



## **NEPAD PLANNING AND COORDINATING AGENCY**

### **Technical Task Team Project Status Report – Presidential Infrastructure Champion Initiative (PICI)**

#### **Workshop held at the SAFARI Hotel, Windhoek, Namibia.**

**From the 23<sup>rd</sup> to 24<sup>th</sup> January 2019**

#### **Summary:**

The 8<sup>th</sup> Technical Task Team Workshop for the PICI was held at the Safari Hotel, Windhoek, Namibia from the 23<sup>rd</sup> to 24<sup>th</sup> January 2019. The workshop was co-hosted by the Government of Namibia (Ministry of Works & Transport) and the NEPAD Agency.

#### **Opening remarks:**

The NEPAD Agency PICI Coordinator: Dr. John Tambi acted as the Facilitator and Chairman of the Workshop. The Permanent Secretary Ministry of Works & Transport, Mr. Willem Goeiemann made the opening remarks and welcomed all attendees and briefly described the Namibian International Logistics Hub PICI project. Prior to this Workshop, on the previous day (22<sup>nd</sup> January 2019) the NEPAD Agency held a Coordinating meeting with the Government of Namibia (represented by the all the stakeholders for their PICI project). The purpose of the Coordinating meeting was to assist the government of Namibia to structure their PICI project within the context of the PICI protocol and modalities, as well as to contextualize the Namibian Project in the framework of the PICI.

#### **Remarks by the CEO:**

Mr. Symerre Grey-Johnson, Head: Partnerships, Regional Integration, Infrastructure and Trade Division, of the NEPAD Agency, presented the speech of Dr. Ibrahim Mayaki, CEO of the NEPAD Agency. He stated amongst others;

- i. He thanked the Government of Namibia for co-hosting the TTT Workshop and for their continued support to the NEPAD Agency for hosting other major events such as the PIDA Week;
- ii. That the role of the Country Focal Points and members of the PICI Technical Task Team is of tremendous importance to provide leadership and direction for infrastructure development for the PICI projects in particular and Africa in general;
- iii. He underscored that the PICI was adopted to accelerate regional infrastructure development enabled through the political championing of projects;
- iv. The role of the champions is to bring visibility, unblock bottlenecks, coordinate resource mobilization and ensure project implementation;
- v. He said that PICI technical workshops not only provide a platform for knowledge sharing with all of the respective experiences, but through the active participation of all focal points, they also aim to define an implementation strategy enabling our Heads of State and Government to be actively involved in the development of these projects;
- vi. most of the PICI projects, if not all, have made tremendous progress since its initial inception. Finally, he welcomed the hosting of the ministerial meeting on the 5<sup>th</sup> of February 2019, in Cape Town, South Africa, and was excited that it will be held prior to the PICI Heads of State breakfast and Heads of State and Government Orientation Committee (**HSGOC**) meeting which will take place in Addis Ababa, Ethiopia on the margin of the African Union General Assembly. I am sure that we will all join our efforts collectively to ensure that our ministers attend the upcoming Africa wide inter-Ministerial segment of the PICI in Cape Town.

### **Technical Session:**

The opening session was followed by a technical session chaired by Dr. John Tambi who presented the objectives of the workshop, the overview of the PICI Process and the current status of all the PICI Projects. The agenda was adopted with minor amendments. The Workshop was attended by all the Country Focal Points or their Representatives with the exception of: Congo-Republic, Senegal and Rwanda (who sent their apologies).

The following Focal Points, Representatives and Institutions were in attendance:

- Algeria – Missing Link of the Trans-Sahara Highway (represented by Mr. Mohamed Ayadi)
- Kenya-LAPSSET(represented by Mr. Edward Gaitho)
- Namibia- International Infrastructure Logistics Project (represented by Mr. Willem Goeiemann)
- Nigeria-Trans-Saharan Gas Pipeline Project (represented by Eng. Chidi Izuwah)
- South Africa – North/South Corridor Rail/Road Project (represented by Mr. Hanief Ebrahim)
- The NEPAD Agency;
- The Government of Namibia (African Development Bank (AfDB));

Based on the presentations made by the Country Focal Points or their Representatives, listed below is the summary of the current status of the PICI Projects (as of January 24th 2019) and the recommendations made thereafter:

**Project: 1. The Missing Link of the Trans-Sahara Highway– Algeria**

**Country: Algeria**

**Champion: His Excellency, President Abdelaziz Bouteflika of Algeria**

**Description of Project:**

A 225Km missing link from Assamaka (Algerian border with Niger) to Arlit in Niger. The total construction cost is US\$102 million.

**Current Status:**

Construction is in progress and the two road packages have been merged It is now estimated that the construction of the entire 225Km will be completed in July 2019.

**Recommendations:**

We shall continue to monitor and supervise this project in order to ensure that the new completion date is met.

**Project: 2. The Optic Fibre from Algeria via Niger to Nigeria**

**Country: Algeria**

**Champion: His Excellency, President Abdelaziz Bouteflika of Algeria**

**Description of Project:**

A 4,500Km terrestrial fibre optic cable from Algiers (2,700KM) via Niger (950KM) to Nigeria (850KM). It has now been extended to Chad.

**Current Status: The Country Focal Point was not represented. What is reported here is the same as of January 13<sup>th</sup> 2017.** Algeria section has been completed and fully operational and it is now the backbone for data transfer. The feasibility studies for Niger and Chad have been completed. The feasibility study for Chad was funded by AfDB for 200,000 Cfa. It is expected that the optic fibre will be further extended to other neighbouring states.

**Next Steps:** It was reported that a new Country Focal Point for this project has been appointed. The details and contacts of the new Focal Point will be obtained and The NEPAD Agency will initiate communication and follow-up on the status of the project.

**Recommendations:** Given the lack of current status information on this project, there is a compelling need to convene a meeting with Algeria, Nigeria, Niger and Chad to advance this project, with the NEPAD Agency playing a coordination and facilitation role.

### **Project: 3. The Dakar-Ndjamena-Djibouti Road/Rail – Senegal**

**Country: Senegal**

**Champion: His Excellency, President Macky Sall, of Senegal**

**Description of Project:** This is a combination of the Trans-African Highway 5 (Dakar to N'djamena) and 6 (N'djamena to Djibouti) a total of 8,715Km. This corridor (Dakar-Djibouti) includes: Senegal, Mali, Burkina-Faso, Niger, Nigeria, Cameroon, Chad, Sudan, Ethiopia and Djibouti.

**Current Status: The Country Focal Point was not presented. What is reported here is the same as of January 13<sup>th</sup> 2017. Dakar-Bamako Rail Project** has been prioritized by the Government of Senegal as the first phase of the Project. It entails the rehabilitation of the existing railway network between Dakar and Bamako (1,228Km). The total cost of this project is US\$2.2billion. This project was featured as one of the bankable PIDA projects during the Dakar Financing Conference that was held in June 2014. WAEMU organized a meeting with the funding institutions in Dubai, in September 2014. At the same time the Senegalese Government is negotiating with Chinese companies and other partners to fund the project. The project has been divided into three phases, and the Senegalese government is

determined to proceed with or without the Chinese funding. Indications are that the Chinese will not fund the entire project. It is expected that the project implementation phase will start before 2018.

**Next Steps:** All the technical studies are completed and awaiting the Chinese funding. The government of Senegal is determined to go ahead with the project in 2017.

**Recommendations:** The Country Focal Point was unable to attend the workshop, as a result the official current status of the project was not reported. It is recommended that the official current status of the project be obtained from the Country Focal Point, including the “Next steps” as soon as possible. The NEPAD Agency should undertake a fact finding mission to Dakar, Senegal to ascertain what exactly is happening with the project. This is the third TTT Workshop that Senegal has not been represented.

#### **Project: 4. The Nigeria–Algeria Gas Pipeline: Trans-Saharan Gas Pipeline (TSGP)**

**Country: Nigeria**

**Champion: His Excellency Muhammadu Buhari, President of Nigeria**

##### **Description of Project:**

A 4,400Km of natural gas pipeline from Nigeria to Algeria via Niger, and onto Spain. From Nigeria to the Republic of Niger border (1037 Km), from the Republic of Niger to Algeria (841 Km), Within Algeria (2303 Km) and from Algeria to Spain (220 Km). An MOU to jointly develop the TSGP project was signed during the inaugural session of the bi-national commission between Nigeria and Algeria on 14 January 2002. Niger Republic was admitted as project co-sponsor in February, 2008 in Abuja. In July 2009, the Inter-Governmental Agreement (IGA) between the sponsor governments was executed in Abuja. Ratification of the IGA by sponsor governments was carried out by Niger and Algeria in 2009 and the resolution of SONATRACH’S (SH) participation in Nigeria's upstream activities is on hold. Review of a Joint Venture Agreement (JVA) is also on hold. The project entails Engineering, Procurement, Construction, installation, testing, Pre-commissioning and commissioning of 614km class 600 pipeline system from Ajaokuta to Kano

##### **Current Status of the TSGP:**

Ajaokuta-Kaduna-Kano (AKK) Project milestones:

- The Federal Executive Council (FEC) at its meeting on the 13th of December, 2017 gave approval for the Ajaokuta–Kaduna–Kano (AKK) gas pipeline project
- Engineering, Procurement and Construction (EPC) contractor-financiers have been procured by NNPC for the Trans-Nigerian Segment of the Pipeline with estimated length of 614Km from Ajaokuta to Kano with gas off-take stations in Abuja and Kaduna.
- The EPC Contractor is expected to raise funds to finance the AKK project to meet up with the project execution schedule.
- Contract Financing Agreement has been executed by the Project Financiers (EPC Contractors) and the Project Sponsor (NNPC) with the following parties:
  - Oilserve/Oando Consortium for Lot 1 (Ajaokuta-Abuja)
  - Brentex/PPP Consortium for Lot 3 (Kaduna-Kano)
  - The EPC contract for Lot 2 (Abuja-Kaduna) has been split and integrated into Lots 1 and 3 with Federal Executive Council approval.

It was reported that the Nigerian government is committed to the actualization of the Project particularly the Nigeria's pipeline segment within the next 3 years (2019-2021)

- The PPP Compliance Certificate of the project was issued on the 10th of July, 2017 in line with the ICRC Act and the National Policy on Public Private Partnership. The survey of the AKK route completed and the contract for the land acquisition awarded.
- Survey of AKK route completed,
- Contract for AKK land acquisition awarded.
- Negotiation with financing financial institution in progress.
- Early works on the AKK project including detailed engineering by EPC contractors in line with Federal Executive Council approval in progress to keep project on schedule
- Financial close and commencement of full construction is expected to place over the 2<sup>nd</sup> to 3<sup>rd</sup> quarter of 2019.
- Financing for the additional sources of gas to boost AKK project, segment of Trans-Sahara Gas project ie. QIT – Ob/Ob gas line is in procurement progress by the NNPC.
- The project is being fully managed by NNPC;
- Project model is a **Build and Transfer (BT) model** through 100% Contractor Financing;
- The Project Execution delivery duration is 36 months (3 years);

- Engineering, Procurement and Construction (EPC) tender evaluation process for prospective EPC contractors for Qua Iboe Terminal to Obiafu/Obrikom (QIT-Ob/Ob gas pipeline) is currently ongoing by NNPC and ICRC.

**Next Steps:**

- Achieving Financial close for the AKK
- Continue Early Works
- Commence site construction
- Announcement of winning tender by NNPC in respect of...QIT-Ob/Ob. gas pipeline.

**Recommendations:** NEPAD Agency should facilitate a coordinating meeting in 2019 with the footprint states; Nigeria, Algeria, Niger for the project implementation particularly with regards to the IGA issues and to ensure that the regional nature of the project is maintained.

**Project: 5. The Kinshasa-Brazzaville Bridge Road/Rail**

**Country: Republic of Congo**

**Champion: His Excellency, President Denis Sassou Nguesso, of the Republic of Congo**

**Description of Project:**

The construction of a fixed crossing linking Kinshasa and Brazzaville (DRC and Republic of Congo) ensuring continuity in railway and road traffic to the eastern border of DRC and beyond, facilitating railway and road interconnections in Central, Eastern and Southern Africa.

**Current Status: The Country Focal Point was not present at this Workshop. Therefore the status reported here is as of May 2018.**

1) Detailed project design available since December 2016;

2) Structuring of the project to make it bankable: ongoing discussion with Africa 50. A joint mission of Africa 50 and AfDB to Libreville, Brazzaville and Kinshasa took place from the 30th April to 13<sup>th</sup> May 2018. The Governments and the Banks seem to be comfortable with the project to be developed by Africa 50. The parties agreed to sign a MOU to define the condition of intervention of AFRICA 50. The drafting of this MOU is ongoing. It's expected that AFRICA 50 will start working before the end of June 2018. We take note of the progress made at the Africa Infrastructure Forum

held in Johannesburg in November 2018, whereby funding was secured to the tune of 500 Million Euros from Africa 50 and the AfDB to commence construction.

**Next Steps:**

- Facilitate the financial close
- A round table of PTF will be organized between September and October 2018.
- The African Legal Support Facility which was contacted before by the countries, will similarly bring its support during the negotiations in order to finalize the Convention with the Consortium

**Recommendations:** The NEPAD Agency should contact the Country Focal Point for the current status of the project.

**Project: 6. The Unblocking of Political Bottlenecks for ICT Broadband and Fibre optic projects in the neighbouring states**

**Country:** Rwanda

**Champion:** His Excellency, President Paul Kagame, of Rwanda

**Description of Project:** The use of political gravitas and goodwill by the President of Rwanda to unblock and facilitate any political bottlenecks affecting the speedy implementation of ICT Broadband and Fibre Optic projects within neighbouring states and other regions of the continent.

**Current Status:** The ICT Broadband and Optic Fibre Project for all the EAC countries was completed in 2013.

**New Project – The SMART Africa Project:** President is now championing the Smart Africa initiative following the launch in 2013 and adoption at the AU Summit in 2014. The SMART Africa project is composed of several ICT initiatives that are championed by other heads of state. During the Smart Africa summit held in October 2015 in Kigali, the SMART Africa Project was transformed into an institution.

**Current Status:** Due to challenging circumstances the Country Focal Point could not attend this Workshop. Therefore the status reported here is as of **May 2018**. The One Network Area (ONA) which is one of the initiatives of the SMART Africa Project headed by HE President Kagame is progressing very well.

Voice, SMS and Data services for the ONA has been successfully implemented between Rwanda, Uganda, Kenya and South Sudan. It is expected that Tanzania and Burundi will join shortly, thus completing the ONA in the EAC.

Today One Network area is also being implemented between Gabon and Rwanda; the two countries have started on voice services while SMS and Data will follow later.

In additional, among ECOWAS zone, seven (7) countries have implemented similar initiative with different termination rates.

The ONA concept is being extended to all SMART AFRICA Member States to become a “One African Network (OAN)” and a resolution document was developed and shall be validated by all Regulators from Member states (so far 24 countries have joined).

Smart Country Days were organized in: Smart Rwanda; Smart Kenya; Smart Ivory Coast; Smart Chad. The Smart Africa was featured in various events (Debates, exhibitions) including the ITU Telecom World and the Mobile World Congress. The alliance is growing, as they went since the previous year from 15 Member States to 24 member states as well as other International Organizations that have joined or continue to express their interest to join.

#### **Next Steps:**

Validation and Implementation of the resolution on roaming and international communications regulation within Smart Africa area.

**Recommendations:** The NEPAD Agency to contact the Country Focal Point and obtain the current status of the Project. The NEPAD Agency should also follow up on the membership of the ONA for Tanzania and Burundi.

#### **Project: 7. The Establishment of a Navigational Line from Lake Victoria to the Mediterranean Sea via the River Nile Project (VICMED)**

**Country: Egypt**

**Champion: His Excellency, President Abdel Fattah, El Sisi of Egypt**

**Description of Project: This project contributes towards achieving the African Agenda 2063. The VICMED strategic objectives includes:**

1. Achieving socio-economic integration and cohesion among footprint countries;

2. Achieving a sustainable integrated multimodal transport system among footprint countries;
3. Rural areas development and Poverty reduction;
4. Promoting the capabilities of the foot print countries in order to facilitate their access and movement into regional and international seas & ports;
5. Reinforcing region's position towards global economic system and support positions in various international for a;
6. Enhancing the opportunities to implement regional integration projects in Africa mainly continent FTA, Tripartite FTA and COMESA FTA.

### **Current status**

#### VICMED Feasibility Study – Phase 1

A Grant Agreement of 650,000 USD was signed with AfDB in September 2015 to support Feasibility Study – Phase 1. All activities of this phase have been successfully completed. The main deliverables are:

- 1- Institutional and Legal Framework for the project.
- 2- Training Needs Assessment for footprint countries.
- 3- TOR for the feasibility study Phase 2.

Capacity building of foot print countries in the field of IWT.

Institutional Set-Up of the VICMED Project has been approved by all foot print states. It includes four levels: Presidential, Ministerial, Technical Advisory and Operational levels. Two operational management units are proposed.

Capacity Building:

#### I. Program on “Introduction to Inland Water Navigation”

- Training was held during the period February 5 – 16, 2017 in Cairo.
- It comprised two participants from each footprint country.
- Agenda and material included all technical, navigation, hydraulic, and environmental aspects.
- The Training Program was implemented by the Regional Institute for River Transport, Arab Academy for science, Technology and Maritime, Nile Research Institute, Hydraulic Research Institute, and Climate Change and Environment Research Institute.
- Two Field Visits to relevant sites were included.
- Logistics and necessary arrangements are prepared by PMU.

#### VICMED All Footprint States are actively involved in the project:

- **Ethiopia** requested to include **Baro** River within the **VICMED** project. COMESA supported and approved the request in Bahr Dar in Jan 2016. Prefeasibility study for Baro River is to be supported by COMESA.
- **Sudan** requested to give priority to the link from **Wadi Halfa to Khartoum**.

- **Rwanda** officially requested to include **Akagera** River within the Project in the 2<sup>nd</sup> SCM and 9<sup>th</sup> Meeting on (13-16 March 2016). The request was supported and approved by COMESA. The Project Team experts visited Rwanda
- **DRC** requested to include **Semiliki** River within the **VICMED** project during the 3<sup>rd</sup> SCM.
- **Burundi** requested to include **Ruvubu** River within the **VICMED** project during the 3<sup>rd</sup> SCM.

## **Next Steps**

### VICMED-Way Forward

- A request to extend the project for 6 months was submitted to the AfDB.
- The AfDB has shown its willingness to fund the Feasibility study – Phase 2 that will include all technical, environmental and economic aspect of the Project.
- COMESA to explore resources mobilization opportunities for implementation based on proposed financial strategy.
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**Recommendations:** The NEPAD Agency should assist the government of Egypt in resource mobilization for the Phase II Feasibility study. In this regard it is recommended that the Phase II Feasibility Study must be comprehensive and costed so that the quantum amount is known to facilitate the resource mobilization process. A special request has been to the AUC and NEPAD for the inclusion of the project in PIDA PAP II.

### **Project: 8. The North-South Corridor Road/Rail Project**

**Country: South Africa**

**Champion: His Excellency, President Cyril Ramaphosa**

#### **Description of Project:**

#### **The North-South Road, Rail and Related Infrastructure Corridor – South Africa**

To accelerate progress, South Africa (SA) decided to select 4 projects for ‘fast-tracking’ and to focus efforts on generating tangible results on these projects. For each ‘fast-track’ project, a robust project audit was done. SA developed a roadmap to unlock bottlenecks, where relevant. With this output, SA will proactively engage various stakeholders to mobilize necessary resources and interventions in order to move forward the ‘fast-track’ projects. The intention is to replicate this approach on the remaining North-South Corridor projects, in 2019 and beyond in order to keep

accelerating the progress and keep stakeholders engaged on results delivery.

The 4 projects:

- South Africa to become the hub for the manufacture and supply of Rail Stock for Africa
- The Beitbridge Border Post; South Africa and Zimbabwe
- The Grand Inga Hydropower Project; South Africa, DRC, Namibia, Botswana and Angola
- The Lesotho Highlands Water Project - Phase II (LHWP); South Africa and Lesotho

#### **1. South Africa to become the hub for the manufacture and supply of Rail Stock for Africa**

**Current Status:** Two recent developments has been noteworthy. These are the following:

##### ***(i) Opening of a ZAR1 billion manufacturing plant***

In November 2018, the South African President, HE Mr MC Ramaphosa officially opened the ZAR1-billion, 78ha Gibela train manufacturing facility at Dunnottar Park, in Johannesburg, SA. The facility will manufacture, assemble, test, commission and deliver 580 new X'Trapolis Mega commuter trains for PRASA. The facility's launch formed part of PRASA's 20-year Rail Modernisation Programme, which is aimed at revitalising the rail industry through the local manufacture of parts, the provision of training facilities, and the creation of jobs.

##### ***(ii) The Nigerian narrow-gauge railway project***

On 19 November 2018, Transnet announced that it has taken over from General Electric as the lead consortium partner for the Nigerian narrow-gauge railway project. Transnet and its consortium partners were selected as preferred bidders in May 2017. The consortium comprise of APM Terminals, a global port, terminal and intermodal

inland services provider, Sinohydro, a leading infrastructure construction services corporation and Transnet is the largest integrated freight transport company in Africa and has proven its expertise and deep capabilities across the logistics supply chain. Transnet together with the other consortium parties have started the process to conduct a bankable feasibility study taking into account the change in partners and with the aim to enter into a 30-year concession agreement with the Nigerian government.

## **2. Beitbridge Border Post**

### **Current Status:**

In July 2018, Zimbabwe's President, HE Mr Emmerson Mnangagwa presided over a groundbreaking ceremony at the Beitbridge Border Post, ahead of a planned US\$200m revamp of the facility. The refurbishment of the border post, among the busiest in the region, is widely expected to ease congestion. Upon completion, it will become a one-stop border crossing. The project will encompass refurbishment of the road network to and from the border post, perimeter fencing, gate-control infrastructure, parking areas, a commercial centre, staff accommodation and a weighbridge. It will include an upgrade of communications, security and lighting systems and construction of a new bridge. The SA National Roads Agency (SANRAL) is also involved and noted that the upgrades at the Border Post will improve traffic movement between South Africa and Zimbabwe and the plan was to establish a one-stop border post at the transit point, which is South Africa's primary gateway, by road into the rest of the continent. The upgraded border post would contribute to a better flow of people and goods within the southern African region. Other ongoing infrastructural projects include the dualisation of the Harare-Beitbridge-Chirundu highway and the Bulawayo-Beitbridge highways.

## **3. The Grand Inga Hydropower Project; South Africa, DRC, Namibia, Botswana and Angola**

### **Current Status:**

After much discussion, negotiations and deliberations the project is back as one of

the key priorities of the continent. SA and the DRC were finalising agreements to build the ambitious multibillion hydropower plant to provide cheap electricity to five southern African countries. The first phase was to be developed on the lower end of DRC's giant Congo River and would generate nearly 5000MW of power for SADC countries, of which South Africa was expected to get 2500MW as the principal buyer. SA is considering increasing this to 5000MW. The other countries, which will benefit from the massive project, are Namibia, Botswana and Angola. This project has also been submitted to the BRICS New Development Bank for funding. Inga 3 is expected to cost an estimated \$13.9-billion to \$17.9-billion to complete. The development of the project will be implemented through a public-private partnership. The cost of the entire Grand Inga project is estimated at between \$50-billion and \$80-billion. Inga 3 is not expected to be operational until the late 2020s. Following financial close and the award of the concession contract, constructing the plant is expected to take as long as eight years. The DRC has given two groups of investors a four-week deadline to submit a joint proposal on the development of Inga 3 hydropower plant. Government has signed an accord with Chinese and Spanish consortia to advance the facility. It is the first time that entities have been formally appointed to draw up plans to develop Inga 3 since the project was announced about a decade ago. The Chinese group includes China Three Gorges Corp. and State Grid International Development, while the Spanish partners comprise Actividades de Construcción y Servicios and AEE Power Holdings. By 10 November 2018, the groups had to submit a joint proposal that included a financial model and timeline, according to the accord. The DRC government will then negotiate an exclusive collaboration contract with the consortium that will enable the co-developers to consider themselves the project's prospective concessionaires.

#### **4. The Lesotho Highlands Water Project - Phase II, South Africa and Lesotho**

**Current status:**

The LHWP will kick into gear with the launch in January 2019 of the prequalification for construction of the Phase 2 main works of the Polihali dam and Polihali transfer tunnel. The call for expressions of interest for the construction of the 165-m-high Polihali dam and the 38-km-long Polihali transfer tunnel is expected to attract the interest of major engineering and construction companies. Although the LHWP project is two years behind schedule in terms of the timelines proposed in the feasibility report, Phase 2 is stepping ahead purposefully, with 2018 having been a busy year for both the water transfer and hydropower components. Currently, around 35 contracts are in force for the project, covering services from environmental impact assessments, hydropower feasibility, geotechnical investigations and major bridges. Phase II of the LHWP will be implemented in terms of two distinct components: a water delivery system to augment the delivery of water to South Africa and a hydropower generation system, which will increase the current electricity generation capacity in Lesotho. The Lesotho Highlands Development Authority (LHDA) is the implementing authority and the Lesotho Highlands Water Commission has an oversight function, is the channel of governments' input into the project, and represents and advises the two governments, as well as monitors the activities of the LHDA.

**Project: 9. The Lamu Port South Sudan Ethiopia Transport Corridor Project (LAPSSET)**

**Country: Kenya**

**Champion: His Excellency, President Uhuru Kenyatta, of Kenya**

**Description of Project:** The project entails various transport mode developments and is the single largest project of its nature in Eastern Africa for seamless connectivity within the region. It is anticipated to be a truly regional project for countries within as well as interconnecting ones within the Eastern African countries. LAPSSET will become Kenya's second largest transport corridor once the project has been completed and will among others, entail the following: a Port at Manda Bay, Lamu; a Standard gauge railway line to Juba in South Sudan and Addis Ababa in Ethiopia; Road network; Oil pipelines (Southern Sudan and Ethiopia); an Oil refinery at Bargoni, Kenya; three Airports and three Resort cities.

**Current Status:****Completed projects**

- Interregional Highway (Isiolo - Moyale (505Km) that links Lamu Port (Kenya) with Addis Ababa (Ethiopia);
- Connects with the link between Isiolo and Kenya's capital city (Nairobi);
- Moyale to Hageremariyam road in Ethiopia

**On-going Projects**

- 1<sup>st</sup> three berths out of the 32 Berths of the Lamu Port under construction;
- Dredging, Construction of Port Terminal Facilities through Reclamation and construction of Causeway works for the 1<sup>st</sup> three berths started in October, 2016;
- The first berth will be completed in June 2019 while berths 2 and 3 will be delivered by 2020. The first berth is at 68% completion stage.
- Lamu – Garsen Road
- Hageremariyam to Hawasa road in Ethiopia

**Crude Oil Pipeline**

- Preliminary Engineering and feasibility studies for Lokichar – Lamu Crude Oil Pipeline undertaken in October 2014
- Pre-FEED Studies Completed in June 2015
- FEED Studies for Project is ongoing – May 2019
- EPC Tender upon Completion and Construction to be completed 2021

**Product Oil Pipeline**

- Development of Product Oil Pipeline along the LAPSSET Corridor as follows: Lamu-Isiolo (530 Km), Isiolo - Moyale (470 Km) and Moyale – Hawassa
- Kenya and Ethiopia signed a Bilateral MoU on Oil and Gas to develop the Product Oil Pipeline in 2016;
- Bilateral Agreement on joint development and operation of Product Oil Pipeline drafted and tabled for negotiations (2017)
- Construction Phase 2022 – 2024

### **Standard Gauge Railway line**

- Development of Standard Gauge Railway lines along the LAPSSET Corridor as follows: Lamu-Isiolo (530 Km) Isiolo – Moyale (470 Km) Isiolo - Nakodok (720 Km) Isiolo - Nairobi (280 Km);
- Preliminary Design and Feasibility Study completed in April 2015; and A joint due diligence tour to China in 2015;
- Kenya and Ethiopia have signed a Bilateral Agreement and completed preliminary Engineering and feasibility studies on the proposed project lines; and
- Ethiopia/Kenya Technical Coordination Committee Meeting to develop a joint implementation Plan and Funding Strategy
- Total Estimated Investment Cost - US\$ 7.099 Billion;

**Next Steps:** AfDB and UNECA should promote the LAPSSET project during various investors' conference

### **Recommendation:**

NEPAD Kenya should continue to promoting the LAPSSET as regional project and coordinating at least engagement meetings with member states.

### **Project: 10. The International Logistics Infrastructure Hub Projects**

**Country: Namibia**

**Champion: His Excellency, President Hage Geingob, of Namibia**

### **Description of Projects:**

**Grootfontein/Rundu/Katima Mulilo Railway Line (Trans-Caprivi Corridor):** Total length of 767 km, North Eastern Region of the country. Purpose of the project is to open import/export trade route via rail to the Walvis Bay Port, to countries such as: Zambia, Zimbabwe, Malawi, DRC and Botswana. Feasibility Study of the Grootfontein/Rundu portion was carried out in 2010, and they are currently busy with route alignment and design including the rail traffic/cargo interchange at Grootfontein. Currently, all cargo from Walvis Bay Port destined to/from land locked

countries are transported by road, and this is causing heavy damage to the roads and high maintenance costs and accidents.

**Baynes Hydro Power Project:** This is a 600mw hydropower project. The EIA has been completed and there are no significant findings. Conclusion of the negotiations by the two Governments (Angola and Namibia) with the affected people. International Specialist on Conflict Resolution from ERM to be appointed to facilitate the process as a matter of urgency. The next steps are: 1). to seek environmental clearance from the respective authorities in Angola and Namibia; 2). drafting of the bi-lateral agreements between the two countries regarding the Baynes development together with the water use agreements from the Cunene River; 3). investigate financing possibilities for implementation of the Project; and 4). arrange for the respective stakeholders in both countries to include the associated infrastructure in their national budgets in order to ensure that these are completed in time for the Baynes implementation.

**Trans-Kalahari Railway (TKR):** TKR is a bilateral project between the Governments of the Republics of Namibia and Botswana. To construct a railway line of about 1500km linking Botswana and Namibia to transport coal, to the overseas market. In 2010: a Memorandum of Understanding was signed and the Pre-feasibility study commissioned and completed in 2011. In 2014: a Bilateral Agreement was signed and a Project Management Office Agreement was also signed. The following studies are being conducted: Infrastructural Development, Financing, Development & Construction and Operation, Railway Infrastructure Development (1500 Km); Coal Storage Terminal Facility; Associated Coal Loading Facilities; Rolling Stock (locos & wagons etc.); Operations and Logistics; Maintenance Facilities to facilitate trade.

#### **Trans Orange Corridor: Port of Luderitz**

Boat yard rehabilitation detailed design completed; New deeper water port at Angra Point with a water depth of -18m; Land surveying completed;  
 Rehabilitation of Sandverhaar- Bucholzbrunn Railway Line: Rehabilitate and Upgrade the 40km railway line stretch between Sandverhaar and Bucholzbrunn; Upgrade to 18.5 ton axle load; improve the speed to 60km/h;  
 Components are: Design, documentation and construction;  
 Sand Tunnel on Aus-Luderitz Railway Line: 5 km section outside the Port of Luderitz; Problem of the mountains of desert. Sand on railway line; Design and documentation completed.  
 Keetmanshoop/Northern Cape Railway Line. Extend the railway line from Keetmanshoop to Northern Cape; Export of Manganese through Luderitz port, Aussenkemp/Rosh Pinah Road Rehabilitate the road to Northern Cape.

**Current Status:**

**Grootfontein/Rundu/Katima Mulilo Railway Line (Trans-Caprivi Corridor):** Feasibility study will start in April 2019. **Baynes Hydro Power Project:** the updated status of the technical and economic study will start in February 2019.

**Next Steps:** The NEPAD Agency to continue assisting the Government of Namibia with project structuring as deemed necessary.

**Recommendations:** NEPAD Agency to continue to work closely with the Government of Namibia in advancing the project, in addition there should be closer cooperation with LAPSSET (given the fact that they are similar projects).

**PICI Proposed Recommendations**

1. There is a need for a study to review and assess the sustainability of PICI activities including support to the secretariat at the NEPAD Agency.
2. Attendees and the NEPAD Coordinating agency were kindly requested to bring the AP3N (African PPP network) formation to the attention of all PICI Champions and infrastructure stakeholders across the continent.
3. The above will provide a platform for effective brainstorming and round table discussions on the best and innovative solutions for infrastructure delivery for Africa ranging from infrastructure financing solutions, enabling environment, PPP delivery solutions based on international best practices