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Lever for Building the Africa we Want

DIRECTORATE OF INFORMATION & COMMUNICATION

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African Heads of States and Governments adopt the second phase of the Programme for Infrastructure Development in Africa (PIDA PAP 2) and the Africa Single Electricity Market (AfSEM)

The Assembly of the African Union Heads of State and Government adopted, in its 34th Ordinary Session on 7 February 2021, the strategic documents submitted by the Department of Infrastructure and Energy related to the Second Phase of the Program for Infrastructure Development in Africa (PIDA PAP2, 2021-2030). The strategic documents include PIDA PAP2 implementation strategy, financing strategy, and partnership strategy for sixty-nine (69) regional infrastructure projects in the sectors of Energy, Transport, Trans-Boundary Water, and Information and Communication Technology (ICT), with an estimated budget of 161 Billion USD. These projects were selected from a long list of over 240 projects proposed by Member States, Regional Economic Communities (RECs), and Specialized African Institutions. The long list was the subject of extensive consultations from December 2018 and throughout 2020 and were prioritised according to new criteria which include rural connectivity, economic viability, financial attractiveness, climate friendliness, gender sensitive and smart infrastructure. The alignment of projects to the integrated corridor approach has been ensured during the submission and selection process through the corridor overlap and the inclusiveness and sustainability criteria. At a more strategic level of arbitration, projects which contribute to integration across regions and AUC flagships and Agenda 2063, especially those facilitating the implementation of the African Free Trade Area (AfCFTA) and the Free Movement of Goods and People, have been prioritized.

The selection of projects of the second phase of PIDA also ensured equitable distribution by African region and by sector and focused on preparedness and fast tracked approaches.

It is estimated that, upon the implementation of PIDA PAP II projects, the outcomes include modal switch from road to rail transport and inclusion of fluvial navigation in more competitive and climate friendly multimodal transport systems, key contributions to establishment power pool interconnection as a first step to the African Single Energy Market (AfSEM), development of high impact multi purpose dams to achieve sustainable rural livelihoods and climate resilient agriculture, and using ICT infrastructure to develop value added services, boost digitalisation and create jobs for youth. PIDA PAP 2 is expected to play a key role through the immediate impact of the construction activities, job creation and also boost industrialization and trade through provision of utilities and competitive transport and logistics services enabled by multi modal infrastructure.

The Heads of States and Governments meeting has also adopted the roadmap, policy and governance structure of the African Single Electricity Market (AfSEM).

AfSEM aims to facilitate a sustainable development of the African electricity sector through the integrated continental electricity market on the basis of the 2019 African Continental Free Trade Area Agreement (AfCFTA). AfSEM will serve as key instruments under AfCFTA to foster conditions for economic growth and stability, while facilitating cross-border electricity trade. Under this scenario AUC is collaborating with pan-African and regional Energy institutions to operationalise the Electricity Market harmonization agenda by developing working documents, policy papers, roadmap and governance structure. The common policies for the organisation and functioning of the AfSEM are based on the existing policies governing the regional markets under RECs and the national markets within the AU Member States and have been designed to give confidence to investors and ensure that the supporting regulatory frameworks are robust, credible, and transparent to support investment and unlock trading opportunities that will enhance the socio-economic development of the African continent.

According to African Union Commissioner for Infrastructure and Energy, H.E. Dr Amani Abou-Zeid, post-COVID-19 recovery requires the fast-tracking of Africa's infrastructure development to improve resilience and improve livelihoods and economies. "The COVID-19 pandemic also accelerated digitalisation, exposed the gaps in energy in rural areas and the gender divide, and highlighted the need to develop infrastructure that is smart, climate resilient, inclusive and sustainable", said Dr. Abou-Zeid, African Union Commissioner for Infrastructure and Energy.

About the Programme for Infrastructure Development in Africa (PIDA)

The Programme for Infrastructure Development in Africa (PIDA) is an African Union Commission initiative, in partnership with the African Union Development Agency (AUDA-NEPAD), the African Development Bank (AfDB) and the United Nations Economic Commission for Africa (UNECA). This continental programme is designed to address the infrastructure deficit in transport, energy, ICT and transboundary water sectors. PIDA provides a common continental strategic framework and blueprint for inter-connecting and integrating Africa through priority infrastructure programmes and projects for African stakeholders to build the infrastructure necessary for more integrated transport, energy, ICT and trans-boundary water networks to unleash Africa's economic and social transformation, boost trade, spark growth and create jobs and re-position Africa as a modern, competitive and vibrant continent, in line with the AU Agenda 2063 aspirations and goals.

The Second phase of PIDA has benefitted from the learning from phase 1 for over a decade (2012-2020). PIDA PAP II design and process have achieved (i) a high degree of country ownership and national prioritisation, (ii) a strategic approach to regional cross border infrastructure development, (iii) focus on projects with a well-defined scope which can independently reach financial close and be implemented in the short to medium term.

About the Africa Single Electricity Market (AfSEM)

The Africa Single Electricity Market (AfSEM) is the initiative of AUC. AfSEM is initiated to be the common language, the common energy governance system establishing the market operation over the continental-wide, interconnected electricity infrastructure. The goal is to give African households and businesses more

secure, sustainable, reliable, competitive and affordable energy. The creation of AfSEM at the continental level started in 2015 in cooperation with the EU, to date, the AfSEM Policy Paper, the Roadmap and the governance structure were prepared by the team of EU-TAF Experts coordinated by the Department of Infrastructure and Energy, validated by RECs, Power Pools and other Pan African Energy Institutions. AfSEM is designed to bring greater energy security, sustainability and competitiveness to Africa Member states, it will be the largest single Electricity Market in the World covering 55-member states serving 1.5 Billion population, AfSEM will be the most cost-efficient response for strong growth of electricity demand in Africa, most essential tool to use full potential of the continent's Renewable Energy Sources, and an Effective accelerator to 100% access of electricity in the continent. It is planned to launch the AfSEM in March, 2021. and to be fully operational by 2040.

For media inquiries, please contact:

1. Mrs. Esther Azaa Tankou | Head of Information Division | Directorate of Information and Communication, African Union Commission | Mobile: +251911361185 | E-mail: yamboue@africa-union.org
2. Mr. Gamal Eldin Ahmed A. Karrar | Senior Communication Officer | Directorate of Information and Communications (DIC) | E-mail: GamalK@africa-union.org

Directorate of Information and Communication | African Union Commission | E-mail: DIC@african-union.org | Website: www.au.int | Addis Ababa | Ethiopia Follow Us: [Facebook](#) | [Twitter](#) |