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INFRASTRUCTURE SUPPORT MECHANISM (ISM)
Workshops

Selection and prioritization methods for PIDA PAP 2 projects, Practical tools for Financial Modelling and Risk Assessment

Workshops to support capacity building for staff

16 & 17 of September 2025

To register and join the wokshops online - click here

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Background

Support capacity building of staff for programming including methodological tools for project pipeline selection and prioritization.

The European Union (EU) through the **Global Gateway strategy is funding the Infrastructure Support Mechanism (ISM)** that seeks to enhance the connectivity within Africa and between Africa and Europe (and the rest of the globe) through substantial investments in **transportation**, **energy**, and **digital infrastructure**. Complementary to the hard infrastructure investments, the Global Gateway includes 'soft' infrastructure components, including measures such as the **harmonisation of regulatory frameworks** under its transport and trade priorities. The aim in these domains is to facilitate mobility and trade within Africa and between Africa and Europe.

This Assignment, "*Technical Assistance to AUDA-NEPAD - ISM*", which is part of the programme, is being undertaken as part of the *FWC SEA 2023 – LOT 4 – 26355: Sustainable Transport, Infrastructures, Green Cities, Connectivity, and Sustainable Mobility framework contract*, financed by the EU. The assignment, consisting of 8 experts: Team Leader (Glory Jonga), a Mid-Term Review Expert, Finance Road Expert, Finance Infrastructure Expert, PPP Expert, VPIC Engagement Expert, Climate Finance Expert and a PIDA/Digital Tool Expert, commenced on 15 January 2025 and is scheduled to run for the next 3 years. The ISM is currently in its second phase (the first phase ran from March 2021 to March 2023), with this second phase aiming to build on the achievements from the first phase.

The **intended beneficiary**, **AUDA-NEPAD**, in collaboration with the A**frican Union Commission (AUC)** and the **Regional Economic Communities (RECs)**, will play a leading role in facilitating and supporting the implementation of the project's activities at all levels.

The project builds on the **previous work done through the ISM**, particularly as it concerns activities related to the planning, identification, formulation, promotion and monitoring of bankable and environmentally sustainable projects, the improvement of African regulatory environment for institutional investments in African road transport and the engaged involvement of mandated institutions.

The Overall Objective (Impact) of this action is to **promote sustainable, smart, resilient and safe mobility to strengthen land/road transport regulatory frameworks across Africa**. The Specific Objective is to **efficiently plan** and **promote sustainable investments in road network projects of regional interest in Africa**, including through capacity building on innovative finance techniques, project finance, PPP's, corridor management and development through the multimodal logistics lens, project pipeline selection and prioritisation, and practical tools including risk assessment, financial modelling, all facilitated by the experts as indicated above, over the 3-year period of the assignment.

From the **16ᵗʰ to the 17ᵗʰ of September 2025**, an ISM online workshop focused on: Selection and prioritization methods for PIDA PAP 2 projects, Practical tools for Financial Modelling and Risk Assessment, facilitated by the Team Leader, PPP Expert and the Climate Finance Expert. The aim is to build solid institutional capabilities to ensure efficient project pipeline operationalisation.

Workshop Agenda
16th of September 2025

Day 1: Pre-selection and Financial Feasibility

9:00 - 10:00

Introductions, objectives & key concepts
- Why robust pre-selection matters: links to PIDA Integrated Corridor, PAP II Guidelines;
- Defining project entry thresholds – Institutional roles and consensus protocols

10:00 - 11:15

Excel Tool Demo: "Présélection" Sheet:
- Structure and data inputs– Applying inclusion/exclusion filters on sample portfolio

11:15 - 11:30

Coffee break

11:30 - 13:00

Financial Modelling Basics
- Introduction and Key Concepts
- Building dynamic cash-flow templates in Excel
- Key assumptions: capex/opex, inflation, construction phasing, debt/equity split

13:00 - 14:00

Lunch break

14:00 - 15:00

Excel Tool Demo – Model Setup
- Participants construct a simplified cash-flow model for a pilot project
- Embed outputs (NPV, BCR, IRR) into tabular summary

15:00 - 15:15

Coffee break

15:15 - 17:00

Revenue & Financing Structures
- Toll/fee modelling: volume forecasts, tariff setting
- Public-private mix: grants, loans, viabilities gap funding
- Demo: feeding revenue streams into the Excel "Priorisation" sheet

Workshop Agenda
17th of September 2025

Day 2: Risk, Sensitivity and Integration

9:00 - 10:15

Introduction to Multi-Criteria Analysis (MCA)
- MCA concepts: criteria, weights, scoring scales
- How MCA drives transparent prioritization
- Defining Weights & Scores – Assigning relative importance to criteria (e.g., policy alignment vs. safety) – Setting scoring rules

10:15 - 11:15

Excel Tool Demo: "Priorisation" Sheet
- Configuring weight matrix
- Running MCA model on pre-selected projects

11:15 - 11:30

Coffee break

11:30 - 12:30

Risk Assessment Methods
- Risk identification, categorisation and scoring (probability × impact)
- Contingent-liability modelling techniques

12:30 - 13:30

Lunch break

13:30 - 14:45

Building a Risk Register
- Populate an Excel risk matrix
- Calculate risk-adjusted cash flows and assess impact on NPV/IRR

14:45 - 15:00

Coffee break

15:00 - 16:00

Excel Tool Demo: Sensitivity & Scenario Analysis
- Vary key assumptions (traffic volumes, tariffs, costs)
- Interpret ranking shifts to test robustness
- Sensitivity Check – Quick weight-variation exercise – Interpreting shifts in rankings to test robustness for MCA

16:00 - 17:00

Exercise: Integrating into Prioritisation
- Import NPV/BCR and risk scores into the Excel "Priorisation" sheet
- Adjust weights and rerun the MCA mode