

SADC Infrastructure Futures: Pathways to Complementary Regional Interconnectivity

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Regional Infrastructure Connectivity

- **Definition:**

Regional infrastructure connectivity – physical, policy and administrative linkages across regional economies via structures to enable the free movement of goods, persons, services, technology, finance and ideas across the region.

Needs a robust relationship between economic and social infrastructure, and an underlying enabling policy framework for the financing and development of sustainable, appropriate infrastructure.

Regional Infrastructure Connectivity

- **Challenges:**

The implementation of Infrastructure Vision 2027 is far-off. Just 7 RIDMP (2012) projects have been completed, while over 50% of the projects are at the pre-feasibility or feasibility stage. Most of these were scheduled to finish by 2017.

Few effective coordination mechanisms and regulatory harmonisation, with financing models that are difficult to execute simultaneously in multiple jurisdictions, making regional delivery much more challenging

Political interference, (even at highest level) creates intractable challenges. Sovereign- and self-interest often become greater than the motivation for regional cooperation and connectivity. E.g., the new Kazungula Bridge Project.

SADC economies' coal-driven mining and industry are heavily reliant on water.

Africa's energy demands expected to rise by 60% to around 1 320 Mtoe (million tons of oil equivalent) by 2040, with policies and plans in place – implies half a billion Africans without access to electricity by 2030.

High-impact key uncertainties	Informed by STEEPV conditions
Population growth, speed of urbanisation, resulting informal settlements, possible gentrification	Socio-Economic (Demographics) – Population growth trends and Urbanisation effect on the urban–rural interaction
Appropriate and timely rollout and application of digital technology to address digital, information and skills gaps	Technological – Adopting 3D printing, new fuels (hydrogen and liquefied natural gas, or LNG) and new materials (such as cement alternatives), blockchain, 5D project planning, renewable energy storage and automation
Climate change resilience, energy demand and security, speed of just and sustainable transition to clean, green economy	Environmental – SDGs and new priorities in the wake of COVID-19: inclusive growth, economic transformation with greener and more resilient infrastructure emphasising digitally accessible service
Adaptability to new financing models where domestic financing is emphasised to attract the local private sector and maximise local currency debt	Economics – Financing – Domestic resource mobilisation through, inter alia, effective fiscal management
Business-friendly environment and attractiveness to foreign investors. Post-pandemic recovery – building better	Political – Policy reform and implementation will influence the COVID-19 recovery Anticipatory innovative governance, and proper implementation of well-thought-out policies
Correct policy, policy implementation and political will	Political – Dominant ideology and opposition politics, political will versus political interference
The African Continental Free Trade Area (AfCFTA) bringing an end to NTBs' frustrating cross-border movement in intra-African trade	Political – Reluctance from policymakers who are averse to having 'foreign' products take over their domestic markets, or willingness to see the development of a regional market rather than national markets
Business models in infrastructure – what will the post-pandemic effect be on partnerships?	Values: Beliefs – Will innovative public–private partnerships (PPPs) take hold in the post-pandemic phase?

STEPPV Analysis

SADC Infrastructure Scenarios

Weak governance leaves SADC with old infrastructure. Private sector and citizens develop decentralised infrastructure solutions. Cost of last-mile solutions is prohibitive. Risks of green monopolies and climate colonisers

Policy uncertainty & political will absent

Two-stage resistance to reform by both governments and existing owners of fossil fuel-based infrastructure; leaves the region dominated by oligarchic power structures. Risks of hobo protectionism or deep collusion

Sustainable, resilient & transformed infrastructure

Exploitative Infrastructure

Regenerative Infrastructure

Fossil Fanatics

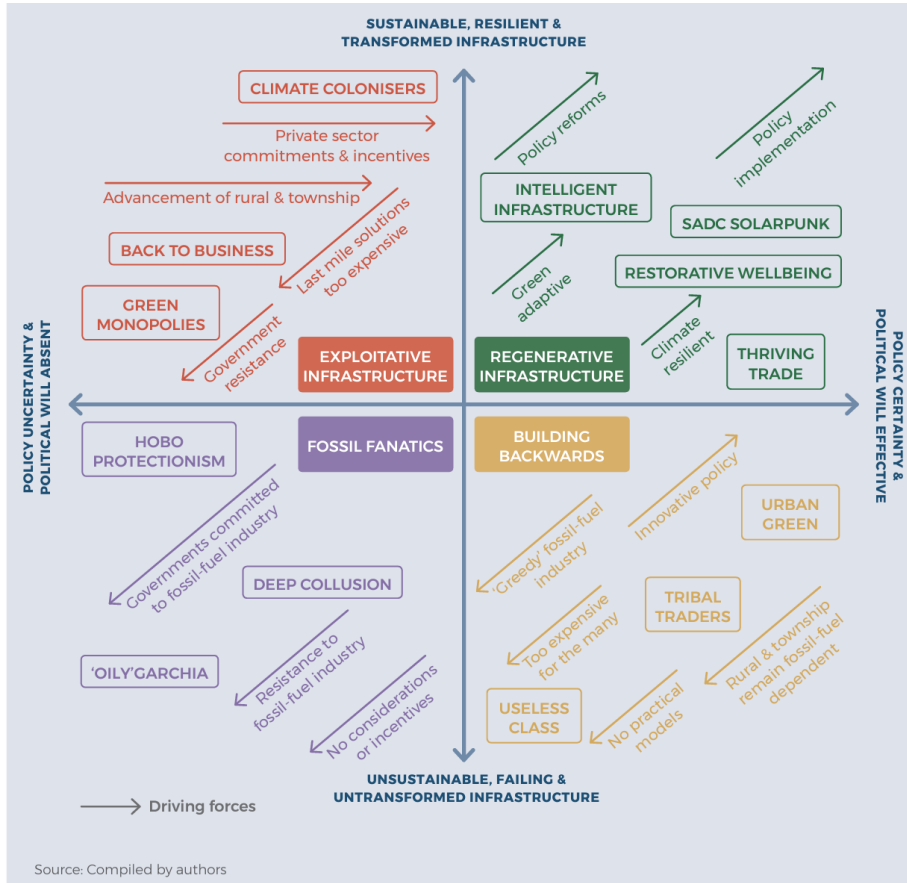
Building Backwards

Unsustainable, failing & untransformed infrastructure

Comfortable lifestyle solutions without fossil fuels, while equitably managing scarcity and sharing in the abundance of nature. Opportunities for restorative wellbeing and intelligent infrastructure

Policy certainty & political will effective

Owners of fossil-powered infrastructure refuse to relinquish control, despite government efforts and policy reform. Rural areas untransformed. Risks of tribal trading, and a useless class



SADC Infrastructure Scenarios – a detailed view

Policy Recommendations

- All regional stakeholders should grow resilience and preparedness for future global shocks through strategic foresight.
- The AfCFTA opportunity for intra-regional and intra-African collaboration on NTB elimination, including the development of connective infrastructure.
- All regional stakeholders should develop joint solutions to current lacklustre economic performance to support job creation opportunities in sustainable, transformative infrastructure programmes
- Governments should foster anticipatory innovative governance by being more proactive in their planning and budgeting, and by creating a transparent environment for regional problem-solving.
- Policy reform and implementation should focus on transformative, inclusive infrastructure financing and development.
- Innovations in infrastructure financing should explore blending solutions, where pilots are attempted first on smaller projects and then scaled up.
- Inclusive digital transformation is a regional and global imperative.
- SADC governments can no longer be held solely responsible for infrastructure funding and development.



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Thank you!