

The Deputy President of the Republic of South Africa , Mrs Phumzile Mlambo-Ngcuka

The Minister of Transport, Mr. Jeffrey T. Radebe

The Executive Secretary of SADC, Dr. Tomás Augusto Salomão

The Chairperson of the NBF, Dr. Ruel Khoza

Ministers representing various governments across the region

The Heads of Departments

The respective leaders from private sector and civil society

Distinguished guests ladies and gentlemen

Firstly, I wish to apologise for the Acting CEO of the NEPAD Secretariat, who could not make to this conference because of prior engagements. We wish to thank those that have taken part in organising this conference aimed at enhancing the implementation of infrastructure in the Southern Africa Region.

One of the key priorities of NEPAD is to promote regional integration in the Continent because individual African economies are typically too small to generate the economies of scale that can typically be found in large markets. Bridging the infrastructure gap has been identified as an important element of promoting regional integration in Africa. Infrastructure under NEPAD covers four key sectors of energy, water, transport, and information and communications technology (ICT).

The development of regional infrastructure is critical for sustaining regional economic development, trade and export led economic growth. The potential for promoting regional

integration in Africa through sharing of production, management and operations of infrastructure facilities and through hubs, development corridors or poles is considerable.

Subsequent to the launch of NEPAD by the African heads of state and government in 2001, the NEPAD Secretariat supported by the African Development Bank as the lead agency in regional infrastructure, the World Bank and the Regional Economic Communities, as the pillars of NEPAD, set out to develop the NEPAD Infrastructure Action plan. In developing the action plan, NEPAD adopted a two pronged approach: a short-term action plan was developed based on infrastructure projects and initiatives put forward by the RECs as the pillars of NEPAD. The short-term action plan included mainly projects and initiatives which emphasized the facilitation of regional integration. The selection of the projects was guided by the following criteria: projects that are at an advanced stage of preparation and that can be fast-tracked; projects that support both a regional approach to infrastructure provision and regional integration; projects that have stalled for political reasons and where NEPAD intervention could make a difference; initiatives that offer solutions to regional policy, regulatory or institutional constraints to regional infrastructure activities: and projects that enhanced participation of the private sector.

The four common areas covered in the short term action plan are to facilitate, namely i) establishment of policy, regulatory and institutional framework necessary to create a suitable environment for investment and efficient operations, ii) capacity building initiatives aimed at empowering, particularly, the implementing institutions to meet their mandates, iii) physical and capital investment projects; and iv) studies to prepare new priority projects.

The role of NEPAD in ensuring the successful implementation of the Short-Term Action Plan (STAP) mainly by: a) Mobilizing political will and actions to implement policy and institutional reforms in the sectors, including harmonizing regulatory systems, and ratification of agreements; b) Facilitating the mobilization of resources for regional projects by pooling of resources of the countries concerned and by enlarging the participation of the private sector in

operations as well as in financing of infrastructure; and co-facilitating knowledge sharing, networking and dissemination of best practices among countries, RECs and technical agencies.

Actions are under way to develop the Medium to Long-Term Action Plan which will comprise the short-term action plan as a rolling plan. This initiative is undertaken jointly with the African Union and African Development Bank in order to have a comprehensive infrastructure action plan for the continent.

However, there are challenges Energy, Water and Transport Infrastructure Sectors that I would like to share with you.

Energy

The challenge for us the energy sector is to develop fully the energy resources of the Continent in order to deliver affordable energy services in support of economic and social sectors. NEPAD calls for the development of Africa's rich energy resources through regional co-operation. The key role of NEPAD in the energy sector would be to provide support to AFREC; to facilitate cooperation and conclusion of agreements; and to monitor implementation of projects.

The key sub-sectors under energy which require attention are, namely, the power generation covering coal, gas, hydro etc; the creation of regional energy markets through electricity interconnections and creation of regional power pools; the development of oil and gas fields including pipelines at regional level, renewable energies covering hydropower, wind energy, solar and bio-fuels.

Water

Sustainable use of available and finite water resources is essential for the socio-economic development of the continent and for eradicating poverty. The main challenge is to harness the available resources in order to meet the growing basic needs of water supply and sanitation for

a large number of Africa's population, contribute to food security through use of water for irrigation and to tap the renewable hydropower potential to support industrialization. The acceleration of the development of Africa's water resources calls for African countries to address the following, namely, i) the adoption of effective national and regional policies and institutional frameworks based on the principle of integrated water resources management (IWRM); ii) the establishment of collaborative framework on agreements to facilitate the management and development of shared water resources; and iii) capacity building. The key role of the region in the water sector will be to mobilize political commitment, and facilitating the mobilization of funding required for implementation of programs.

The key sub-sectors under water and sanitation that require attention are the trans-boundary water resources management, water supply and sanitation. We need to create a conducive environment in order to enhance the effective engagement of the private sector, through developing regulatory frameworks and assistance on capacity building for national governments; promote significant increase in funding support to the water and sanitation sector by African governments including allocating their own domestic resources to the sector as a means of leveraging other resources; and mobilizing resources for the NEPAD IPPF, African Water Facility and other initiatives.

In general, the NEPAD Secretariat is opening new lines of cooperation and raising resources for Africa's infrastructure projects with the Jeddah-based Islamic Development Bank. The Bank has signalled the possibility of earmarking US\$ 4 billion to support of African infrastructure, especially in countries that are members of the Bank. To reinforce this, the Secretariat is taking steps to garner concrete partnership support from the other Funds in the Gulf region, in support of African infrastructure projects, in demonstration of South/South Cooperation.

Transport

The main challenges facing Africa in the transport sector that needs the regions attention, if we are to close the gap in transport infrastructure and services, are as follows: a) high costs and

low quality of services in the sector; b) Low public and private sector investment in the sector; c) low level of maintenance of transport infrastructure; d) High level of formal and informal barriers to the movement of goods and people; and e) Low level of regional cooperation and integration of markets for transport services. The key role of NEPAD, working with SADC and all the stakeholders in the sector is to provide strategic leadership by mobilizing political support and financial resources to pursue the much needed reforms and to launch projects in support of regional integration and overall competitiveness. NEPAD, SADC, member countries and private sector should promote innovative approaches to mobilize resources and develop infrastructure along regional corridors in order to facilitate trade and to open up previously isolated areas.

Other areas of programmatic work in infrastructure includes the **NEPAD Project Management System (NPMS)** that is develop with the continued with the support of ADB, as means of improving availability and accessibility of information on the status of NEPAD infrastructure progress in order to facilitate greater private sector participation in financing; and the **NEPAD-Infrastructure Project Preparation Facility (IPPF)** – where we continue to emphasise the facilitation of project preparation and development for infrastructure.

Information and Communication Technology (ICT)

NEPAD continues to promote the ICT Broadband Infrastructure in order to ensure that all African countries are connected to one another by broadband fibre-optic cables, and are, in turn, linked to the rest of the world. The NEPAD Secretariat, through the e-Africa Commission continue to focus on **The Kigali Protocol** as the policy and regulatory framework under which the NEPAD ICT Broadband Infrastructure Network should be developed. The Protocol came into effect in February 2008 after it had been ratified by more than half of the 12 countries that had initially signed it. The Kigali Protocol has received a continent wide buy in from countries in Eastern and Southern African, and there is nothing that prevents other interested African countries to after due consideration of the pros and cons accede to the Kigali Protocol. In this

regard we continue to make efforts to get countries across the continent to ratify or accede to the protocol as appropriate.

The scope of the submarine segment of the NEPAD ICT Broadband Network has been extended to encircle the African continent and has provision to connect every coastal and Island country in Africa, and will connect Africa to Europe, the Middle East and India. This 40,000 km submarine cable is named "**Uhurunet**" submarine cable and will be completed in 2010. It will be developed by a company called Baharicom, which will be majority owned by African telecommunications and non-telecommunication investors. The terrestrial segment of the NEPAD Network has been named Umojanet and will interconnect African countries to one another.

NEPAD ICT Priority Programme - the NEPAD e-Schools Initiative aimed at harnessing ICT technology, improving the quality of teaching and learning in African primary and secondary schools and equipping young Africans with ICT skills, for active participation in the global information society and knowledge economy, remains on course. In its demonstration phase just completed, 100 NEPAD e-Schools have been implemented in 16 African countries with the help of private sector partners. A business plan that provides a broad framework for the massive rollout of NEPAD e-Schools across Africa has recently been completed. **National Implementing Agencies** are now been established which should be given the authority and capacity to source funds, manage the complex operations of rolling out infrastructure and building capacity for administration, teaching and learning in NEPAD e-Schools and to ensure the sustainability of NEPAD e-Schools.

Science and Technology

- Implementation of the **NEPAD Biosciences Initiative**, through scholarships awards by the **Biosciences Eastern and Central Africa Network (BecANet)** and the **Southern Africa Network for Biosciences (SANBio)**

- continued work in the field of research on validating herbal remedies for treatment of **HIV and AIDS at SANBio**;

Most importantly, the NEPAD Secretariat established an **African Biosafety Network of Expertise (ABNE)**. Through this Network, challenges relating to the lack of expertise and experience on biosafety will be tackled. The Government of Burkina Faso has accepted hosting the main node for the network. Other activities revolve around:

- building the necessary political and institutional leadership for harmonization of drug regulations to facilitate access to safe and essential medicines. We are working with African governments, RECs and the Pan African Parliament (PAP), to achieve this;
- Training program for 19 African states under the **African Science Technology and Innovation (STI) Indicators Initiative**;
- Mobilization of resources through the Government of South Africa for 2.5 million Rand to support research at the regional hub in Southern Africa through SANBio and the Bill and Melinda Gates Foundation extended a grant of US\$1.5 million to support the planning phase for establishing the African Biosafety Network of Expertise (ABNE).

The integration of NEPAD into the African Union structures and processes is currently. A Coordinating Unit has been established consisting of officials from the AUC and the NEPAD Secretariat. The Coordinating Unit is expected to do and complete its work of making recommendation on towards the nature and form of the NEPAD Planning and Coordinating Authority to the next AU Summit of the Heads of States and Government for consideration and adoption. Implementation thereof is expected to take place soon thereafter. Meanwhile, the programmes of NEPAD continue to be implemented.

In conclusion, whilst significant progress is made in number of areas we still need to do more in order to make sure that these initiatives make a significant impact in the development of our continent. In this regard, we need to ensure that African countries include the continental and

regional frameworks in their development plans, funding must be allocated to these projects from the national budgets, private sector and our development partners need to scale up their investments in this regard, and we need to build the capacity of the institutions set up to facilitate development.

We wish you well in your deliberations.

Thank you,