

A SADC15 NATIONS PRESENTATION

SADC REGIONAL INFRASTRUCTURE DEVELOPMENT AND ROLL OUT STRATEGY UNDERPINNED BY THE SADC INFRASTRUCTURE MASTER PLAN

TOKYO, JAPAN

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JAPAN – AFRICA FORUM PRESENTATION

BY

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OBJECTIVE OF SADC



Promote sustainable and equitable socio-economic development through regional integration



SADC REGIONAL INFRASTRUCTURE DEVELOPMENT STRATEGIC FRAMEWORK ; THE GUIDING FRAMEWORK

- *Regional Indicative Strategic Development Plan (RISDP) - Currently Undergoing Review;*
- *Deepening Regional Integration - Trade Protocol;*
- *Implementation of the Protocol on Facilitation of Free Movement of Persons;*
- *Address the Overarching Objective of Poverty Reduction through Enhanced Access to Infrastructure – MDGs and Post 2015 Agenda Imperatives;*
- *Implementation of the SADC Industrialisation Pillar, by addressing Supply Side Constraints Through Regional Infrastructure Connectivity*
- *Addressing Key Infrastructure Development Underpinnings, namely Strengthening of Harmonised Policy, Regulation and Legislative Framework, To Underpin Infrastructure Development and Management*
- *Implementation of the COMESA-EAC-SADC Grand Free Trade Area Framework and African Economic Community.*



REGIONAL AND CONTINENTAL INFRASTRUCTURE DEVELOPMENT : BACKGROUND AND INTRODUCTION

- *There is broad consensus, that enabling infrastructure constitutes the key stimulant to not only regional integration, poverty reduction, but more importantly the reduction of the cost of doing business;*
- *Statistics have demonstrated that all developed nations and regions have one thing in common, that is, sound enabling infrastructure;*
- **Given that the Regional Economic Communities are the pillars of the African Union Programme of Action, this document shall largely inform the content of the following:**
 - **At the Continental level, Africa is implementing the Programme of Infrastructure Development in Africa (PIDA);**
 - **At the COMESA-EAC-SADC Tripartite Level, the Tripartite Inter-Regional Infrastructure Development Master Plan is being implemented;**
 - **At the SADC regional Level, the SADC Infrastructure Development Master Plan is being implemented.**



KEY ASPECTS OF THE SADC REGIONAL INFRASTRUCTURE DEVELOPMENT MASTER PLAN AND SADC - JAPAN COOPERATION

•SADC Master Plan was based on a Strategic Framework, and seeks to profoundly address prevailing infrastructure gaps based on key regional objectives, namely:

- *Promoting Regional Integration;*
- *Facilitating Poverty Reduction and Attainment of MDGs;*
- *Promote Economic Development;*



We share a common vision with Japan, as espoused by the Yokohama Declaration and TICAD Plan of Action.

Key interventions within the Japan - SADC cooperation include:

- *Implementation of the SADC SAPP Pool Plan;*
- *Implementation of the SADC Corridors Strategy adopted by Ministers in 2008;*
- *Implementation of the SADC Regional Information Infrastructure (SRII), and, pushing SADC towards one economic space in transactions;*
- *the SADC Strategic Water Infrastructure Development Programme (SWIDP), & Cooperation in Studies and Project Preparation.*

SADC INFRASTRUCTURE VISION 2027

(TIMEFRAME DISAGGREGATION OF THE SADC MASTER PLAN PROJECTS)

Short Term
Projects For
Implementation
(2013 – 2017
Period) (Home of
the SADC and
PIDA PAP)

**PPDF Operational
Zone**

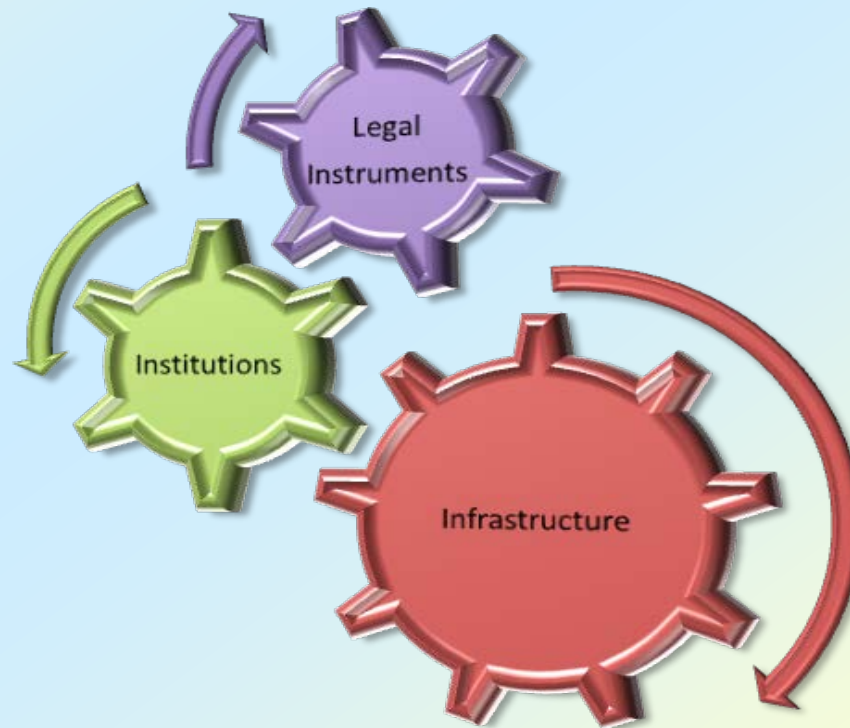
Medium Term
Projects (2017 –
2022 Period) –
Project Planning
and Updating of
Information
Profiles in
Progress

Long Term
Projects (2022 –
2027) – Home of
Projects within
the Long Term
Horizon on Which
there is Scanty
Information and
Consultations
With Other States
and Parties is in
Progress



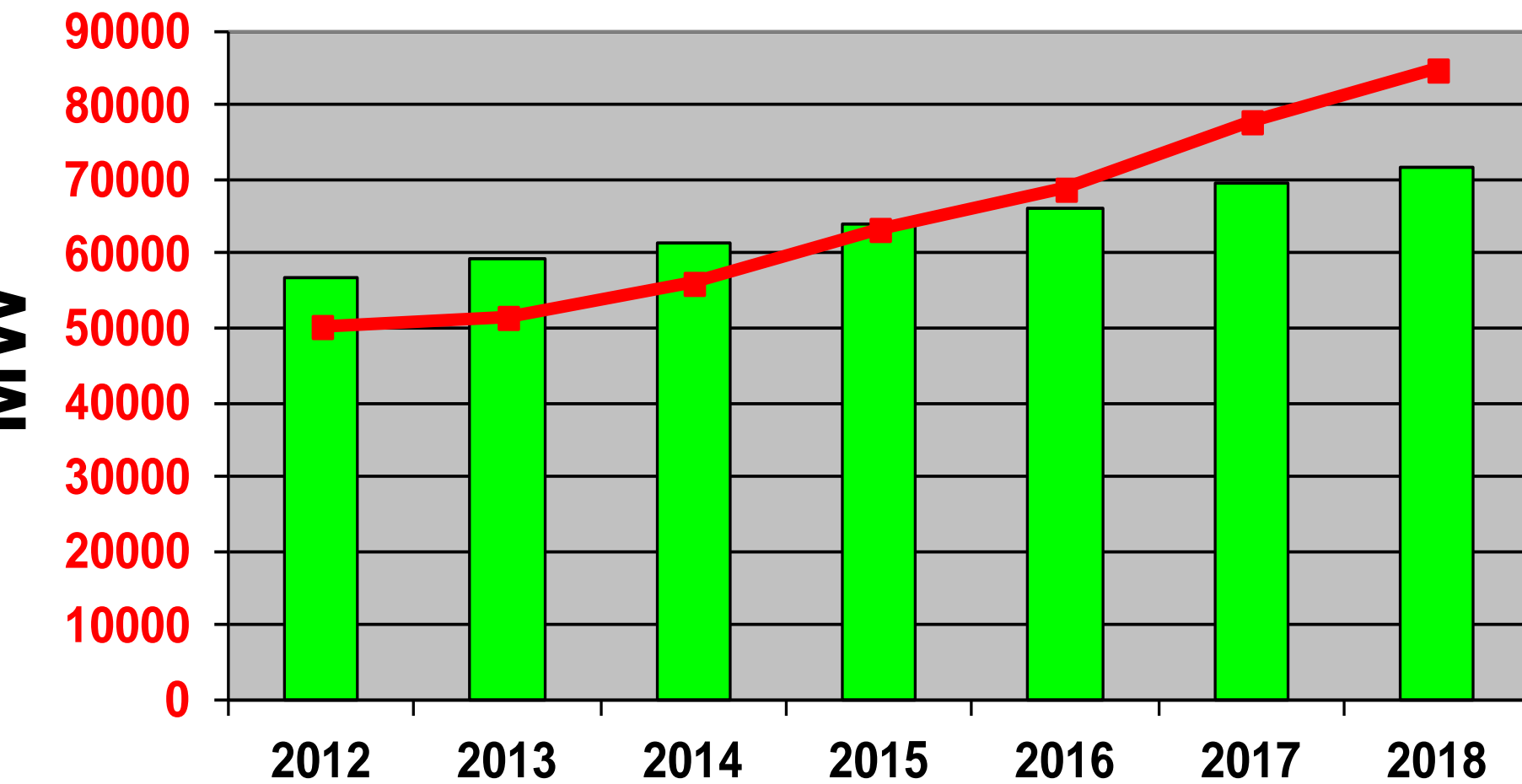
The Three 'I's- SADC Infrastructure Projects Value Chain

*Instruments, Institutions & Infrastructure
are interlinked*



SAPP Planned & Required Capacity

Planned Capacity vs Forecast, MW All SAPP Members



Forecast Capacity Planned

Transmission Projects

Angola - Namibia

2012: Mozambique - Malawi

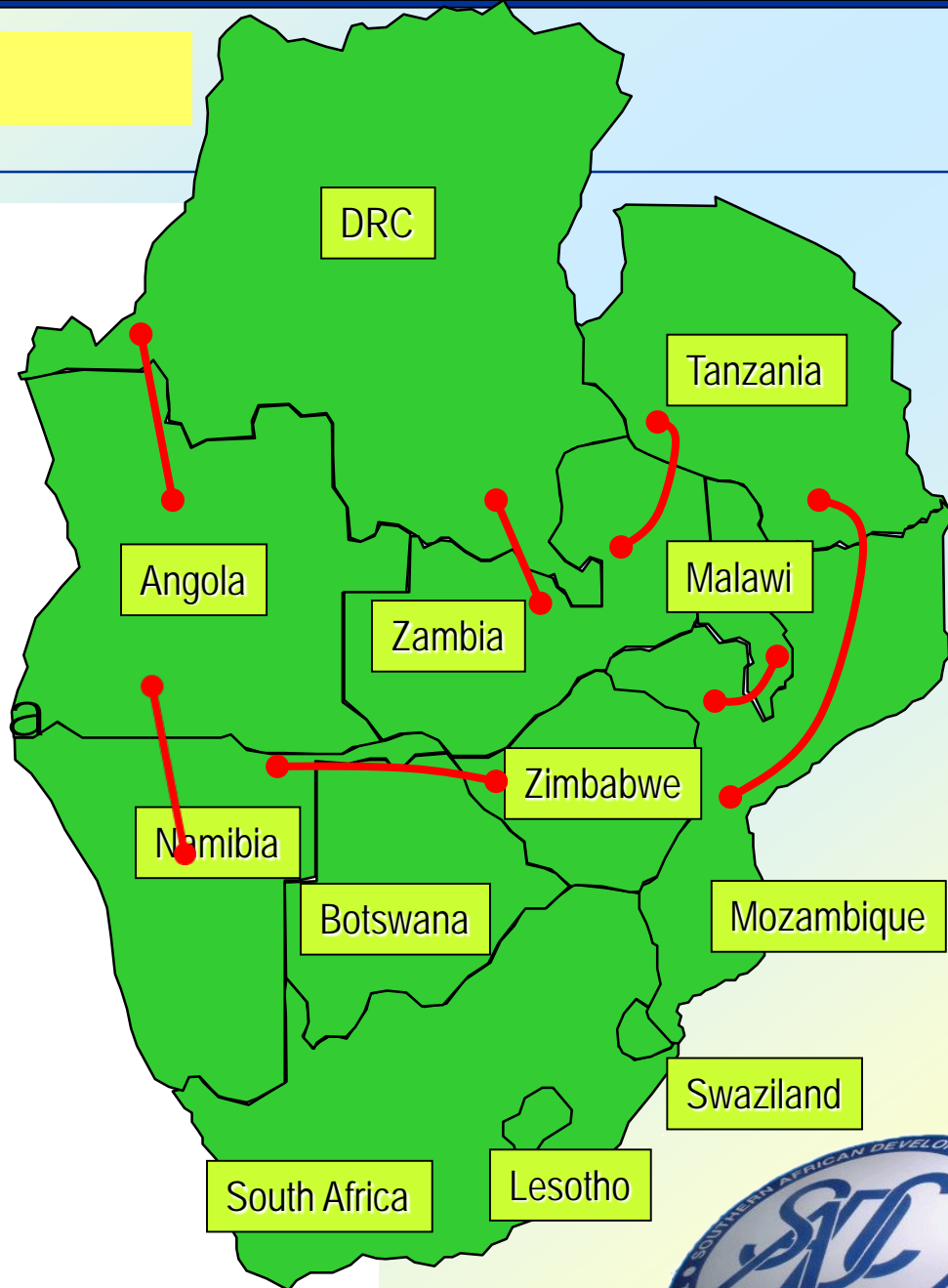
DRC - Zambia

2014: Zambia - Tanzania

2010 -2014: ZIZABONA

Angola - DRC

2015: MOZAMBIQUE
BACKBONE



Hydro Projects to Address Regional Energy Security

Mainly in the Zambezi River Basin, include:

- Mpanda Mkuwa Hydro Power Project;
- Cahora Bassa North Hydro Project in Mozambique;
- Batoka Gorge Hydro Power Station
Zambia/Zimbabwe;
- Kariba South Extension in Zimbabwe; and
- Cambambe Hydro Station Phase 2 on the Kwanza River in Angola
- Inga III on the Mighty Congo River in DRC.



Thermal Power Projects aimed at addressing Regional Energy Security

Coal based thermal projects include:

- Morupule Expansion and;
- Mmamabula Power Projects both in Botswana;
- Hwange Expansion (Units 7 and 8); and
- Gokwe North Projects in Zimbabwe;
- Moatize and Benga Projects in Mozambique

Not forgetting Kudu Gas Project - Namibia



Power Projects Overview

Transmission Projects to Relieve Congestion

Name of Project	Member States	Status	Expected Date, Etc
ZIZABONA Interconnector for up to 650 MW (JDA and Shareholders Agreement to be signed)	Zimbabwe, Zambia, Namibia, Botswana Cost (USD 225M)	IGMOU and IUMOU signed, SPV registered in Namibia. Kudu PPA negotiations ongoing	Funds to operationalise SPV and Trans Adviser reqd. Funds for investments required, staff recruitment ongoing for the SPV.
Central Transmission Corridor (CTC)	Zimbabwe/RSA Joint Development Agreement Signed	200 – 400 MW, Cost USD 100M, Proj Teams Set, Network/Capacity Plans ongoing	2013 Target date rather ambitious
Kafue-Livingstone	Zambia	600	2014
North West Upgrade	Botswana	600	2014



Transmission Projects to Connect Non-Operating Members

Project Name	Countries and Status	Capacity and Way Forward	Expected date. Etc
Zambia-Tanzania - Kenya (ZTK) Interconnector	Zambia, Tanzania, feasibility study done, Zambia signed HOA, URT signature awaited	400 MW, Once HOA signed SPV to be established	2016 target date
Mozambique-Malawi	Mozambique & Malawi, MOU signed, Project Teams Set, Cost USD94M	300 MW, RFP FOR Feasibility study launched	2015 now ambitious, investment funding required
Angola-Namibia	Angola, Namibia, based on Baynes, at Feasibility Stage	400 MW, funding required	2016
DRC-Angola	DRC, Angola	600 MW	2016



Transmission Projects Associated With New Generation

Project Name	Countries & Status	Capacity and Way Forward	Expected Date, Etc
Mozambique Backbone (CESUL), JDA negotiations in progress, EDM at the center of it	Mozambique, 3100 MW, Cost USD 2800 M, EPC O&M Tenders done, SPV approved	3100 MW, Financial closure subject to HCB and HMNK, Funding for EPC/O&M required	2017
2nd Mozambique-Zimbabwe	Mozambique & Zimbabwe	500 Conception Stage	2017
Malawi/Tanzania	Malawi & Tanzania	Conception Stage	
2nd Mozambique-RSA	Mozambique & RSA	650 Conception Stage	2017
Mozambique/Zamb	Moz & Zambia	Conception Stage	
2nd DRC-Zambia	DRC, Zambia, CEC & SNEL, CEC 12 M Tender Out	260 to 500 MW Capacity	2017



Power Generation to Increase SAPP Supply Capacity

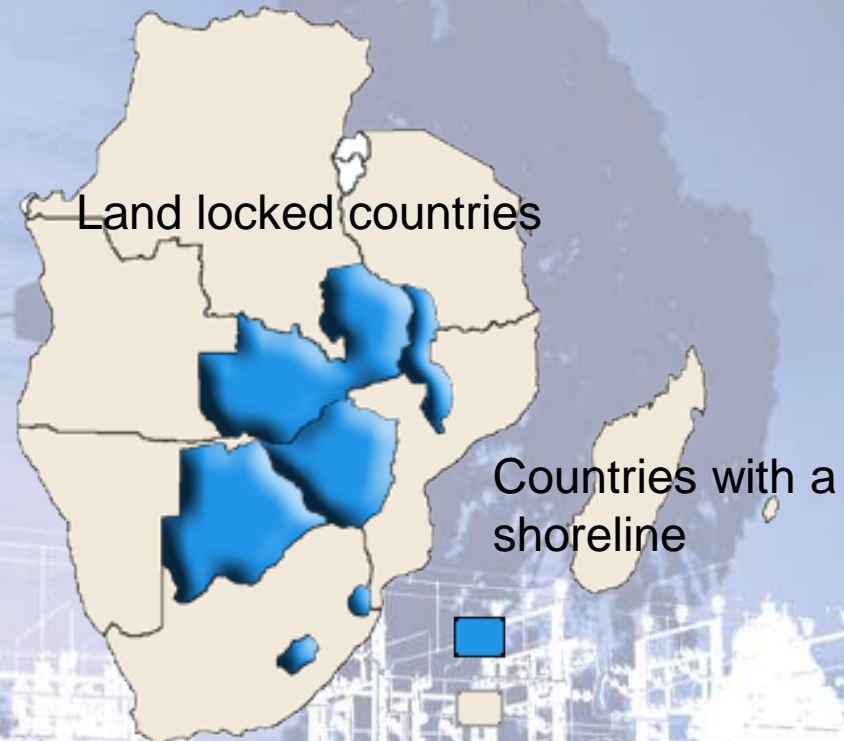
Project Name	Countries & Status	Capacity and Way Forward	Expected Date, Etc
Mpanda Nkuwa (HMNK)	Mozambique, EPC and O&M Contractor appointed, Cost USD 100M, MOU Moz/RSA in progress for PPA	1500 MW, added to yield a further 900 MW as Phase II, Funds sought for investment, Project Management Unit (PMU) support also required	2019
Hydro Cahora Bassa North Bank 1250 MW	Mozambique, Project Team established	Funding reqd for feasibility Study, Funding required	2019
Batoka Godge, 4 units each 200 MW stations (1600MW)	Zambia and Zimbabwe, pre-feasibility done, EIA updated.	PMU required, SPV ultimate objective, Cost USD 2400.00M	
Kudu Gas Power Project, Namibia, 800 MW	PPP, NamPower, CEC and possibly ESKOM	Project prepared, at funding mobilisation stage,	Support required for Carbon Trading Mechanism



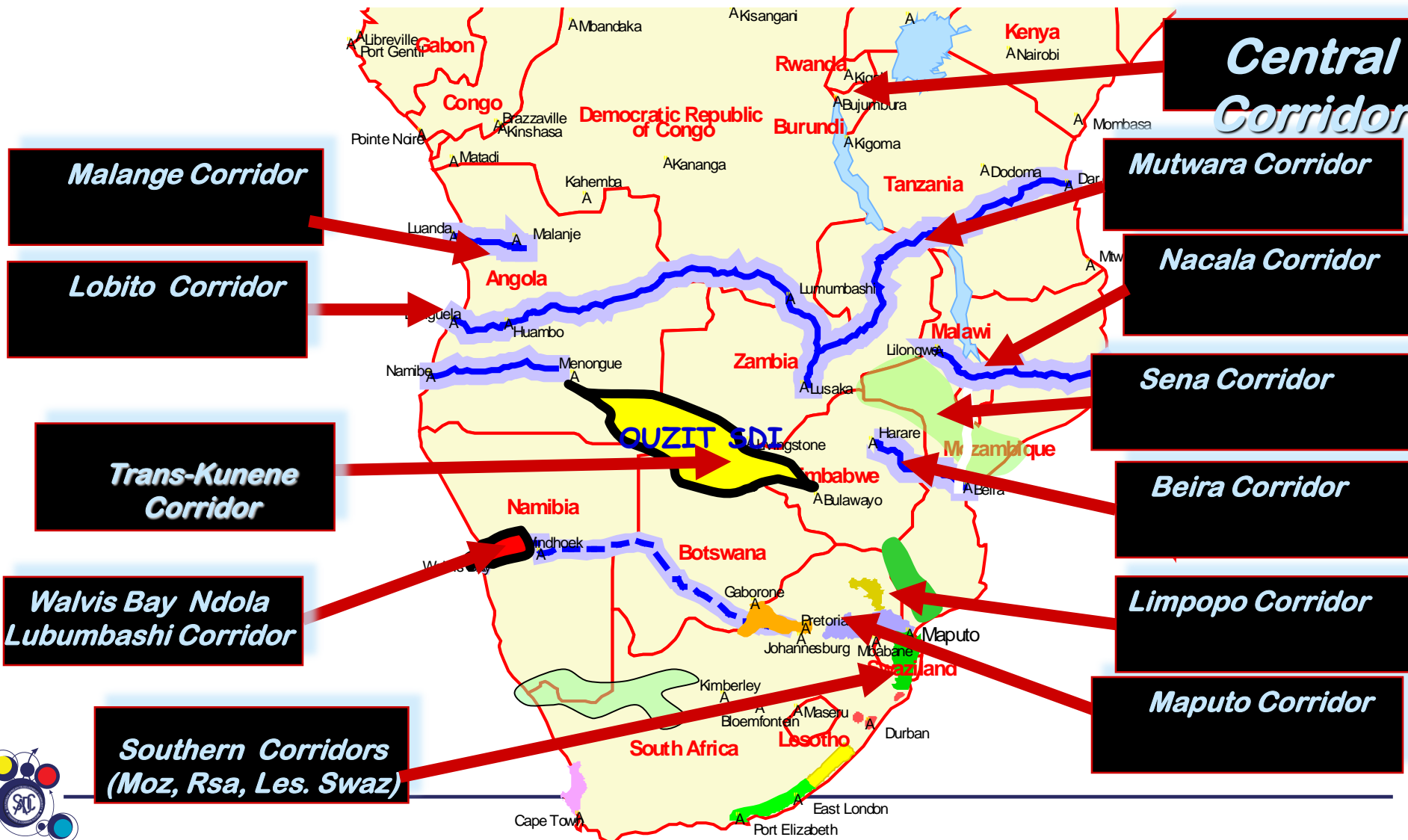
TALKING SURFACE TRANSPORT

-The Plight of Landlocked SADC Countries

- Need for one stop border posts
- Harmonised customs documents and procedures, which fast tracks crossing (e.g for Malawi transport 55% of landing value!!!!)



SADC CORRIDOR SCHEMATICS - A CONDUIT FOR REGIONAL AND INTERNATIONAL TRADE



The North-South Corridor Project



KEY TRANSPORT PROJECTS

Key Priority Transport Projects for

SADC

- *Ports expansion, rehabilitation and modernisation;*
- *New rail projects and rehabilitation;*
- *New road links, and rehabilitations;*
- *One Stop Border post introductions and Border Efficiency projects;*
- *Development of new Air transport hubs and gateways;*
- *Airports expansion, modernisation and rehabilitations;*



SADC Transport Corridors Investment Opportunities

<u>Project Name</u>	<u>Countries</u>	<u>Status</u>	<u>Way Forward</u>
Nkaya – Muchinji Railway Line Rehabilitation – USD 150 M	Nacala Corridor (Malawi Portion)	Pre-feasibility Study complete	Funding being sought by GOM
Bwengu – Chiweta Road Rehabilitation (60 KM)	Nacala Corridor (Malawi Portion)	Pre-feasibility study completed	Feasibility Study & funding required
Lilongwe – Kasungu Road Rehabilitation (150KM)	Nacala Corridor (Malawi Portion)	Pre-feasibility Study complete	Funding Required
Sena Rail Rehabilitation	Malawi - Mozambique	Prefeasibility complete, feasibility study in progress; Cost 305 M	Funding required



SADC Transport Corridors Investment Opportunities

Project Name	Countries	Status	Way Forward
Serenje – Nakonde Link 3 Chinsali - Nakonde	Zambia North – South Corridor	Detailed design and bidding docs completed ; Cost USD 428 M	Funding Required
Kolwezi – Dilolo Road Rehabilitation	Lobito Corridor (DRC Portion) – Angola using own funding	Studies complete, Angola progressing, Cost Estimate USD 118M	DRC requires funding from Transaction Adviser to Civil Works
Trans-Kalahari Rail Construction	Botswana and Namibia, Trans-Kalahari Corridor	Pre-feasibility and preliminary design completed	Transaction Adviser and detailed design required
Harare – BBD Road Rehabilitation	North – South Corridor (Zimbabwe portion)	Pre-feasibility completed by DBSA Study	PPP framework preferred



SADC DIGITAL 2027 – In Support of a SADC Single Economic Space

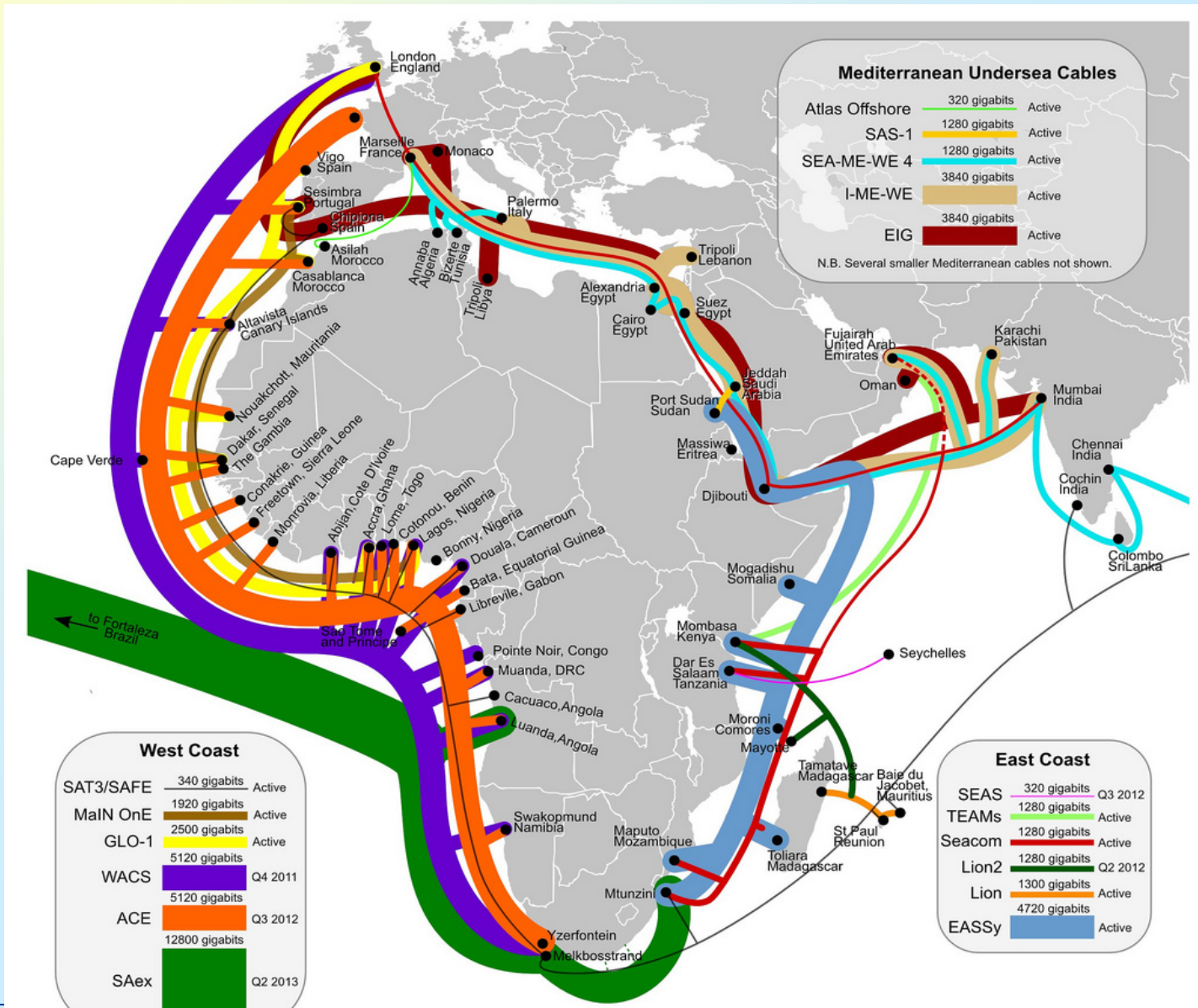
SRII Phase I: Progress



SRII Routing and Landing Stations



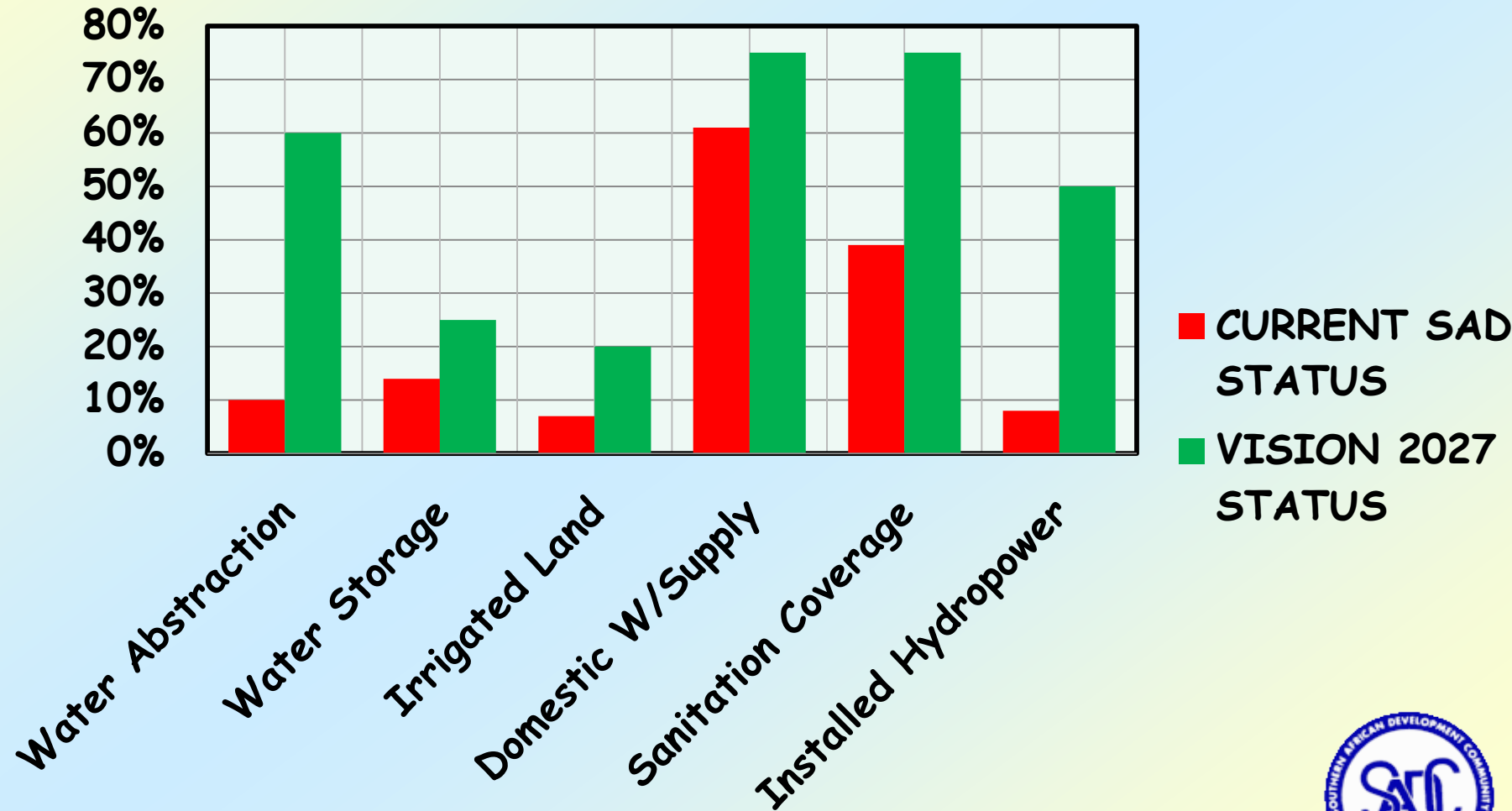
SADC Broadband Inter-connections and Under-Sea Cable Links to Rest of the World



African Undersea Cables (2013)



CURRENT SADC STATUS vs. VISION 2027 STATUS



Short Term Water Projects

Project Name	Countries & Status	Capacity and Way Forward	Expected Date
Lesotho Highlands Water Project Phase II	Lesotho and RSA, Polihari multipurpose Dam for Hydro power and water transfer to the Vaal in RSA	Generation up to 1200 MW, Funds sought for investment in project, Cost USD 112 M	2020
Inga III Hydro Project	DRC	Up to 5000 MW, Funding reqd for feasibility Study	2019
Batoka Godge	Zambia and Zimbabwe		
Mpanda Nkuwa Hydro Project	Mozambique	Seeking 2400 MW Generation Capacity	2019



OCEANIC STATES PROJECTS PORTFOLIO

Welcome to Madagascar, Mauritius & Seychelles

Key Oceanic States projects include:

- ***Establishment of a Maritime Corridor for Oceanic States;***
- ***Airports rehabilitation and expansion;***
- ***Develop and promote under sea connectivity cables;***
- ***Develop ICT to levels of regional hubs and switching centres;***
- ***Looking forward to working with IOC for effective implementation.***



Proposed Financing Mechanisms for Infrastructure Projects

- Funding as public sector projects through fiscal mechanisms and sovereign loans;
- Funding entirely by the private sector as part of the state policy options;
- Funding through joint effort or equity by state and private sector as a Public Private Partnership (PPP);
- SADC set up a Project Preparation and Development Facility (PPDF) for packaging projects to bankability;
- SADC Development Fund set up to fund, among others, infrastructure development projects;
- Development Finance Institutions play a pivotal role in financing infrastructure based on bilateral agreements;



Private – Public Sector Cooperation Handshake

A “Modus Operandi” for the Future of SADC



PRIVATE SECTOR



PUBLIC SECTOR



- The need for a pipeline of bankable projects that have reached bankability – SADC established the PPDF to address this;
- Limited capacity to prepare projects;
- Limited funding for investment due to ever-increasing social needs;
- Challenges of securing Power Purchase Agreements and lack of IPP limiting capacity ;
- Non implementation of cost reflective tariffs – region has road map for migration;
- Deferred maintenance of infrastructure necessitating early rehabilitation of in particular roads – a culture change incalculated, maintenance budgets at hand.



CONCLUSIONS AND KEY MESSAGES

- SADC has achieved consensus on agreed infrastructure projects to address regional integration and poverty reduction objectives;
- All projects identified enable SADC to achieve its strategic objectives;
- Implementation will focus on the Short Term Action Plan Portfolio available;
- Private sector participation in infrastructure investment is the key current password;
- We have confidence that the SADC – Japan Cooperation will have a long lasting footprint in infrastructure development.



As an Investor Searching for an Appropriate Investment Destination with the Following Attributes

1. Amenable Enabling Environment

2. Excellent Human Resources

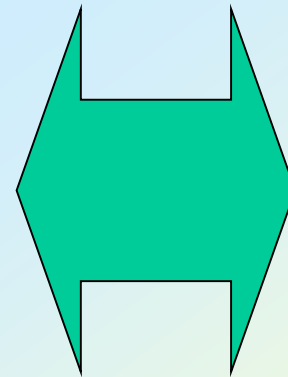
3. Huge Integrated Market With a Population of More than 220 million

4. Unprecedented Economic and Market Growth – Tried and Tested!

APOLOGIES - YOUR SEARCH HAS JUST ENDED ABRUPTLY!

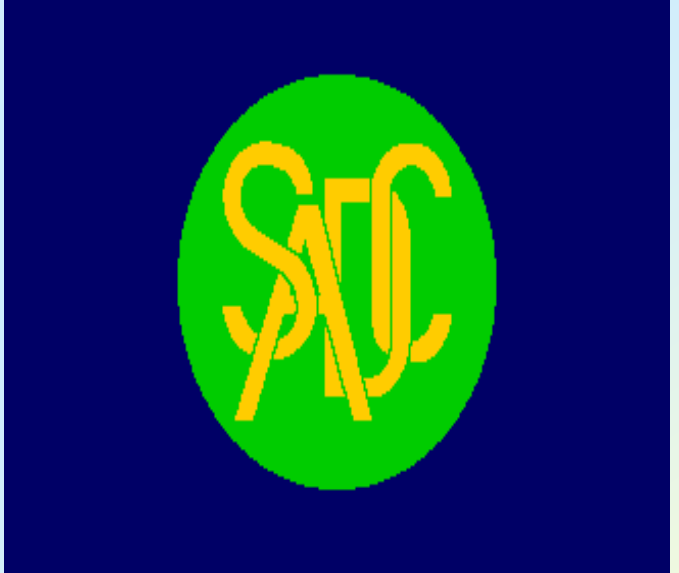
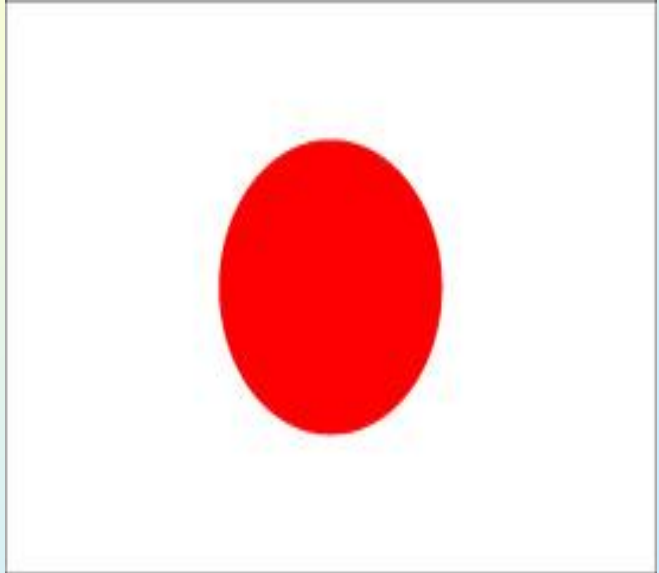


SADC 15 NATIONS ARE WAITING 4 U.



YOU ARE AT YOUR DESTINATION - THAT IS THE SADC REGION

SADC – Japan Cooperation Handshake



SADC cherishes the people to people cooperation with the Japan towards a common vision of regional integration and poverty reduction underpinned by the TICAD 5 Follow Up Process

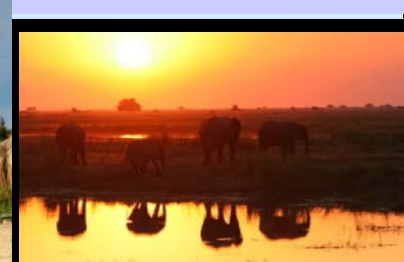




A 15 Nations SADC Presentation

Colleagues and Friends

Questions & Answers?



Thank you - Merci - Obrigado

For Listening

