



'SADC FUTURES OF INFRASTRUCTURE: PATHWAYS TO COMPLIMENTARY REGIONAL INTERCONNECTIVITY'

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Address barriers in the SADC region to expedite regional infrastructure development and how to overcome it

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OUTLINE

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- Background on SADC infrastructure
 - Progress made so far
 - Challenges facing the region.
 - Solutions.
 - Conclusion

BACKGROUND: REGIONAL INFRASTRUCTURE



- Inadequate infrastructure remains a major obstacle towards SADC achieving integration and full and economic growth potential.
- For instance, the estimated financing requirement to close SADC's infrastructure deficit amounts are huge. SADC RIDMP estimates US\$ 12 billion annually until 2027 as the investment required to bridge the gap.
- There are many reasons attributed to REC's poor infrastructure investment performance, and some among them **being lack of well-prepared regional projects, and lack of investment**

AREAS OF PROGRESS IN DEVELOPING REGIONAL INFRASTRUCTURE IN SADC REGION - EXAMPLES

Some Progress made in Developing Transport Corridors include:

- **OSBPs and Bridge:**
 - The Kazungula Bridge and OSBP.
 - Nakonde/Tunduma OSBP.
 - Beitbridge OSBP – some infrastructure modernisation on Zimbabwe side taking place in readiness for OSBP.
 - OSBP -Mwami/Mchinji.
 - OSBP- Mandimba/Chiponde.
- **Corridor development:**
 - Maputo Development Corridor.
 - North-South Corridor-
 - Serenje-Nakonde
 - Mpika to Chinsali
 - Dar es Salaam Corridor: Dar es Salaam – Chalinze Toll Road (109 km)
 - Maputo Development Corridor (World Bank, \$380 million Trade facilitation project)
 - Nacala Development Corridor
 - Walvis Bay Corridor:
 - **Walvis Bay-Ndola-Lubumbashi Development Corridor** - In March 2021, Namibia ratified the Tripartite agreement for the Corridor
 - **Trans Kalahari Corridor** – Botswana and Namibia established a Project Management Office

CHALLENGES FACING THE REGION IN IMPLEMENTING REGIONAL INFRASTRUCTURE PROJECTS

Some Challenges facing SADC in developing regional projects include:

- **Slow domestication** of the protocols, annexes and regional agreements into national policies, laws, regulations and standards, SADC Model Policy, Legal and regulatory instruments, guidelines and standards.
- **Lack of harmonized infrastructure plans** – National, regional vs DFIs for developing regional projects.
- **Weak administrative and technical capacity** of Member States to implement reforms and develop regional projects.
- **Fiscal constraints** from RMCs to finance regional projects.
- Multiplicity of **financing instruments** to fund regional projects.
- Lack of pipeline of bankable regional projects (**Caused partly by dependency on donor funding**).
- **Lack of regional financial instrument** for resource mobilisation to prepare and finance development of regional projects. (**All other regions in Africa except SADC have regional development banks and Funds**)

FEW SOLUTIONS TO OVERCOME THESE CHALLENGES

Solutions to developing regional infrastructure

1. Harmonise infrastructure plans.
2. Project selection and prioritization should be based on development impact and strategic alignment criteria.
3. Create regional financing instruments for:
 - Project preparation (developing a pipeline of bankable projects)
 - Mobilisation of resources for investment from PVT and DPs
4. Use innovative financing mechanism e, g., PPPs
5. Political will from RMCs to work collectively and not in isolation.

CONCLUSION

- Regional infrastructure is critical but faces challenges in development as this usually involves two or more countries.
- While much progress has been made on developing regional projects, work remains especially on the soft infrastructure side.
- Prioritization of regional projects is critical and requires dialogue and alignment with national and regional strategies, alignment with regional integration priorities, and alignment to developmental outcomes such as enhancement of regional integration, reduced transit costs, and job creation.
- The region should increasingly look to using innovative financing instruments to crowd-in private sector in financing and implementing regional projects including BOT and PPP approaches and through special SPVs and this can easily happen through a regional financing instrument.



Thank You

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