



Directorate of Information and Communication

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NEPAD IPPF flags funding gap, AUC calls on Member States to mobilize domestic resources to replenish the Special Fund

Addis Ababa, Ethiopia, 28 June 2019: To bridge the financing gap of the NEPAD Infrastructure Project Preparation Facility (NEPAD-IPPF) Special Fund, concerted efforts will be required to scale up support for domestic resource mobilization by AU Member States, so as to facilitate the physical and economic integration of the continent. That is according to the African Union Director for Infrastructure and Energy, Mr. Cheikh Bedda.

The Director made the call at the 29th Oversight Committee (OC) meeting of the New Partnership for Africa's Development - Infrastructure Project Preparation Facility (NEPAD-IPPF) Special Fund which took place at the Headquarters of the African Union Commission, in Addis Ababa, Ethiopia on 28 June 2019.

"The Programme for Infrastructure Development in Africa (PIDA), and Africa's infrastructure priorities cannot be implemented without adequate resources committed to the NEPAD-IPPF, a critical instrument to prepare investment ready and sustainable infrastructure projects across Africa," the Director stated.

Taking it back to Egypt, April this year, in his statement, Mr. Bedda reminded participants of the decision made by the Specialised Technical Committee on Transport Transcontinental and Interregional Infrastructure Energy and Tourism, which urged Member States to contribute and sustain project preparation and development for PIDA PAP projects by making financial contributions to the NEPAD IPPF.

"African Countries should demonstrate firm commitment to infrastructure development by making direct contribution to the African Union supported Project Preparation Instrument - the NEPAD-IPPF, through various innovative approaches," the Director reiterated.

The question of domestic resource mobilization came to the surface during the discussions.

On his part, the Director for Infrastructure and Urban Development at the African Development Bank, Mr. Amadou Oumarou, stated that operationalization of domestic resource mobilization for the NEPAD-IPPF should be well discussed and thought of.

“To succeed the NEPAD-IPPF must identify and focus on a key priorities and active portfolio management to move more projects to closure,” Mr. Oumarou added.

NEPAD-IPPF Fund Manager, Mr. Mike Salawou, stated that cumulative contributions by donor partners including the African Development Bank amounted to US\$ 102 Million out of which US\$ 96.1 million had been committed to approve 91 projects. As per June 2019, 60 studies have been completed.

“While disbursements on supported projects have reached a high level, beyond that and without any new contributions to the Fund, NEPAD-IPPF will no longer be in a position to support further project preparation activities,” Mr. Salawou affirmed.

Mr. Amadou Oumarou closed the meeting by commending the Fund’s achievements in 2019 and reiterated the Bank’s commitment to the Special Fund considering the enormous infrastructure needs in the continent.

“New contributions from Spain (Euro 3.0 million) and the African Development Bank (US\$ 4.13) are indications of confidence bestowed in the Fund’s ability to successfully fulfil its mandate, and also recognition that the NEPAD-IPPF is playing a critical role in infrastructure development in Africa. It is therefore expedient for the NEPAD-IPPF to be further strengthened with the necessary resources to enable it to meet its objectives and mandate,” Mr. Oumarou stated.

Michael Andres Oversight Committee Chairman & Senior Project Manager at KfW Development Bank, while commending the achievements of the special fund, noted that more resources are required given the increasing demands being made on the fund.

The meeting offered the opportunity to discuss the NEPAD-IPPF Independent Review and New Business Model, the progress report of NEPAD-IPPF, updates on continental infrastructure initiatives, and adoption of a proposed joint AUC/AUDA/AfDB Domestic Resource Mobilization Strategy for NEPAD-IPPF.

Participants noted that domestic resource mobilization should be the main strategy for financing Africa’s development in a sustainable manner. Participants also endorsed the NEPAD-IPPF Special Fund as the key instrument for project preparation to accelerate the delivery of infrastructure on the continent. They also agreed that the NEPAD-IPPF resources are managed in a sound manner under rigorous internal control, in addition to the governance around the administration of these resources, which is adequate.

The 29th Oversight Committee (OC) meeting of the New Partnership for Africa’s Development Infrastructure Project Preparation Facility (NEPAD-IPPF) Special Fund convened over 30 participants including donors providing financial support to the NEPAD-IPPF Special Fund, such as Canada, Germany, United Kingdom, Norway, Denmark, and Spain, representatives from the African Development Bank, African Union Commission, African Union Development Agency (AUDA-NEPAD) The Nile Basin Initiative/Nile Equatorial Lakes Subsidiary Action Program), Economic Commission for Africa, Regional Economic Communities, Regional Power Pools, NELSAP and Orange-Senqu River Commission (ORASECOM).

Note to the Editors

NEPAD-IPPF is a multi-donor special fund that supports African countries to translate major continental initiatives such as the African Union's Programme for Infrastructure Development in

Africa (PIDA) as well as Regional Infrastructure Master Plans of the Power Pools into bankable, investment-ready projects. The special fund is currently supported by the AfDB as host institution, Canada, Germany, United Kingdom, Norway, Denmark, and Spain. Participation in the special fund is open to donors, institutional funds and other special infrastructure funds.

The Oversight Committee (OC) of seven members provides general policy direction for NEPAD-IPPF activities. Its main function is to review the operational focus, the proposed areas of intervention and to ensure consistency with the Fund's policy thrust. The OC also reviews the annual report of activities financed through the Fund to ensure consistency with the NEPAD mandate and regional integration.

Media inquiry Contacts:

Sophia Nesri | PIDA Information Analyst | Department of Infrastructure and Energy | African Union Commission | E-mail: sophian@africa-union.org

For further information contact:

Directorate of Information and Communication | African Union Commission | E-mail: dic@africa-union.org | Web Site: www.au.int | Addis Ababa | Ethiopia

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