessary to ensure that there are clear and harmonized ambitions, strategies and political commitments towards ensuring access to infrastructure services as well as provide the necessary policy and financial instruments for infrastructure development at the local, national and regional levels.

18. At the policy and institutional level, allocating public financing to implement infrastructure projects will be important in leveraging private sector and international financing. Using public finance to start or implement projects demonstrate government's commitment and has the potential to improve investor confidence in infrastructure investments.
19. Positioning of national institutions, frameworks and projects to mobilize resources from international and innovative financing instruments will also be crucial. There is also a need to create an enabling environment private sector participation through the provision of fiscal and regulatory incentives as well as addressing political and investment risks will enhance the flow of investments from both the domestic and international private sector.
20. At the technical level, capacity building for bankable projects development at the institutional and project levels for both the public and private stakeholders including local banks will be important in leveraging and mobilizing finance from the private sector to implement infrastructure projects.

**Excellencies,
Honourable Ministers,
Ladies and Gentlemen,**

21. I would like to conclude by calling upon all African stakeholders to ensure strong coordination of efforts to catalyse infrastructure development on the continent. There is also a need to ensure that the development of infrastructure on the continent contributes to transformative and inclusive growth driven by poverty alleviation.
22. I would like to once again thank all our partners in organising this very important event and also Government and the people of the republic of Zimbabwe for hosting us.

Thank you for your kind attention.