Draft Concept Note

Second Policy Dialogue facilitating implementation of the Programme for Infrastructure Development in Africa (PIDA)

Theme: Commitment of the Member States for accelerated development of regional and continental infrastructure

24 to 26 September 2019
Malabo, Equatorial Guinea
I. INTRODUCTION

Africa is one of the regions that need to accelerate the development of its infrastructures. In fact, the need for infrastructure elicits consensus among political and economic decision makers. Infrastructure in Africa is a subject of major concern within Member States of the African Union. Indeed, water, sanitation, energy, ICT and transport are the driving forces of economic and social development of our continent.

Obviously, the physical and economic transformation of our continent cannot be achieved without a reliable and quality infrastructure network. As stated in the AU Agenda 2063, establishment of resilient infrastructure is a prerequisite for sustainable development of our economies. Several reports of the World Bank (2006, 2014), the African Development Bank (2018), the United Nations Conference for Trade and Development (UNCTAD, 2015) collectively recognized the importance of financing infrastructure on the continent.

In response to this, a number of estimates were used to analyse the infrastructure needs of the continent. Quantification and methods of financial needs assessment vary greatly depending on the objectives. For example, under the Programme for Infrastructure Development in Africa (PIDA), financial commitments for implementation of the priority action plan projects (2012-2020) are estimated at $ 68 billion, or nearly $ 8 billion per year over a period of 9 years.

According to the data collected from the World Bank (2018), infrastructure needs in Africa are estimated at $ 93 billion per year. A considerable amount since it represents between 10% and 12% of GDP of middle-income countries and between 25 and 36% for low income countries. The Global Infrastructure Outlook (an initiative supported by the G20), relies on infrastructure financing needs of $ 174 billion a year for the continent as a whole. The Infrastructure Consortium for Africa (2010), based on its assessment on the same needs, at $ 93 billion a year for the African continent.

It was understood that whatever estimates are used, the resources needed are huge for African countries. The current conditions of the economies of some African countries marked by volatility on export markets show the importance of prioritizing the development of infrastructure on the continent. In addition, the huge cost of infrastructure construction remains a major challenge for the 55 Member States of the African Union. There is no doubt that the infrastructure deficit is still a crucial challenge in Africa.

Thus, the Programme for the Development of Infrastructure in Africa (PIDA) was conceived as a continental framework which aims to put in place a vision, policies, strategies as well as priority regional and continental infrastructure development projects in sectors of transport, energy, water, and ICT. PIDA was created to prioritize infrastructure needs in Africa. It is, hence, designed as reference framework for the development of regional and continental infrastructure in Africa.

PIDA aims to facilitate the economic and social integration of the Africa through the creation of continental and regional markets. PIDA covers four (4) sectors namely: transport, energy, information and communication technologies (ICT) and transboundary water bodies. The implementation of PIDA is subdivided into three (3) main phases: the
short term (2012-2020), also called the PIDA Priority Action Plan (PIDA PAP), the medium term (2021-2030) and in the long term (2031-2040).

Since the adoption of PIDA in 2012, significant progress has been made in the four sectors: establishment of institutional and operational structures, preparation and implementation of projects. In addition, Member States have made considerable progress in ensuring the implementation of PIDA projects. Of the 433 individual projects listed, about 35% (143 projects) are under construction or already operational, 17% are in the process of being structured for procurement, while about 26% are between the design phase and feasibility study phase.

Despite significant progress in implementing PIDA PAP, there is still a pressing need to continue working with all relevant stakeholders to ensure accelerated delivery of regional and continental infrastructure. At the first session of the Specialized Technical Committee on Transport, Transcontinental and Interregional Infrastructures, Energy and Tourism (STC-TTIIEET) held in March 2017 in Lomé, Togo, the Ministers in charge of Transport and Energy recommended that the African Union Commission starts consultations for the preparation of the second phase of PIDA (PIDA PAP 2, 2021-2030).

The preparatory process of the preparation of the second phase of the PIDA PAP should be inclusive of all stakeholders namely: Member States of the African Union, Regional Economic Community (RECs), African institutions, civil society, private sector, youth and the women, African and non-African development partners. It will go through five (5) main stages which are:

- The mid-term review of the implementation of the PIDA PAP;
- Market and demand study;
- The development of an integrated corridor approach;
- Development of project selection criteria for the new phase;
- The selection of PIDA PAP2 priority projects.

Key prerequisites for continued success and acceleration of PIDA implementation include: (i) the harmonization of regional policies among the Regional Economic Communities (RECs), (ii) coordination of stakeholders, (iii) creation of a favourable policy and a financial environment facilitating private investment in infrastructure; and (iv) sound project preparation for mobilizing financial resources from public and private sectors as well as from development partners.

It is in this context that the Ministers in charge of Transport, Transcontinental and Interregional Infrastructures, Energy and Tourism, meeting in Cairo, Arab Republic of Egypt, on 16 and 17 April 2019, during the Second Session of the STC-TTIIEET:

1. Requested the African Union Commission (AUC) and the African Union Development Agency (AU-NEPAD), together with the African Development Bank, to accelerate the development of the second phase of PIDA (PIDA PAP 2),
integrating the gender and youth dimensions, which should be submitted to the AU organs for consideration and adoption by January 2021;

2. Invited the AUC and AUDA-NEPAD to mobilize financial resources for the PIDA PAP 2 with support of the African Development Bank and other development partners.

In cognisance of the role of women in the development of infrastructure on the continent, the Ministers welcomed the symbolic launching of the African Network for Women in infrastructure (ANWiN) and exhorted the AUC and the AUDA-NEPAD to prioritise the formal launch of the ANWiN.

In the light of the aforesaid, the African Union Commission (AUC), in collaboration with Republic of Equatorial Guinea, the African Development Bank (AfDB), the African Union Development Agency (AUDA-NEPAD) and the United Economic Commission for Africa (UNECA), is organising from 24 to 26 September 2019 a policy dialogue for facilitation of the implementation of PIDA. The theme of the conference is: Commitment of the Member States for accelerated development of regional and continental infrastructure.

Besides consideration of the PIDA implementation process, another crucial issue that preoccupied the Ministers during the Second Ordinary Session of the STC-TTIIEET is the finalisation, validation and adoption of the overdue Dispute Settlement Mechanism (DSM) of the Yamoussoukro Decision and the Single African Air Transport Market (SAATM). Having considered the draft DSM document, the Ministers adopted the following road map for the DSM:

- The Draft Dispute Settlement Instrument should be submitted by the Department of Infrastructure and Energy to the Office of the Legal Counsel for review;
- The AUC should send the reviewed draft Dispute Settlement Instrument to all Member States for comments;
- The AUC should convene a Working Group of Stakeholders to consider the draft Dispute Settlement Instrument taking into account the comments of Member States;
- The AUC to convene a continental workshop of senior officials and experts of all Member States and key stakeholders to consider the draft Dispute Settlement Instrument.
- The revised draft Dispute Settlement Instrument should be considered by the STC – TTIIEET in its next session for further submission of the same draft to the STC on Justice and legal affairs.

The process has started. In that regard, for purposes of expediency, the Department of Infrastructure and Energy has decided to use the PIDA dialogue conference to convene senior officials and experts of all Member States and key stakeholders to consider and validate the Dispute Settlement Mechanism instrument to facilitate its submission to the
STC on Justice and Legal Affairs in November 2019 for clearance for endorsement by the AU Summit in February 2020.

II. OBJECTIVES OF THE CONFERENCE

The main objective of this policy dialogue is to provide a platform for Member States to create synergies between the different implementing institutions, regional and continental stakeholders. More specifically, the dialogue aims to sensitize stakeholders on the state of PIDA implementation, on the development process of the next phase of PIDA PAP (2021-2030) in order to have their contributions on this process and more particularly on how to formulate a continental strategy for resource mobilisation for the preparation and implementation of priority projects. In addition, it will provide a platform to propose a continental strategy on infrastructure development partnerships with non-African organisations and countries.

The meeting will provide an opportunity to make concrete proposals and actions that can help in putting particular focus on the maritime transport sub-sector and on the project for unlocking access to rural and remote areas in the continental priorities for the next decade. More specifically, the purpose of the meeting is to:

- Update the status of implementation of PIDA projects
- Institutionalize a financing strategy for PIDA projects, in particular to define the contribution modalities of Member States to the special fund of NEPAD-IPPF and the PIDA service delivery mechanism (PIDA SDM)

Establish project coordination teams (as mandated by the STC-TTIET) at the RECs and at Member State level to support the implementation of PIDA across PIDA sub-sectors including in the project preparation phase. This demands also a specific focus on the PIDA PAP 2 process. Finally, the event will serve the request of the STC-TTIET for convening of senior officials and experts of all Member States and key stakeholders to consider and validate the draft Dispute Settlement Mechanism instrument of the Yamoussoukro Decision and the Single African Air Transport Market.

III. FORMAT OF THE CONFERENCE

This policy dialogue will hold in plenary sessions, panel discussions and working groups to provide analytical reflection on some key issues. The meeting will be divided into three parts:

- The first part will include a detailed technical discussion on PIDA, the presentation of findings of the benchmarking study, draft corridor approach and project selection
criteria. Critical issues on infrastructure development and industrialization will be discussed and make recommendations that will contribute to the process, mainly for the Selection Criteria for PIDA PAP 2.

- The second part will include a review of project funding mechanisms as advocated by PIDA and propose alternatives to mobilize sufficient resources for projects implementation including the project for provision of basic integrated infrastructure for unlocking rural and remote areas.
- The third part will include a round table on the importance of the maritime transport sector, the implementation of the revised African Maritime Transport Charter and the impact on trade in the context of the adoption of the Continental Free Trade Area.

Participants will engage with each other in an open, dynamic and multi-stakeholder format, geared towards knowledge sharing, mutual learning and the production of concrete recommendations. Key resources persons from the private sector, academia, non-governmental organizations (NGOs), the African Network for Women in Infrastructure (ANWIn) and youth will present their perspectives on issues and specific experiences and stimulate discussion by the participants. Moderators of the different sessions will appropriately guide discussions towards gathering recommendations and innovative approaches to address infrastructure development that will lead to Africa's structural transformation.

Also, a special breakout will be held for senior aviation officials and experts of the Member States and key stakeholders for validation of the draft Dispute Settlement Mechanism instrument of the Yamoussoukro Decision and the Single African Air Transport Market.

IV. EXPECTED OUTCOMES

The expected outcomes are as follow:

- Establishment of national coordination teams of PIDA at national and regional levels;
- Definition of a roadmap for the implementation of PIDA projects at national level
- Definition of modalities for financial contributions from Member States to the Special Fund of NEPAD IPPF and the PIDA Service Delivery Mechanism (PIDA SDM)
- Update of PIDA project sheets by Member States
- Promotion of the revised 2010 African Charter on Maritime Transport;
- Valorisation of the maritime sector in the implementation of the PIDA PAP 2;
- Validation of the strategy for unlocking access to rural and remote areas with basic integrated infrastructure
- First recommendations for the Selection Criteria for PIDA PAP 2 and the PIDA Corridor Approach
Finalised and validated Dispute Settlement Mechanism instrument of the Yamoussoukro Decision and the Single African Air Transport Market.

V. **TECHNICAL DOCUMENTS**

The following documents will be available:

- Implementation report of PIDA PAP
- PIDA PAP 2 development process
- Revised African Maritime Transport Charter
- Draft Strategy for resource mobilisation for Special Fund of the NEPAD IPPF
- Draft AU Strategy on unlocking access to rural and remote areas
- Inception reports of the studies for the development of PIDA PAP2
- Concept note of the African Network for Women in Infrastructure (ANWIN)
- Draft Final Dispute Settlement Mechanism instrument

VI. **PARTICIPANTS**

The participants will be representatives of the sectoral ministries of the AU Member States, responsible for infrastructure development and air transport; agencies responsible for promoting infrastructure investments; Regional Economic Communities (RECs), civil society and the private sector, UN agencies, Youth, Women and development partners including key aviation and maritime stakeholders.

VII. **DATE AND VENUE**

The conference will be held from 24 to 26 September 2019 in Malabo, Equatorial Guinea.

VIII. **INFORMATIONS**

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