

# 2017 PARTNERSHIPS CONFERENCE

## CONFERENCE DES PARTENARIATS 2017



## Project Preparation Facilities

**Shem SIMUYEMBA**  
**Coordinator-NEPAD-IPPF**



**April 6-7 avril 2017**

**Abidjan, Côte d'Ivoire**

**CCIA Building / Immeuble CCIA**



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# OVERVIEW OF PRESENTATION

1

IMPORTANCE OF PROJECT  
PREPARATION

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# I. IMPORTANCE OF PROJECT PREPARATION



# PROJECT PREPARATION FACILITIES HOSTED BY AFDB

AfDB HOSTS A NUMBER OF COMPLIMENTARY FACILITIES



*"The AWF and NEPAD-IPPF Foster Climate Resilient Water Resources Development in Southern Africa"*











14/02/2017 [Share](#) - Orange-Sengu River: Lesotho, South Africa, Botswana, Namibia



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# PROJECT PREPARATION: KEY TO UNLOCKING INFRASTRUCTURE'S INFRASTRUCTURE

	  <b>NEPAD</b> TRANSFORMING AFRICA
 Light up & power Africa	<b>REGIONAL POWER MARKETS</b>
 Feed Africa	<b>SUSTAINABLE USE OF SHARED WATER COURSES</b>
 Industrialise Africa	<b>CONTINENTAL FREE TRADE AREA (FTA): GOODS &amp; SERVICES</b>
 Integrate Africa	 <b>PIDA</b> INTERCONNECTING INTEGRATING & TRANSFORMING
 Improve the quality of life for the people of Africa	



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**NEPAD-IPPF**  
 INFRASTRUCTURE  
 PROJECT PREPARATION  
 FACILITY

# DRIVERS OF INFRASTRUCTURE DEVELOPMENT IN AFRICA

**Deepening Regional  
Integration and Markets  
and the Need for  
Connectivity**

**Improved  
Infrastructure  
Planning and  
Prioritization –  
PIDA, RIMP**

**Growing Private Sector  
Interest in  
Infrastructure in Africa**

**Resource & Mineral  
Discoveries &  
Evacuation**

**Infrastructure  
Liberalization &  
Improved Enabling  
Environment**

**Growing Economies,  
Populations &  
Urbanization**

**Coordination – Partnerships – Innovation – Co-financing**



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# QUALITY & SUSTAINABLE INFRASTRUCTURE

## - The 3 Qs -

### QUANTITY

- Improve Infrastructure Access
- Promote Regional Connectivity

### QUANTUM

- Scale-up Infrastructure Delivery
- Leverage and Leap Frog

### QUALITY

- Increase Stock of Bankable Projects
- Attract Investment & Financing



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## II. SUCCESSES & LESSONS: NEPAD-IPPF





# AFRICA'S SUCCESS STORY IN INFRASTRUCTURE DEVELOPMENT



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## THE NEPAD INFRASTRUCTURE PROJECT PREPARATION FACILITY (NEPAD-IPPF)

Bridging Africa's Infrastructure Gap through well-prepared bankable infrastructure projects

# GENESIS & VALUE PROPOSITION OF NEPAD-IPPF

## Who We Are:

- **Launched in Kananaskis, Alberta, Canada in June 2002 at 28<sup>th</sup> G8 Summit** as response to NEPAD's Africa Action Plan and support to bridge Africa's infrastructure gap **seen as the binding constraint to Africa's sustainable growth**
- Established in 2005 as a **multi-donor Special Fund hosted by the African Development Bank (AfDB)** in partnership with the African Union Commission (AUC) & NEPAD Agency and African Countries
- **NEPAD-IPPF Responds to African Continental and Regional Infrastructure Priorities to bridge Africa's Infrastructure Gap by Preparing Bankable Projects**



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# LESSONS LEARNED: PROJECT PREPARATION

## KEY LESSON: WELL-PEPARED PROJECTS ATTRACT FINANCING

### NEPAD-IPPF

US\$91.89  
Mill  
Mobilized

- Donors Partners: -  
**Canada, Germany,  
UK, Denmark,  
Norway, Spain and  
USAID** (Co-  
financing) plus  
AfDB
- **US\$88.58 Million  
committed**

72 Grants  
Awarded

- Energy, Transport, ICT  
& Water - covering All  
5 Regions of Africa
- Support to LICs, MICs,  
Countries in Transition  
(Fragile States) &  
Land-locked Countries
- Open, non-  
discriminatory access  
anchored on **Strength  
of Project**

USD 7.3 Bill  
Financing  
Leveraged

- Open up economic  
opportunities for  
countries
- Move countries from  
conflict to  
cooperation
- Unlock business &  
investment  
Opportunities along  
**Infrastructure Value**



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# NEPAD-IPPF: SUCCESS FACTORS

## I | Focus:

- *Regional infrastructure projects*

## II | Inclusive:

- *Grants only to support all African countries*

## • |||| | Differentiation:

- *Project preparation for bankability*

## IV | Partnership:

- *Execution with local partners & ownership*



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# LESSONS: PREPARATION ACCELERATES DELIVERY

## ACCELERATE PROJECT DELIVERY

- Support Countries to design complex projects
- Accelerate delivery of projects

## RESPOND TO FINANCING NEEDS

- Tailor projects to market needs
- Provide financing options

## STRENGTHEN COOPERATION

- Foster collective reforms
- Focus countries on cooperation



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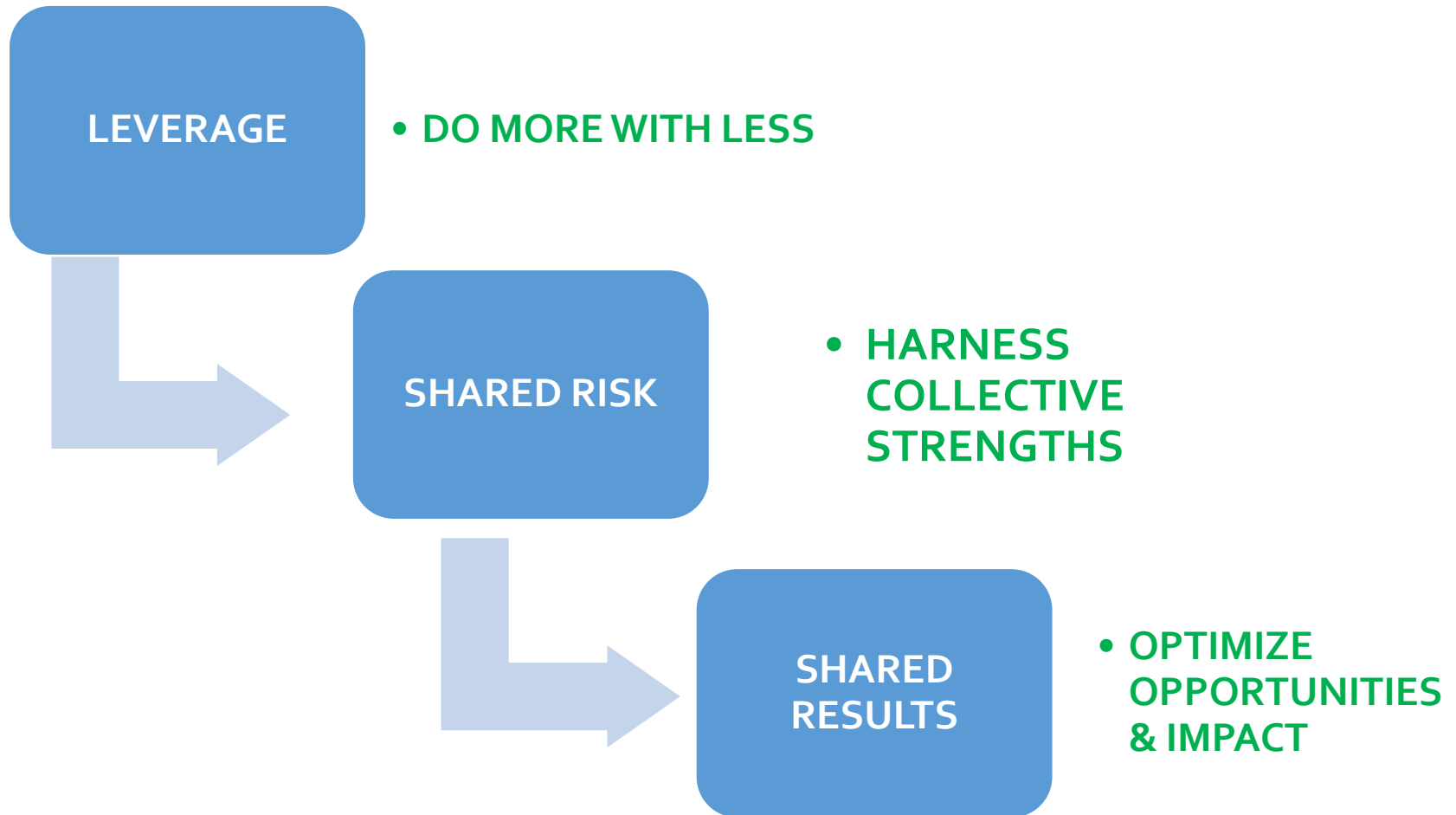
### III. CO-FINANCING LESSONS



# NEPAD-IPPF – 2016 APPROVALS

Project	Sector -Region	Grant Amount (In US\$ Mill)
<i>1. Nigeria-Benin 330 kV Power Interconnection</i>	Energy –WAPP – <b>West</b> E8	2.62
<i>2. Mozambique Zambia 400 kV Power Interconnection</i>	Energy - SAPP - <b>South</b> ENo2	3.40
<i>3. Kolwezi (DRC) -Solwezi (Zambia) 330 kV Power Interconnection</i>	Energy – SAPP – <b>South</b> ENo2	3.58
<i>4. Uganda-Tanzania Refined Oil Pipeline</i>	Energy E14 – EAC – <b>East</b>	1.88
<i>5. Kribi-Campo Bata Road &amp; Bridge</i>	Transport – ECCAS – <b>Central</b> TR21	4.01
<i>6. Lamu Port Development (LAPSSET)</i>	Transport – LAPSSET – <b>East</b> TR10	2.60
<i>7. Orange Senqu River Basin Climate Resilient Development</i>	Water – ORASECOM – <b>South</b>	4.61
<i>8. ECREE/ECOWAS Feasibility Study for Women Business Opportunities in Energy Value Chain</i>	Energy – ECREE/ECOWAS - <b>West</b>	1.05
<b>Total 8 Grants/Projects</b>		<b>23.75</b>
<b>Total NEPAD-IPPF Funding</b>		<b>14.83</b>
<b>Total Co-financing</b>	<b>AWF, GWP, USTDA, WB</b>	<b>8.92</b>

# BENEFITS OF CO-FINANCING



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# SUCCESS FACTORS: CO-FINANCING

## PROJECT PIPELINES

- Engage early with potential Co-financing partners
- Agree on **Joint Project Pipelines**

## JOINT DESIGN

- Undertake **Joint Appraisals**
- Align **Conditions & Terms**

## CLEAR ROLES

- Define **Lead Partner & Roles**
- Send **Clear, Common Messages to Project Owners & Stakeholders**



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## IV. RESOURCES FOR PROJECT PREPARATION



# RESOURCE NEEDS: 2016-2020

## FUNDING NEEDS – GLOBAL

- Validated Five-Year Project Pipeline with 110 Projects (part of PIDA) and Preparation Costs of US\$430 million – 2016-2020 representing REGIONAL INFRASTRUCTURE PROJECTS

## FUNDING NEEDS – NEPAD-IPPF

- In order to respond to the growing demand for bankable infrastructure projects across Africa and as outlined in the SBP, 2016-2020, **NEPAD-IPPF will require annual funding of between US\$30 million to US\$50 million per year from 2016 to 2020 in order to meet the targets set in the approved SBP.** Which are to prepare between **60-80 to 80-100** Regional Infrastructure Projects by 2020

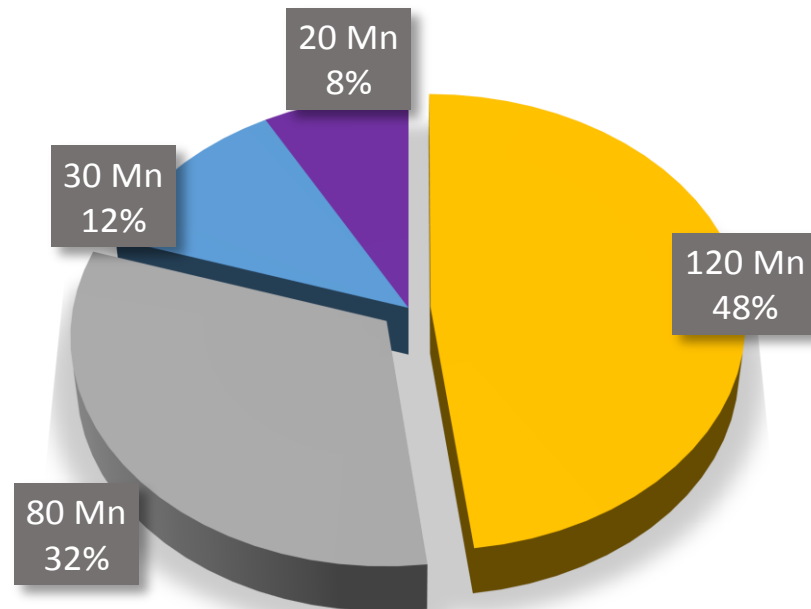


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# NEPAD-IPPF RESOURCE NEEDS BY SECTOR

**Budget Requirements - 2016-2020**  
**(USD 160 - 250 Mn)**



■ Energy

■ Transport

■ Water

■ ICT

NEPAD-IPPF is a **Matrix set-up** – focusing and working on **Regional Infrastructure** across **4 Sectors** on both **Sovereign (and Non-Sovereign\*)**



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\* Work in Progress



**NEPAD-IPPF**  
INFRASTRUCTURE  
PROJECT PREPARATION  
FACILITY



# CONCLUSIONS

- Demand for well-prepared bankable projects is growing as regional integration deepens and as investor interest in infrastructure in Africa grows
- NEPAD-IPPF is a successful story in supporting African countries to prepare bankable regional infrastructure projects which have attracted financing
- Valuable lessons have been learned on co-financing success factors which Facilities are already applying
- More Resources are needed for Project Preparation for Bank hosted Project Preparation Facilities as this will deepen co-financing opportunities, promote synergies & enhance leverage and impact
- **DONORS NEED TO COMMIT MORE RESOURCES TO PROJECT PREPARATION AS A MATTER OF URGENCY**



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# THANK YOU

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