



AFRICAN UNION DEVELOPMENT AGENCY-NEPAD

PIDA WEEK 2019 – OPENING SESSION

CEO'S SPEECH

Your Excellency, Dr. Mostafa Madbouly, Prime Minister of the Arab Republic of Egypt

Your Excellency, Ambassador Khalid Emara, Assistant Foreign Minister to African Organisation and Communities and Personal Representative of the President of the Arab Republic of Egypt to AUDA-NEPAD

Your Excellency, Dr Amani Abou-Zeid, Commissioner for Infrastructure and Energy of the African Union Commission (AUC)

Ms Carla Montesi, Director DEVCO C “Planet and Prosperity” of the European Commission

Ms. Barbara Schäfer, Head of Development Cooperation with the African Union, Embassy of the Federal Republic of Germany Addis Ababa

Distinguished Guests

Ladies and Gentlemen/ Mesdames et Messieurs

Good morning/ Bonjour,

It is a privilege and honor for me to be present in this 5th edition of PIDA WEEK, the first edition being held in North Africa, in the Arab Republic of Egypt. The previous editions took place in Cote d'Ivoire (twice), then in Namibia and in Zimbabwe.

1. Where are we coming from? – the history of PIDA Week

As many of you are aware, PIDA WEEK was inaugurated in 2015 as a platform bringing together key stakeholders involved in the implementation of PIDA; to take stock of progress and identify ways to continue to advance implementation. It fosters ownership of stakeholders and is co-ordinate by AUDA-



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NEPAD so as to avoid duplication, ensure greater synergies and promote effective utilization of scarce resources.

In fact, PIDA WEEK has been designed as a strategic event gathering the policy makers and the leaders that will shape and drive the continent's infrastructure development strategy of tomorrow.

It is a week that revolves around the Programme for Infrastructure Development in Africa (PIDA), that was adopted in 2012 by the Assembly of the Union, after its adoption by the NEPAD Heads of States and Government Orientation Committee, as the continental strategic infrastructure framework for the African Union's stakeholders and partners to address our infrastructure deficit, boost intra-regional and international trade, increase growth and create jobs on the continent.

To kick-start the implementation of PIDA, we developed the PIDA Priority Action Plan (PIDA-PAP) comprising 51 cross-border infrastructure programmes with more than 400 individual projects in the sectors of energy, transport, water and information and communication technology. As we embark on the development of the next set of priority projects in PIDA PAP 2 we should take note of the lessons learned and match these with the imperative to deliver on the promise of infrastructure for Africa's people.

We particularly welcomes the integrated corridor development approach for PIDA PAP 2. The objectives of the development corridor approach to Africa's growth is to deliver trans-boundary mega-projects that boost and champion regional integration.

2. What is our strategy?

As the AUDA-NEPAD, our belief that infrastructure development is the backbone of our socio-economic development as the AUDA-NEPAD supports quality growth on the continent. Infrastructure is clearly inscribed in Agenda 2063 which recognizes the role of infrastructural development as a means to accelerate development, maintain or improve current growth rates. Particularly significant are Goal 4: Transformed economies and job creation and Goal 10: World Class Infrastructure Criss-crosses Africa

One of the intended outcomes of PIDA is to address issues of economic marginalization and social exclusion by facilitating the creation of economic opportunities and decent employment. It is estimated that up to 15 million new jobs could be created through the construction, operation and maintenance of PIDA projects. And many more will be created through increased economic activity on the continent that infrastructure development will bring. AUDA-NEPAD has developed – the PIDA Job Creation Toolkit-



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which serves to demonstrate the job creation potential of PIDA projects. The Toolkit will be formally launched tomorrow.

Regarding the implementation of the AfCFTA, we will support the work of the Secretariat that will be based in Accra, Ghana. I believe that our capacity to work on “soft infrastructure” and help remove non-tariff obstacles to intra-trade on the continent will be key for the success of this free-trade area.

3. Accountability

African Union’s Programme for Infrastructure Development in Africa (PIDA) and its associated instruments has enabled the continent to make remarkable progress in the reconstruction, rehabilitation and development of infrastructure on the continent. Progress has been registered over the entire landscape of infrastructure – from hardware developments on road and railway transport, power – including renewable energy, and ICT, to software enhancements in regulatory practices and regimes, policies, systems – such as one-stop border post monitoring systems, and human skills and capacities.

As the continent makes traction in leveraging additional resources, beyond public funding, through ingenious and non-conventional means to tap into insurance schemes, pension funds and sovereign wealth funds, commensurate efforts are required to ensure value for money, drastically reduce illicit financial flows, corruption and other financial leakages to cut down on infrastructure service costs - amongst others, and promote bankable projects that attract smarter investments in productive investments by both local and foreign entrepreneurs.

The empirical methodology of reporting on the implementation of Agenda 2063 – developed by the African Union Development Agency (AUDA-NEPAD) and the African Union Commission provides a sound response to this clarion call. The methodology enables each country to assess its performance against its own targets, but as well allow for comparisons of performance with other countries. Moreover, as Member States and RECs report on the progress registered in infrastructure development against a standard set of indicators, knowledge sharing on design, planning, implementation and governance of infrastructure development in Africa will be fostered towards accelerating and improving access and quality of infrastructure at all levels.

4. Concrete cases of PIDA achievement



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Aspiration 2 of Agenda 2063 calls for an integrated continent, politically united, based on the ideals of Pan Africanism and the vision of Africa's Renaissance. In order to achieve the Goal of Africa implementing world class infrastructure projects criss-crossing the continent, AUDA-NEPAD launched in 2016 MoveAfrica. MoveAfrica compliments the efforts of PIDA, by ensuring physical and procedural improvements at border crossings including Africa's port infrastructure.

With the aim of fully implementing MoveAfrica, AUDA-NEPAD developed a Traffic Light System (TLS) to rank and track the level and the quality of the service of Africa's transport corridors, starting with border posts as a point of departure. Four border posts, Beitbridge, Chirundu, Kasumbalesa and Kazungula along the North-South Corridor in the SADC Region were selected for the pilot phase. AUDA-NEPAD has been working with COMESA, SADC, Governments of Botswana, DRC, Zambia and Zimbabwe through their designated institutions to rank these four border posts as the pilot phase. Joint missions with officials of these countries and their RECs were undertaken and Kasumbalesa boarder between Zambia and DRC, was the most critical based on the Ranking Process. If we have to achieve the Continental Free-trade Area we must reprioritise African boarder-posts and commit to addressing the unnecessary delays at these critical trading routes.

The TLS is a necessary ranking tool which compliments the work that AUDA-NEPAD is undertaking with Government of Japan on the One-Stop-Boarder Posts (OSBP)- Of recent, the operationalisation of the Kazungula OSBP which is critical to the boarder-posts of Zambia, Botswana, Zimbabwe, and Namibia is a demonstration of value-addition of OSBPs to boost intra-Africa trade and ease free movement of peoples. With the successes of the TLS, rankings have commenced in both the ECOWAS and EAC regions, and together with UMA we look forward to extending the TLS to Norther Africa. In ECOWAS, a joint work plan has been developed to roll-out the TLS onto the border posts within Ghana as the interim focal country for the Abidjan Lagos Corridor. Some promising preliminary results on the effectiveness of the TLS have been seen in the Seme-Krake (Benin and Nigeria) and Noepe-Akanu (Ghana and Togo) boarders.

It is gratifying to note that earlier this year, the COMESA Ministers of Infrastructure approved the use of the TLS as the tool to rank and track performance of border posts. The ministers also urged AUDA to report the rankings of border posts and recommend corrective measures to be taken by the Member States to facilitate trade. The ministers further urged the Member States and the COMESA Secretariat to



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work with the AUDA-NEPAD MoveAfrica Logistics Initiative to improve border management processes through OSBPs and e-logistics and Integrated Border Management.

To date the TLS has been expanded into Twenty One (21) COMESA member States, Fifteen (15) SADC Members States and, (15) West Africa Countries. The current corridor coverage is on the North South Corridor, Abidjan Lagos Corridor and the Trans Kalahari Corridor.

Similarly, in the ECCAS region, **the Congo Bridge** is another project that AUDA-NEPAD is working on, the Bridge has the potential to boost trade and alleviate logistics constraints between the cities of Brazzaville and Kinshasa. The technical, financial and environmental impact studies and analysis have been completed. We hope that the financial packaging of the project will commence soon. The Bridge is economically viable since it has an Internal Rate of Return (IRR) of 17%. The Congo Bridge is certainly a low hanging project which requires “Intelligent Financing”.

Therefore, within the scope of AUDA-NEPAD to promote Regional Integration projects and to work with the RECs and Member States in capacity building, the focus of the TLS currently lies in measuring border post efficiency within SADC, COMESA, EAC and ECOWAS. The TLS under MoveAfrica is growing becoming a credible tool that ensures the Africa Continental Free-trade Area is actualised.

5. Africa geography is being reshaped: the future of the continent lies in its ability to achieve the forefathers dream of a peaceful and interconnected Africa

Through the transformation involved by PIDA, Africa’s geography is changing and the borders are fading more and more, contributing to build stronger ties between countries through trade, and therefore making them see the economic costs of war with their neighboring countries. PIDA humbly contributes, to foster peace and change the landscape of Africa.

The greater regional and cross-border integration it allows brings us a little closer to achieving the Pan-African dreams of our forefathers: an interconnected Africa, where divisions of the colonial pasts would fade away.

But a lot more work has to be done; the African Development Bank estimates that more than 640 million Africans have no access to energy, giving an electricity access rate for African countries at just over 40 percent — the world’s lowest. Per capita consumption of energy in Sub- Saharan Africa (excluding South Africa) is 180 kWh, against 13,000 kWh per capita in the United States and 6,500 kWh in Europe.



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Furthermore, it pitches the continent's infrastructure needs at \$130–170 billion a year, with a financing gap in the range \$68–\$108 billion (AfDB Report, 2018).

This is not another conference, not another ordinary week. This is for you participants a place to own and significantly contribute to change the lives of millions Africans.

As this responsibility has been bestowed upon us, we shouldn't take this lightly when we engage in the various sessions throughout the week.

And to quote President Paul Kagame's report on the African Union reforms, "We have everything needed to succeed. To fail Africa again would be unforgiveable."