THE PRESIDENTIAL INFRASTRUCTURE CHAMPIONING INITIATIVE – (PICI)

REPORT OF PROJECTS ON THE NORTH SOUTH ROAD, RAIL AND RELATED INFRASTRUCTURE CORRIDOR

29 JANUARY 2016

(1). INTRODUCTION

This January 2016 report provides an update on progress made on key priority projects on the North South Road and Rail and related Infrastructure Corridor (''Corridor'').

The Corridor is multi-faceted - constitutive of many stages of development and multi-dimensional – covering various project stages of implementation. This report does not represent an exhaustive list of all the projects on the Corridor, but rather the best available information in respective of some of the major developments on the Corridor.

We are pleased to report that our discussions, consultations and engagements over the past 12 months certainly affirms the fact that significant progress continues to be made on the Corridor that is being championed by HE President JG Zuma of South Africa.

It was noted, in January 2015, that the major outcomes that we, in the region, strive to achieve through creating an efficient Corridor, are to build, upgrade and maintain infrastructure and remove impediments to trade flows, including regulatory and administrative constraints to transport and transit systems.

This, by implication, also involves identifying the missing links, chokepoints and bottlenecks that prevent the rapid development of the Corridor. The task is then to ensure the enablement of strategic, decisive and political will to bear on these impediments in order to provide catalytic solutions.

We are now working exceptionally hard and with a renewed sense of purpose in order to elevate our efforts around the PICI, generally, and the Corridor, in particular.

To this end, we are taking all our projects through a series of closer scrutiny and interrogations with a renewed focus and a sharper lens, as it were, and in the process we

are defining the related criteria that we will use to measure the progress on the respective projects.

(2). ASSESSING PERFORMANCE ON THE CORRIDOR

We are now assessing the impact and feasibility of the Corridor projects in greater detail and are proposing that it be measured against the following 8 criteria, in no particular order:

IMPACT

- Economic impact
- Job creation impact
- Strategic impact
- Regional impact, i.e. multi-country impact

FEASIBILITY

- Funding maturity
- Project management effectiveness
- Ease of stakeholder engagement
- Ease of technical execution

To further accelerate progress, we have decided to select several 'fast-track' projects and focus efforts on generating tangible results on these projects. We will select the 'fast-track' projects primarily based on the assessment of *impact* and *feasibility* of existing projects, which includes a focus on *job creation* and *economic development impact.* Dependencies with other projects are also factors to consider. For each 'fast-track' project, we will conduct a robust project audit and develop a roadmap to unlock bottlenecks. With this output, we will proactively engage various stakeholders to mobilize necessary resources and interventions in order to move forward the 'fast-track' projects. We intend to replicate this

approach on the remaining Corridor projects in order to keep accelerating the progress and keep stakeholders engaged on results delivery.

The report on the various roads, railways, border posts, bridges, energy and ports follow:

A. ROADS

1. The Serenje to Nakonde Road (Serenje to Mpika; Mpika to Chinsali; Chinsali to Nakonde) in Zambia
2. The Beitbridge Border Post
    a. Chirundu to Harare Highway in Zimbabwe
    b. The Harare to Beitbridge Highway in Zimbabwe
    c. The Plumtree – Mutare Roads in Zimbabwe
    d. The National Transport Master Plan in Zimbabwe
3. The Kazangula (Kasane) to Pandamatenga to Nata Road in Botswana
4. The Samfya – Lubwe – Kasaba Road Upgrade Project
5. The Bulawayo-Beitbridge road
6. The Kampala Juba Addis Ababa Djibouti Corridor

1. PROJECT: SERENJE TO NAKONDE ROAD (SERENJE TO MPIKA; MPIKA TO CHINSALI; CHINSALI TO NAKONDE) IN ZAMBIA

COUNTRY: ZAMBIA AND TANZANIA

Zambia through its Roads Development Agency (RDA) sought funding from the AfDB to finance the rehabilitation of the T3 road from Chinsali to Nakonde (208.6 km) road section which is part of the 611.6km Serenje-Nakonde road proposed for full reconstruction.

The Serenje-Nakonde section has been subdivided into three (3) subsections for ease of project implementation:

- Serenje-Mpika (238.3 km),
- Mpika-Chinsali (164.6 km) and
- Chinsali-Nakonde (208.6 km)

The rehabilitation of the Serenje-Nakonde section of the North-South trunk road has been identified through the North-South Corridor network planning project prioritization process as a key project requiring immediate rehabilitation. The 611 km long Serenje-Nakonde Road was selected for rehabilitation in a strategic economic analysis of the investments of the entire North-South Corridor carried out by Birmingham University. It forms a critical link in the North-South Corridor, linking trade routes between Angola, Namibia, Botswana, Zimbabwe, South Africa and Tanzania

The project objectives shows that the upgrading of this road will reduce the cost of road transport along the Corridor and Dar es Salaam corridors, reduce vehicle operating costs for road transport, and improve the competitiveness for industries in the eight countries served by this corridor.

The AfDB, the Africa Growing Together Fund (AGTF) and the Government of Zambia (GRZ) recently approved a $243m loan for the rehabilitation of Chinsali-Nakonde Road (Zambia) a section of the North-South Corridor in Zambia, connecting Tanzania. The project aims to improve road transport infrastructure and services as well as reduce transport costs between northern Zambia and southern Tanzania. It is also expected to provide efficient, cost-effective and fully integrated transport infrastructure and operations that addresses the needs of users and promotes socio-economic development.

The Chinsali-Nakonde road is a strategic national and regional road link that forms a section of both the North-South Corridor, which traverses eight countries and the Trans-Africa Highway (Cape to Cairo). The road section connects northern Zambia to Tanzania, and provides connectivity and access to the sea for landlocked Zambia. It links the port of Dar es Salaam in Tanzania to the Copper-belt in Southern Democratic Republic of Congo and Northern Zambia. It also connects the Copper-belt to the southern ports of South Africa. The present degraded condition of the road, which was constructed in the 1970s, is an impediment to national and regional mobility.

Current status, challenges, next steps and rank in complexity

As at July 2015, the following was noted in respect of the Rehabilitation of the Chinsali - Nakonde road section (210km) in Zambia and Rehabilitation of 50km of feeder roads:

- The civil works for the Chinsali - Nakonde road section will be implemented in two lots, namely, Lot 1: Isoka - Nakonde (110km) and Lot 2: Chinsali - Isoka (100km). The civil works are to be implemented in parallel, estimated construction time of 30 months (2.5 years) for each
- The Feasibility, Preliminary Design and Detailed Engineering Design and Environmental and Social Economic Impact Assessment Studies have been completed and have been reviewed by the AfDB
- A Resettlement Action Plan was to be prepared and finalised.
- The Project Appraisal was done, and it is anticipated that the project shall be presented for Board consideration.

A recent status update showed that the contracts for the preparation of detailed designs were awarded, draft final designs were completed and inception reports were completed. The total estimated project value is $674 million.

Denmark-based Grontmij A/S, in association with Bicon Zambia Ltd, prepared detailed engineering design for the tender documents.

2. PROJECT: THE BEITBRIDGE BORDER POST

The developments at Beitbridge are important to us. To this end, I can report that both South Africa and Zimbabwe have elevated bilateral relations with the signing of five agreements which are set to benefit both countries.

The agreements were signed during President Robert Mugabe's state visit to South Africa at my invitation in April 2015.

We signed a Bi-National Commission (BNC) Agreement to be led by the two Heads of State, President Zuma and President Mugabe.

We also signed a Memorandum of Understanding on Diplomatic Consultations, which will establish a mechanism for regular diplomatic talks on issues such as strengthening bilateral relations, security and cooperation in Africa and other issues of mutual interest.

An Agreement on Cooperation on Water Resources Management was also signed and a Joint Water Commission was established to enhance cooperation in water resources planning, development and management in the spirit of mutual understanding and benefit.

An agreement was also signed regarding mutual assistance between customs administrations between the two countries, which will further cooperation towards the establishment of a one-stop border post. This is viewed as a crucial milestone.

In addition, South Africa and Zimbabwe on Wednesday signed a Memorandum of Understanding on Trade Cooperation.

I also underscored that our Ministers from South Africa and Zimbabwe will work together to ensure the implementation of the agreements and others that have been signed over the years.

South Africa and Zimbabwe not only share strong historical relations, but also strong economic cooperation to the extent that the economies of the two countries are historically and inextricably linked.

Zimbabwe is always among South Africa's top three trading partners on the continent, while South Africa is one of the top investors in the Zimbabwean economy.

One notable initiative already launched by the AU and to which we are paying close attention is the North-South Corridor Project.

Together with the African Development Bank, the Development Bank of Southern Africa, and strong support from the South African Government, actions are being taken to fast track this project.

This programme supports some of Africa's busiest trade routes: linking the port of Dar Es Salaam in Tanzania to the Copper Belt in Zambia and into Lubumbashi in the DRC. It then continues down through Zimbabwe and Botswana to Africa's largest and busiest port, Durban, in South Africa.

In effect, the North-South Corridor Initiative will service eight countries, Tanzania, the DRC, Zambia, Malawi, Botswana, Zimbabwe, Mozambique and South Africa. I am honoured to champion the North-South Corridor initiative on behalf of the African Union

(a) CHIRUNDU TO HARARE HIGHWAY

COUNTRY: ZIMBABWE

THE dualisation of the $1,3b Beitbridge-Harare-Chirundu highway was expected to start before the end of this year after the Zimbabwean government took over the project. Zimbabwe was targeting some major projects especially the Beitbridge-Harare and Harare-Chirundu highways and the ring road (Harare Drive).

The highway had outlived its design life twice over as it was designed to last 20 years but had been in use for over 55 years. The dualisation of the Beitbridge-Harare-Chirundu highway is expected to cost at least $1,3b but was stalled due to a court challenge.

The rehabilitation and dualisation of the Beitbridge-Harare-Chirundu highways has been cited as one of the major projects under government's Zim-Asset economic turnaround blueprint. The construction of the Beitbridge-Harare-Chirundu road is among the government's top priority projects and discussions are already underway to implement and start the processes.

It has now emerged that the Zimbabwean government has initiated processes for the dualisation of the Harare -Beitbridge Road with the Ministry of Transport and Infrastructural Development inviting interested engineering firms to submit their bids.

Terms of reference for the project include provision of the preliminary and detailed engineering design of Harare - Masvingo - Beitbridge dualisation which has been segmented into four sections. They are Harare to Chivhu (120 km), Chivhu to Masvingo (147 km), Masvingo to Rutenga (149 km) and Rutenga to Beitbridge (135km).

The services under the project include a full preliminary design for the dualisation of the road (including all bridges and drainage structures), covering technical, economic, environmental and social issues in order to provide the Department of Roads with sufficient information for decision making on the preferred alignment and proposed dualisation of the road; and preparation of the detailed engineering designs, drawings, cost estimates for the dualisation (including bridges and drainage structures) of the regional trunk road.

Current status, challenges, next steps and rank in complexity

Zimbabwe is targeting major projects especially the Beitbridge-Harare and Harare-Chirundu highways and ring road (Harare Drive). To this end a Bankable Feasibility has been completed. A partnership has been formed between China Communication Construction Company Limited, Group 5, the Development Bank of Southern Africa and potentially the Industrial Development Corporation.

The project requires rehabilitation and upgrading of the Chirundu to Harare Road. The feasibility study on this road is complete and the financial model is ready. The proposal is to break the project down into feasible phases.

(b) PROJECT: HARARE TO BEITBRIDGE HIGHWAY

COUNTRY: ZIMBABWE

This project entails the rehabilitation and expansion of the existing Harare to Beit Bridge Highway. The feasibility study was completed by consultants SSI by the end of December 2012. A draft PIM was also completed on this project.

(c) PROJECT: THE PLUMTREE-MUTARE ROADS

COUNTRY: ZIMBABWE

This project in Zimbabwe has been a success story. It involves the rehabilitation of 2 strategic regional/primary road arteries:

- Harare – Bulawayo – Plumtree; and
- Harare – Mutare

In this regard, it is worth noting that 821kms of road was rehabilitated and 9 toll plazas constructed to improve and expand toll revenue collection along these routes.

Current status, challenges, next steps and rank in complexity

The Project cost was $206m and was funded on a stand-alone basis by the Development Bank of Southern Africa. This was funded through a Public-Private Partnership Special Purpose Vehicle between Zinara of Zimbabwe and Group Five in South Africa. Maintenance on road ongoing as agreed. This project is a success on the North South Corridor.

(d). PROJECT: THE NATIONAL TRANSPORT MASTER PLAN

COUNTRY: ZIMBABWE

Zimbabwe has received funding from the African Development Bank (AfDB) for the development of a national transport master plan. This is a designed proposal study under its Medium Term Plan (MTP 2011 – 2015).

Current status, challenges, next steps and rank in complexity

The Master Plan would enable Zimbabwe to effectively prepare for transport sector development and interventions. It will ensure effective and affordable means of transportation of goods and services to support growth and wealth creation- in line with National Transport Policy.

3. PROJECT: KAZUNGULA (KASANE) TO PANDAMATENGA TO NATA ROAD

COUNTRY: BOTSWANA

The road is earmarked for rehabilitation and upgrading with an estimated investment value of $90m. The Pandamatenga to Nata Road Link 1 and Link 4 received funding through the IPPF.

The COMESA-EAC-SADC Tripartite has received financing from the AfDB hosted NEPAD Infrastructure Project Preparation Facility (IPPF) toward the cost of the North South Corridor: Preparation of Feasibility Studies, Detailed Engineering Design and Tender Documents for the rehabilitation of the rehabilitation of 64 km Pandamatenga – Nata road section in Botswana.

The services included under this project are:

- Full feasibility studies for the rehabilitation of the road section, covering technical, economic, environmental and social issues in order to provide the Tripartite and the Botswana Government with sufficient information for decision making on the preferred alignment and proposed rehabilitation of the road section;
- Preparation of detailed engineering designs, drawings, cost estimates and tender documents for the improvement of this international road along the NSC.

Current status, challenges, next steps and rank in complexity

The COMESA-EAC-SADC Tripartite and the Roads Department, Ministry of Transport and Communications, Botswana are the client and implementing agency respectively and the preparation studies should be completed in 2016.

4. PROJECT: SAMFYA–LUBWE–KASABA ROAD UPGRADE PROJECT,

COUNTRY: ZAMBIA

This is the Zambia Road Development Agency upgrading of 113km of the Samfya to Kasaba via Lubwe road project in Luapula province, and the value is ZK 439m.

Current status, challenges, next steps and rank in complexity

There is no information on this project.

5. PROJECT BULAWAYO-BEITBRIDGE ROAD

COUNTRY: ZIMBABWE

The Bulawayo-Beitbridge Road is set to undergo a major facelift under a regional initiative, in North-South Corridor, targeting five roads in Zimbabwe, Malawi and Botswana. Rehabilitation would be done concurrently, in two parts consisting of Bulawayo to Gwanda and Gwanda to Beitbridge roads.

Current status, challenges, next steps and rank in complexity

The three (3) RECs - COMESA, EAC and SADC are working to unlock the economic potential of landlocked countries in Southern and Eastern Africa. The AfDB Bank through the NEPAD-IPPF has provided a Grant of $4.5m to the COMESA, EAC and SADC Tripartite to undertake the feasibility and design of the 5 road sections along the North South Corridor in Botswana, Malawi & Zimbabwe, one of which is the Bulawayo to Beitbridge section. Procurement of consultants is underway with services due to commence in mid - 2015.

6. PROJECT:KAMPALA-JUBA-ADDIS ABABA-DJIBOUTI CORRIDOR

COUNTRY: SOUTH SUDAN

This is the feasibility study and detailed engineering design of the missing link Kapoeta-Road (270 km) road in South Sudan.

The objectives are listed as proposing to:

- Open an alternative seaport access for South Sudan and Uganda;
- Improve condition of the main road to access the Djibouti Port for Ethiopia;
- Develop road transport infrastructure connecting Uganda, South Sudan, Ethiopia and Djibouti, and improve regional connectivity
- Provide sustainable road access and quality of transport services for communities to markets and social services and contribute to reduction of poverty and promote good governance, peace and security.

Current status, challenges, next steps and rank in complexity

There is no new information available on this project.

B. RAILWAYS

1. The African Union January 2016 Summit Decision - South Africa to become the Manufacturing Hub for Rail Rolling Stock for Continent
2. The National Railways of Zimbabwe
3. Establishing a Regional Locomotive and Wagon Leasing Pool
4. Improved Regional Rail Operating Agreements
5. New Railway link from Francistown to Kazangula and Livingstone
6. Development of a North-South Corridor Rail Infrastructure Investment and Operating study
7. Revitalization of Zambia North South Corridor Link (SADC)

1. PROJECT: THE AFRICAN UNION JANUARY 2016 SUMMIT DECISION – SOUTH AFRICA AS THE MANUFACTURING HUB FOR RAIL ROLLING STOCKFOR THE CONTINENT

COUNTRY: SOUTH AFRICA

Since the decision of the AU, in January 2015, South Africa has been working on developing a Concept Note to become the manufacturing hub for rail stock. The decision presents some exciting possibilities and challenges, as a whole, and its rail manufacturing industry in particular.

The economic benefits of the massive investment in rail transportation are too numerous to enumerate here and now: a cursory assessment will be followed by a Detailed Feasibility Study on Manufacturing New Rolling Stock clearly providing the economic case for such investment

Initial estimates indicate that the return on investment is good; it will unlock job creation in the region and the SADC sub region arising from high levels of localisation and boosting efforts at deepening industrialisation in the SADC region and beyond.

SA has historically played a critical role in heavy maintenance, refurbishment and conversions as well as the upgrade of existing locomotives, wagons, coaches and components, including wheel refurbishment. Additionally, manufacturing facilities already exist across the country.

The AU Rail Stock decision for South Africa to become the manufacturing hub dovetails the operations of Transnet in executing its Africa Strategy during the current financial year, having already grown considerably in cross-border activities.

One of the SA State Owned Companies (SOCs) not only has its sights set on a R300bn market demand strategy to expand and modernise the country's rail and ports infrastructure in SA, it is also developing an African locomotive to suit African conditions. It is investing over R160m in developing a prototype Trans-African locomotive designed to suit the rugged conditions of Africa's railways.

Africa has emerged as its most promising growth region, and funding has been set aside to be invested in a number of areas including rail infrastructure in countries like Nigeria and Angola, over the next three years. SA is already building locomotives for Mozambique and Angola, in various partnership formations, from its vast Koedoespoort factory, just outside Pretoria. Additionally, 10 other countries in Africa have been identified where it should be pursuing opportunities. There are currently six factories in SA where there is capacity to manufacture 4000 new wagons and refurbish 3000 wagons per year. It also has capacity to build over 500 locomotives and refurbish 300.

The new strategy will include a focus on developing its manufacturing capability and capacity to align with the AU rail stock decision. By 2030, the plan is to increase the number of satellite offices in the region from four to 11, as well as its rail-corridor coverage and shipping feeder network.

It should be noted - a critical objective of the AU decision is to re-industrialise and revitalise the Rail Engineering sector in South Africa, the SADC region and the continent. Quite evidently – the lack of rail infrastructure in Africa is a stumbling block to economic development in the region. There is also a stated need to move more goods from road to rail.

There has been a lot of good progress in developing this proposal for SA to become the manufacturing hub for the production of rail stock.

Current status, challenges, next steps and rank in complexity

To implement the decision taken at the African Union Assembly, a feasibility study with the aim of understanding the current market and developing the detailed strategy of achieving the goal of a sustainable African Rail Industry has been initiated. The feasibility will include the following:

- Demand and Supply in the African Continent
- Passenger Demand
- Freight Demand (general/mixed)
- Freight Demand (bulk/heavy haul)
- Social and Economic Factors
- Manufacturing & Engineering Capability

- Regeneration of the Industry
- Supporting Infrastructure Required – Logistics, Roads, Ports
- Competitive Positioning

The table below represents the first high level estimations of the timelines and milestones for the Programme that will be implemented:

	Milestone	Timeline
1	Constitution of Project Team	February 2016
2	Conduct African Market Analysis	December2016
3	Develop Detailed Implementation Plan	March 2017
4	Finalize Funding Model with DFIs	April 2018
5	Delivery of first batch of Trains	December 2019

2. PROJECT: THE NATIONAL RAILWAYS OF ZIMBABWE

COUNTRY: ZIMBABWE

The National Railways of Zimbabwe requires rehabilitation of the rail infrastructure and recapitalization. The PIM for the recapitalisation of the NRZ was completed in October 2012.

The project preparation costs were $350 000, funded by the DBSA and the RSDIP and the project investment value is approximately $336m. The SA Inc. content is also being crowded into this project. The financial model is now also available and completed.

The DBSA was recently appointed as the Mandate Lead Arranger for this project. The Technical partner however still needs to be approved by cabinet in Zimbabwe.

NRZ operates 2700 kilometres of rail network, which interfaces with regional countries. According to the latest information from NRZ, it has a stock of 160 locomotives and 9 000 wagons. The information by the NRZ management revealed that at least 50 of the locomotives were out of service while 4 500 locomotives needed to be serviced to rejuvenate service provision. The refurbishment cost for each locomotive is estimated to be worth $750,000.

Current status, challenges, next steps and rank in complexity

Negotiations are still underway between DBSA and the Government of Zimbabwe.

3. PROJECT: ESTABLISHING A REGIONAL LOCOMOTIVE AND WAGON LEASING POOL

COUNTRY: SADC MEMBER STATES

The objective of this project is to deploy locomotives and wagons into a regional rolling stock leasing pool. Several rail operators in the SADC region have a shortage of locomotives and rail equipment (wagons and coaches). This hinders regional integration from a transportation perspective. The primary purpose of this project is to supply locomotives to a leasing company which will then lease these onto Regional Rail Operators in the SADC region.

This will create a pool of available rail equipment for regional rail operators. The main challenge of the leasing pool project is to establish an acceptable risk sharing model in the absence of potential operators being unable to guarantee lease premiums over the period of the lease.

Current status, challenges, next steps and rank in complexity

The NEPAD Business Foundation (NBF) in collaboration with its partners (*Transnet SOC Ltd & Grindrod Rail Ltd*) are developing a bankable business case for this project. Feasibility studies for SADC member states are still pending, however some preliminary demand investigations have been executed for some of the SADC countries including: Zimbabwe, Zambia and Tanzania.

The NBF in collaboration with It's partners are currently working on developing an appropriate project structure at will allow deployment of rolling stock assets into the SADC region.

A summary of the project status as at December 2015[1]:

- A range of institutional set-up options have been developed and they need to be stressed tested before a final option is selected;
- A financial model will be developed in 2016 in order to support a selected institutional set-up solution; and
- Operationalisation of the leasing pool is anticipated in 2016.

4. PROJECT: IMPROVED REGIONAL RAIL OPERATING AGREEMENTS (SADC)

COUNTRY: SADC

There are rail operating agreements with rail operators in Mozambique, Namibia, Zambia, Zimbabwe, Botswana, Swaziland, and the DRC.

In the interests of promoting seamless cross-border rail flow, three Joint Operating Centres (JOC's) have been established in Mahalapye in Botswana, Bulawayo in Zimbabwe and Maputo in Mozambique – the JOC's promote joint planning and improved communication between the rail operators.

[1] Update provided by the NEPAD Business Foundation, December 2015.

Current status, challenges, next steps and rank in complexity

The NEPAD Business Foundation is currently working in close collaboration with the JOC established in Bulawayo for the North-South corridor (NSC) to assist and support in the rehabilitation and upgrade of the NSC railway.

Since 2013, the following key milestones have been registered:

Operational Milestones

- In 2013, turnaround times for the rail service between Durban and Ndola were as high as 30 days. As of 2015, the turnaround times have been reduced to 15 days from Durban – Ndola (*transit times of 7.5 days*);
- A dedicated rail block train service was introduced on the NSC and has been fully operational since the beginning of 2015. The block train service has been one of the key reasons for a reduction in transit times;
- In 2013 freight volumes on the NSC were as low as 30 000 tones/month (t/m). Since operationalization of the block train in 2015 the NSC is now capable of delivering up to 120 000 t/m in the short term; and

Planning Milestones

- Terms of reference for an investment and operating study were developed in 2014 and an open competitive tender process was executed in 2015 for procurement of a consultant to execute the study;
- The NSC study consists of internal workstreams to be executed by the rail operating companies, and external workstreams to be executed by the consultant. The consultant is expected to commence external workstreams for development of the operating and financial model in 2016;
- Key internal workstreams that form part of the pre-feasibility study have been executed and completed in 2015;

- Infrastructure inspections for the entire North South corridor from South Africa – DRC were completed in 2015; and
- Freight demand analyses for the entire corridor were also completed in 2015.

Stakeholder Engagement/Political Buy-in Milestones

- All key stakeholders and influencers have been continuously engaged to ensure buy-in, support and alignment with existing rail revival initiatives;
- The NSC project was tabled for political support at the recent November 2015 SADC Transport ministerial meeting held in Zambia, Livingstone. The SADC ministers noted that the project was intended to make a meaningful contribution the broader SADC rail Master plan under development by the SADC Secretariat;
- The SADC ministers also noted the fact the NSC formed part of a range of existing initiatives including the SADC rail revival initiative (RRI), programme for infrastructure development in Africa (PIDA) and the regional infrastructure development Master plan (RIDMP)
- A range of DFIs have been engaged to provide pre-feasibility support for the project with the intention of ultimately providing project finance for CAPEX projects that will emerge for the NSC over the next few years."

5. PROJECT: NEW RAILWAY LINK FROM FRANCISTOWN TO KAZANGULA AND LIVINGSTONE

COUNTRY: ZAMBIA AND BOTSWANA

Proposals have been submitted to construct a rail link from Francistown to Kazangula in Botswana in order to allow Botswana Rail to capture the North South Transit traffic. Substantial Government of Botswana seed money is however required.

Zambia continues to watch with keen interest the extension of the Botswana Railway (BR) system from Francistown towards Kazungula, the border crossing point between the two countries where joint plans to construct a modern road and rail bridge are already at an advanced stage.

The Zambian Transport Ministry officials sees it as the cue for Zambia to also build a line on its side of the border to connect Livingstone to Kazungula - a 67km stretch - and link up with the Botswana rail system.

The rail link will create a super-link to the South African port of Durban. Equally, it would open up a rail link to the Namibian port of Walvis Bay, which would help further develop what is known as the Walvis Bay Corridor.

The linking-up of the Zambian and Botswana systems would have significance beyond the two countries and the DRC. It would in fact be one more cog in a network of trade routes linking the SADC region as a whole in line with the North-South Corridor concept.

It would link Botswana to the Zambian Railway (ZR) system that runs north from Livingstone to the DRC border, leading up to the Angolan port of Lobito via the Benguela Railway, which has been under phased rehabilitation since the end of the Angolan civil war.

Chinese companies had expressed willingness to assist construct such a link and rehabilitate the railway infrastructure, generally.

Zambia would continue to seek potential partners for construction of such infrastructure as railways, roads and airports.

Zambia is having to re-look her railway connectivity because it is the mode most suited and perhaps the most cost-effective means of transporting copper, which is both bulky and heavy.

The main line from Livingstone in the south to the DRC border in the north has however decayed primarily due to lack of investment, thus putting more strain on the roads leading to congestion and over use. The road is handling most of the imports and exports to and from not only Zambian mines but those of the DRC as well.

The single-lane highway north of the capital Lusaka can be particularly congested with traffic from the south to the mines in the two countries and vice-versa. The road is overburdened and it wasn't always like that until the railway progressively went off radar and has stayed off.

Current status, challenges, next steps and rank in complexity

Focus is now on turning things around and there is an ambitious plan to extend the network in ways that make economic sense. Following Zambia's successful debut Eurobond issue that raised US$750m, US$120 million has been earmarked for the railway sector and the plan to put the rail line on an even keel is now moving into the implementation stage.

6. PROJECT: DEVELOPMENT OF A NORTH-SOUTH CORRIDOR RAIL INFRASTRUCTURE INVESTMENT AND OPERATING STUDY

COUNTRY: SADC MEMBER STATES

In December 2014 the NEPAD Business Foundation invited tenders from interested parties to participate in the development of a North-South Corridor Rail infrastructure investment and operating study. The study will be used as a blueprint to grow the freight volumes hauled on the North South Corridor and to ultimately reduce the cost of rail transportation through better price and service strategies.

- Tenderers were specifically invited to execute the following work-streams of the study: Infrastructure upgrade requirements
- New infrastructure requirements
- Customer analysis
- Development of an operational improvement plan
- Development of an operating model, and
- Development of a funding model and implementation plan

A compulsory clarification meeting was held in December 2014.

Current status, challenges, next steps and rank in complexity

The Nepad Business Foundation (NBF) Afri-Desk in collaboration with its stakeholders is leading in developing this project.

7. PROJECT: REVITALISATION OF ZAMBIA NORTH SOUTH CORRIDOR LINK (SADC)

COUNTRY: DRC, Zimbabwe, Zambia and South Africa

Four regional rail operators (SNCC/DRC, BBR/Zimbabwe, ZRL/Zambia, and Transnet Freight Rail/SA) are jointly working on a blueprint plan to grow the rail freight volumes on the Zambia to South Africa corridor, which links to the main NSC. The primary objective is to improve the efficiency, capacity and joint planning of operations on the rail corridor – expectations are that a material shift from road to rail will be achieved.

Current status, challenges, next steps and rank in complexity

The Nepad Business Foundation (NBF) Afri-Desk in collaboration with its stakeholders is leading in developing this project.

C. BORDER POSTS

1. The Beitbridge Border Post and Related infrastructure Projects
2. The Tunduma/Nakonde Border Post
3. The Kasumbalesa One Stop Border Post
4. The Nyamapanda/ Cuchimano Border Post
5. The Kazungula Border Post and the Kazungula Bridge Project
6. The Martin's Drift Border Post

1. PROJECT: THE BEITBRIDGE BORDER POST & RELATED INFRASTRCUTURE PROJECTS

COUNTRY: SOUTH AFRICA AND ZIMBABWE

South Africa and Zimbabwe has made significant strides to address the technical challenges at the Beitbridge Border Post.

His Excellency, President JG Zuma noted at the January 2015 AU Summit that, in respect of the North South Road & Rail and related Infrastructure Corridor Projects, the developments and, especially, the negative media publicity around the various hurdles, bottlenecks and inordinate delays and other related issues at Beitbridge Border Post continued to feature quite prominently. To this end President JG Zuma is on record in his commitment to deal with, and address, the various layers of issues at the Beitbridge Border Post.

An intergovernmental sub - committee was established to act swiftly with regard to addressing the inter-related Beitbridge Border Post issues and to give effect to the stated policy intentions of the executive. It was agreed that a "business unusual approach" that reflected a sense of urgency should be adopted in respect of the work related to Beitbridge.

Some key achievements to note:

1.1. The State visit to South Africa

In the course of March 2015, South Africa and Zimbabwe penned down a Memorandum of Understanding that sought to establish a mechanism for regular diplomatic consultations on issues of strengthening bilateral relations, security and cooperation in Africa and issues of mutual interest.

An Agreement on Mutual Assistance and Customs Administrations intended to enhance co-operation between the two countries' customs administrations and a crucial milestone towards the establishment of a One-Stop Border Post ("OSBP") was part of the state visit agreements.

The Beitbridge Border Post remains a critical point of entry or exit for goods and people between South Africa and Zimbabwe. With so much trade and people flow, it is vital that the border post is as efficient to reduce the economic cost of delays, hence the need to sign an agreement to enhance customs administrations. The agreement is expected to culminate with the establishment of an OSBP.

The general purpose of OSBP agreements between two countries is to reduce border crossing time, share logistics costs, improve cooperation and integrate risk and information management. SA is in the process of finalising the OSBP agreement with Zimbabwe.

1.2. The Border Management Agency Bill

The development and finalisation of the Border Management Agency Bill in 2015, by South Africa, is undoubtedly one of the key deliverables achieved given the short time frame in which it was developed.

South Africa successfully completed the Border Management Agency (BMA) Business Case which sets out the details of the selected institutional form and a high-level establishment that will be taken in establishing the BMA.

As much as South Africa has plenty to celebrate in 2015; crucial tasks lie ahead in 2016 in respect of finalising the efforts as regards the Beitbridge Border Post.

1.3. Review of Border Control Operational Coordinating Committee

The review is presently underway. This is regarded as one of the other key recommendations to strengthen management of Ports of Entry nationally.

1.4. BMA Project Institutional Arrangements

The BMA Project Management Office is central focal point for both the BMA project and coordinating current operational border management activities. The institutional matters related hereto are currently under review.

Importantly, on 4 December 2015, South Africa announced that staff and resources have been allocated to Beitbridge on a 24hr daily basis to assist and support efforts over the December-January festive season- a time that sees a huge spike in traffic.

Furthermore, just generally to note also:

1.5. Roads

1.5.1. Beitbridge Roads: Dualisation of $1,3bn Beitbridge-Harare-Chirundu Highway

Zimbabwe is targeting major projects especially the Beitbridge-Harare and Harare-Chirundu highways and ring road (Harare Drive). To this end a Bankable Feasibility has been completed. A partnership has been formed between China Communication Construction Company Limited, Group 5, the Development Bank of Southern Africa and potentially the Industrial Development Corporation.

1.5.1.1. Chirundu to Harare Highway

This section of the highway in Zimbabwe requires rehabilitation and upgrading of the Chirundu to Harare Road. The Project Information Memorandum was completed for this road and has recently been updated.

1.5.1.2. Harare to Beitbridge Highway (Zimbabwe)

This entails rehabilitation and expansion of existing Harare to Beit Bridge Highway. The Feasibility Study was completed. The Project Information Memorandum was completed for this road and has also recently been updated.

1.5.2. Beitbridge: Plumtree-Mutare Roads

This project in Zimbabwe has been a success story. It involves the rehabilitation of 2 strategic regional/primary road arteries:

- Harare – Bulawayo – Plumtree; and
- Harare – Mutare

In this regard, it is worth noting that 821kms of road was rehabilitated and 9 toll plazas constructed to improve and expand toll revenue collection along these routes.

The Project cost was $206m and was funded on a stand-alone basis by the Development Bank of Southern Africa. This was funded through a Public-Private Partnership Special Purpose Vehicle between Zinara of Zimbabwe and Group Five in South Africa. Maintenance on road ongoing as agreed

1.5.3. National Transport Master Plan-Zimbabwe

Zimbabwe has received funding from the African Development Bank (AfDB) for the development of a national transport master plan. This is a designed proposal study under its Medium Term Plan (MTP 2011 – 2015). The Master Plan would enable Zimbabwe to effectively prepare for transport sector development and interventions. It will ensure effective and affordable means of transportation of goods and services to support growth and wealth creation- in line with National Transport Policy.

1.5.4. National Railways of Zimbabwe

The National Railways of Zimbabwe (NRZ) requires rehabilitation of rail infrastructure and recapitalization-the total project has 2 major components:

(i) rolling stock through a leasing arrangement, and
(ii) below-rail infrastructure

The Project Information Memorandum for the recapitalisation of the NRZ has been completed.

The Project Preparation costs are estimated at $350 000 funded by the Development Bank of Southern Africa and the Regional Spatial Development Initiative Programme and project investment value is approximately $460m. The Financial Model has been completed and being updated. The Development Bank of Southern Africa was recently appointed as Mandate Lead Arranger. The Technical Partner is still to be approved by the Zimbabwean cabinet.

Current status, challenges, next steps and rank in complexity

There has been a lot of good progress and a working group will be continuing with the monitoring and evaluation of progress at the Beitbridge Border Post and related developments thereto.

The developments at Beitbridge are important to us. To this end, I can report that both South Africa and Zimbabwe have elevated bilateral relations with the signing of five agreements which are set to benefit both countries.

The agreements were signed during President Robert Mugabe's state visit to South Africa at my invitation in April 2015.

We signed a Bi-National Commission (BNC) Agreement to be led by the two Heads of State, President Zuma and President Mugabe.

We also signed a Memorandum of Understanding on Diplomatic Consultations, which will establish a mechanism for regular diplomatic talks on issues such as strengthening bilateral relations, security and cooperation in Africa and other issues of mutual interest.

An Agreement on Cooperation on Water Resources Management was also signed and a Joint Water Commission was established to enhance cooperation in water resources planning, development and management in the spirit of mutual understanding and benefit.

An agreement was also signed regarding mutual assistance between customs administrations between the two countries, which will further cooperation towards the establishment of a one-stop border post. This is viewed as a crucial milestone.

In addition, South Africa and Zimbabwe on Wednesday signed a Memorandum of Understanding on Trade Cooperation.

I also underscored that our Ministers from South Africa and Zimbabwe will work together to ensure the implementation of the agreements and others that have been signed over the years.

South Africa and Zimbabwe not only share strong historical relations, but also strong economic cooperation to the extent that the economies of the two countries are historically and inextricably linked.

Zimbabwe is always among South Africa's top three trading partners on the continent, while South Africa is one of the top investors in the Zimbabwean economy.

One notable initiative already launched by the AU and to which we are paying close attention is the North-South Corridor Project.

Together with the African Development Bank, the Development Bank of Southern Africa, and strong support from the South African Government, actions are being taken to fast track this project.

This programme supports some of Africa's busiest trade routes: linking the port of Dar Es Salaam in Tanzania to the Copper Belt in Zambia and into Lubumbashi in the DRC. It then continues down through Zimbabwe and Botswana to Africa's largest and busiest port, Durban, in South Africa.

In effect, the North-South Corridor Initiative will service eight countries, Tanzania, the DRC, Zambia, Malawi, Botswana, Zimbabwe, Mozambique and South Africa. I am honoured to champion the North-South Corridor initiative on behalf of the African Union

2. PROJECT: TUNDUMA/NAKONDE BORDER POST

COUNTRY: TANZANIA & ZAMBIA

The border post at Tunduma – Nakonde is one of the border crossings that have been identified as important for improving border management efficiency. The border crossing experienced problems which can be attributed to deficiencies and capacity difficulties in the existing regulatory, management and administrative environments as well the state of physical facilities at the border. Tunduma – Nakonde is between the United Republic of Tanzania and Zambia and it handles traffic from Dar es Salaam to Zambia and DR Congo and vice versa. One of the main benefits of a one stop border post is the enhancement of operational efficiency of the border post which will lead to faster transit times (or reduced waiting times at the border), which will in turn lower the costs of trading.

Current status, challenges, next steps and rank in complexity

The feasibility study has been completed and the design is under consideration. On the Zambian side of the border (Nakonde) a new integrated office infrastructure was being constructed and financed by the Government of Zambia. However, this work was stopped and the buildings handed over to the concessionaire. Physical improvement at the Tunduma (Tanzania) Boarder Post is estimated at a cost of about $14.6 million financed by TradeMark East Africa (TMEA).

3. PROJECT: THE KASUMBALESA ONE STOP BORDER POST

COUNTRY: ZAMBIA AND THE DRC

The DRC portion is under discussion.

The DBSA was involved in the construction of the Zambian building which was intended for an OSBP facility. The OSBP process is ongoing. Investments in infrastructure were undertaken on the Zambian side of the Border through a Public Private Partnership (PPP) with a foreign investor.

Investments on the DRC side of the Border have also been undertaken through PPP with a foreign investor

Current status, challenges, next steps and rank in complexity

It was reported in October 2015 that the Kasumbalesa border, which marks the boundary between Zambia and the DRC, is one of the busiest international crossing points this side of the African region.

The border, located about 18kilometres from Chililabombwe, has over the years been heavily congested going by the huge volume of trade between Zambia and the DRC. With the DRC being the biggest partner to Zambia in terms of trade followed by South Africa, it goes without saying that Kasumbalesa border is strategic to the Government and the nation as a whole as trade between DRC and Zambia projects a trade surplus for the country.

The improvements in borders like Katimamulilo, whose infrastructure has been upgraded to facilitate movement of more traffic, Chirundu which has been upgraded to a one-stop border point and is now operating 24 hours, Kazungula where a bridge was constructed, and Nakonde whose operational hours have been increased, have all led to concentration at Kasumbalesa.

It is because of some of these factors that Kasumbalesa has been heavily concentrated until recently when Government took the initiative to upgrade the border. A check at Kasumbalesa found the process of upgrading the border had taken a full swing. Other reasons for the Government's decision to upgrade Kasumbalesa are to help provide easier operational systems for the purpose of trade facilitation, as well as to help in the management of the increased staff and resources at the station. Kasumbalesa has lately recorded an increase of traffic crossing the point which has been seen from about 400 trucks crossing either way of the border point to a maximum of 900 trucks crossing either way every day.

Border authorities revealed that Government was currently considering making Kasumbalesa operate 24 hours. This is apart from the facility being turned into a one-stop border post to address traffic concentration

4. PROJECT:NYAMAPANDA/CUCHIMANO BORDER POST

COUNTRY: MOZAMBIQUE & ZIMBABWE

This border post is situated between Mozambique and Zimbabwe. It includes the construction of a dry port at Machipanda.

Current status, challenges, next steps and rank in complexity

No new information available.

5. PROJECT: THE KAZUNGULA BORDER POST & THE KAZUNGULA BRIDGE

COUNTRY: ZAMBIA AND BOTSWANA

The Kazungula Border Post between Zimbabwe and Mozambique is in feasibility phase. Construction of a 923 meter long cable stayed Road Bridge, 3km approach roads and railways lines and one stop border facilities are underway.

The JICA currently has no updates regarding the Kazungula Bridge Project. As regards the OSBP, civil works on the Botswana side is under contract negotiation. The OSBP civil works on the Zambia side is to be retendered.

In the course of May 2015, it was reported that Botswana and Zambia have received financing from the African Development Bank and Japan International Cooperation Agency toward the cost of the construction of the Kazungula Bridge Project, and intends to apply part of the agreed amount for this loan to payments under the contract for Financial Audit and Technical Audit Services.

The services under this project shall encompass the activities to cover the Financial and Technical Audits which include but not limited to:

- Audit of the financial statements to determine that the funds granted to the Project have been used for their intended purposes.

- Carry out independent technical audits on the implementation of Package 1 (Kazungula Bridge and Approach Ramps), Package 2 (Botswana One Stop Border Facilities) and Package 3 (Zambia One Stop Border Facilities).
- Assure high quality, good value and compliance to the contract and its specification, so that the project is completed on time and on budget.
- Advise on better value for money and appropriateness of technical methodology.
- Scrutinize all site records including deliveries, equipment at site, personnel and their respective usage.
- Advise on participation and cooperation between all parties involved in the implementation of the project.
- Compare progress of financial disbursements against physical progress and make recommendations.
- Prepare a risk management framework including the mitigation measures.

The period to be covered under this consultancy services is three (3) years.

Current status, challenges, next steps and rank in complexity

There is progress as reported above.

6. PROJECT: MARTIN'S DRIFT BORDER POST

COUNTRY: BOTSWANA & SOUTH AFRICA

No specific information is available on this border post between South Africa and Botswana. Its priority status should be reviewed.

Current status, challenges, next steps and rank in complexity

No new information available.

D. BRIDGES

1. The Kazungula Bridge
2. The Mufuchani Bridge

1. PROJECT: THE KAZUNGULA BRIDGE

COUNTRY: BOTSWANA AND ZAMBIA

The project involves the construction of a bridge linking Botswana and Zambia over the Zambezi River to replace the existing ferry and juxtaposed one-stop border facilities at Kazungula. The project's main components comprise the construction of a new road and rail bridge; One-Stop Border-Post facilities and access roads at the Kazungula border. The value of the project is estimated as $259m.

Despite earlier delays on the construction of the multi-billion pula Kazungula Bridge, the governments remain convinced that the project will be completed on time. It was noted (19 November 2015) that the P1.4 billion project is on course and will be delivered by December 2018.

The contractor, Daewoo Engineering Company has assured that it has put in place remedial measures or a catch-up plan to mitigate the time lost and to make sure that the project will be delivered within the agreed time.

This bridge is needed urgently so that it starts facilitating trade between Botswana, Zambia and the SADC region by reducing the number of days taken by truckers at the Kazungula

border. The construction of the 923 metres long bridge across the Zambezi River started with the laying of a temporary bridge, which is being used during the construction period.

Funded by loans from the African Development Bank, the Japan International Cooperation Agency (JICA), the ADF as well as contributions from both the governments of Zambia and Botswana, the bridge is highly expected to ease the flow of business in the Southern African region.

Botswana and Zambia have been using a ferry to move goods, people and other services to and from either sides of the Chobe River, known on the Zambian side as the Zambezi. The ferry service posed a serious bottleneck to smooth flow of traffic and hampered full development of trade between the two nations and the SADC region.

The project is expected to be completed in 2018.

Current status, challenges, next steps and rank in complexity

There was concern over the huge economic cost to SADC region caused by delays in constructing the bridge. There remain long queues of trucks waiting to cross from both sides of border crossing. Transporters are using old ferries to move goods and vehicles across Zambezi River at border crossing between Botswana, Namibia, Zambia and Zimbabwe.

The bridge is a multi-national project on North-South Corridor. The bridge construction was expected to take 4 years at a cost of $259m.

Also, the OSBP civil works contracts for both Botswana and Zambia have been tendered. In August 2015, Zambia received a loan from African Development Fund (ADF) towards cost of construction of Package 3 - Zambia One Stop Border Post Facilities.

Botswana and Zambia also received financing from the AfDB and JICA toward the cost of the construction of the Kazungula Bridge Project, and intends to apply part of the agreed amount for this loan to payments under the contract for Financial Audit and Technical Audit Services.

In the course of May 2015, it was reported that Botswana and Zambia have received financing from the African Development Bank and Japan International Cooperation Agency toward the cost of the construction of the Kazungula Bridge Project, and intends to apply part of the agreed amount for this loan to payments under the contract for Financial Audit and Technical Audit Services.

The services under this project shall encompass the activities to cover the Financial and Technical Audits which include but not limited to:

- Audit of the financial statements to determine that the funds granted to the Project have been used for their intended purposes.
- Carry out independent technical audits on the implementation of Package 1 (Kazungula Bridge and Approach Ramps), Package 2 (Botswana One Stop Border Facilities) and Package 3 (Zambia One Stop Border Facilities).
- Assure high quality, good value and compliance to the contract and its specification, so that the project is completed on time and on budget.
- Advise on better value for money and appropriateness of technical methodology.
- Scrutinize all site records including deliveries, equipment at site, personnel and their respective usage.
- Advise on participation and cooperation between all parties involved in the implementation of the project.

- Compare progress of financial disbursements against physical progress and make recommendations.
- Prepare a risk management framework including the mitigation measures.

The period to be covered under this consultancy services is three (3) years.

2. PROJECT: MUFUCHANI BRIDGE

COUNTRY: ZAMBIA

The Zambian Road Development Agency signed two contracts for construction of Mufuchani Bridge in Kitwe at cost of K63m. It entails the upgrading of the Monze-Niko Road in Southern Province at a value of K230m.

Current status, challenges, next steps and rank in complexity

This project was funded by the AfDB and there is no additional information.

E. ENERGY

1. Moatize, Mozambique: 300MW Coal Project
2. STE Mozambique Backbone Transmission Project (CESUL)
3. Zambia-Tanzania-Kenya (ZTK) Power Interconnector, Tanzania
4. Grand Inga, DRC – Hydropower Project
5. ZIZABONA Multi Country Energy Project
6. Mphanda Nkuwa Hydropower Project
7. Kafue Lower Gorge 750MW Hydropower Project

1. PROJECT: MOATIZE, MOZAMBIQUE: 300MW COAL PROJECT

COUNTRY: MOZAMBIQUE

Detail and structuring: The sponsors/advisors updated the Project Information Memorandum (PIM) and financial model.

It was noted that in the course of 2014 that the government of Mozambique signed a 25 year concession contract with a consortium led by ACWA Power, for the development of the Moatize coal fired power project in Tete, Mozambique.

ACWA Power, the lead developer, investor and operator of the project, is working with mining company Vale and Mitsui Co. Ltd, on the construction of the 300MW first phase power project. State owned utility, Electricity de Mozambique (EDM) and local investor Whatana Investment Group will also enter as minority shareholders in the project.

The Moatize Independent Power Project is a green field project with a total investment cost of approximately $1bn. It will be a pulverised fuel, subcritical coal fired power station. The coal will be supplied by Vale from the adjoining mine.

Approximately 250MW of the total 300MW capacity will feed the largest coal mine in the world being developed by Vale, with the remaining 50MW supplied to EDM to feed the state electricity grid.

Current status, challenges, next steps and rank in complexity

The companies have selected international contractor GS Engineering & Construction from Korea for the engineering, procurement and construction (EPC) of the project. ACWA Power's wholly owned subsidiary, NOMAC, will be responsible for the operation and maintenance of the plant. It was reported that signature of this concession agreement was a significant milestone for the Moatize IPP project enabling us to complete the financing process and commence full scale construction.

2. PROJECT: STE MOZAMBIQUE BACKBONE TRANSMISSION PROJECT (CESUL)

COUNTRY: MOZAMBIQUE

It was noted that Phase 1 will provide an ultimate transfer capacity of about 3100MW. Phase 2 envisions a potential transfer capacity of 6000MW.

Negotiations of a JDA between EDM and third parties are underway. Development of tenders for EPC and Operations and Maintenance (O&M) has been completed. Basis design and specifications are being done. Financial closure linked with one hydro power plant is under development. A Special Purpose Vehicle (SPV) is being set up and shareholding is yet to be finalized. This project is now at project financing, contracting and implementation phase. Transaction advisors still to be confirmed.

The feasibility studies for the Project for Regional Development of Energy Transport between the Centre and the South in Mozambique were almost complete and due for submission in the first few months of 2015.

Norway has funded the implementation of feasibility studies, which are conducted by Norconsult, including the creation of a power transmission network between central and southern Mozambique, along with a connection between central Mozambique and Malawi.

At a cost of about $76.6m, the consultancy also has the support of the World Bank, and the results were expected in the first months of this year.

The shareholder structure of the CESUL project, also known as the "backbone" of Mozambique, includes China State Grid Corporation (CSGC), with a majority stake of 46%, South African electricity company Eskom, with 25%, Mozambican state power company EdM with 15% and the Portugal's REN, with 14%, which is itself part-owned by CSGC (25%).

Current status, challenges, next steps and rank in complexity

The "backbone" is one of the biggest energy projects planned for Mozambique and is expected to cost over $2bn. Although feasibility studies were previously carried out for the project, changes in the shareholder structure led to some changes in the route originally planned, keeping, however, plans to build a dual transmission line: one with a voltage of 400 kilovolts and the other with voltage of 800 kilovolts.

3. PROJECT: ZAMBIA-TANZANIA-KENYA (ZTK) POWER INTERCONNECTOR, TANZANIA

COUNTRY: ZAMBIA, TANZANIA AND KENYA

The objective is to connect the Eastern African Power Pool and the Southern African Power Pool.

Consultants were engaged for providing the technical feasibility and economic viability study, conceptual design and tender documents, environmental and social impact assessment (ESIA) and resettlement action plan (RAP).

Transaction advisors have been appointed in the areas of legal, finance and technical to support the Governments of Tanzania and Zambia.

Feasibility studies and the ESIA have been completed for all the sections of the line. Finance has also been secured for all the sections of the line on the Zambian and Tanzania sides. COMESA secured €4.5m under the 10th European Development Fund (EDF) for the setting up of the ZTK Project Management Unit.

In October 2015, Zambia, Tanzania and Kenya were trying to find out how much electricity a planned high voltage power line linking them will deliver to each country as they prepare to launch the $1.4 billion project by 2018.

The interconnection is intended to enhance power trade, security of electricity supply and regional economic integration. The 3 countries plan to build 2300 km of 400kilovolt (kV) power lines and 373km of 330kV power lines, with each country responsible for the lines in its jurisdiction.

Once completed, the project will link the Southern African Power Pool and Eastern African Power Pool thereby mitigating the power deficits that some countries may be experiencing by sharing generation resources.

Furthermore, the interconnector will stimulate investment in power generation arising from the large market created. In July 2015, Kenya and Tanzania invited bids for the construction of a high-voltage power line connecting the two, part of efforts to meet growing demand for electricity and deepen integration of their economies. Kenya plans additional installed capacity of 5000MW by 2017 from about 1664 MW now, while neighbouring Tanzania aims to double its generation capacity to 3000MW by 2016.

Zambia generates just over 2200MW of electricity and its peak demand is estimated at 1900MW and plans to add 1673 MW in the next year.

The construction of the ZTK power interconnector is underway in the various sections of the identified sites for the power lines in the three countries. It was revealed that remarkable progress has been achieved including construction of power pylons, substations and cabling. The objective of the project was to provide opportunities to conduct power trade in the region and facilitate the creation of a Pan African power market from Cape Town in South Africa to Cairo in Egypt and Tripoli in Libya.

The Implementation Agreement will cater for preparatory activities on the project. The Project Management Unit in Zambia will be entrusted with the overall coordination and promotion of the ZTK project.

Current status, challenges, next steps and rank in complexity

Zambia

Zambia has mobilized resources and procured the EPC contractor for the Pensulo-Kasama segment with construction expected to be completed by 2015.

Feasibility study for the Kabwe-Kasama-Zambia/Tanzania border segment is also underway with financing from European Union through Comesa. This will be completed by March 2016. A number of development partners have also expressed interest to finance this segment. Construction is expected to be completed by December 2018.

Tanzania

Tanzania has mobilized resources, as part of its national transmission backbone project, and has engaged an EPC contractor for the Iringa-Singida segment.

It has also completed the feasibility studies and detailed project design and has mobilized financial resources for the construction of the Singida-Namanga segment. Financial closure has been achieved and the EPC procurement process has started. The expected completion date for the segment is December 2016.

Feasibility study for the Iringa-Mbeya Tanzania border segment is in progress with finance provided by European Union through Comesa. This will be completed by 2015. A number of development partners have expressed interest to finance this segment. Construction is expected to be completed by December 2018.

Kenya

Kenya has completed the feasibility studies and detailed project design and has mobilized financial resources for the construction of the Isinya-Namanga segment. Financial closure

has been achieved and the EPC procurement process has started. The expected completion date for the segment is December 2016.

4. PROJECT: GRAND INGA, DRC – HYDROPOWER PROJECT

COUNTRY: DRC AND SOUTH AFRICA

After much discussion, negotiations and deliberations efforts around the Grand Inga Hydropower Project are back on the key priorities of the continent.

The ultimate objective remains affordable, abundant, reliable and clean electricity to the DRC and other countries on the African continent. It is also about facilitating economic development and improving standards of living (a value proposition is available with actual details). The Inga reaches beyond just energy access – it would also create local employment and income opportunities and would help stabilise political conditions through cross-border cooperation in Africa and beyond. Furthermore, it would help to reduce impacts of climate change, reduce poverty and reinforce regional economic development.

Thus, it offers a unique opportunity to move the African continent closer to achieving its sustainable development goals. It is seen globally as leading in clean, affordable and development option to address challenges of energy access.

Different takeoff routes exist but essentially, the Grand Inga Treaty is between South Africa and DRC with Angola as a possible third party to the Treaty.

A brief timeline of events:

- November 2011–MoU signed between DRC and SA;
- 2013– Grand Inga Treaty initialled by SA and DRC;
- 2014–respective Parliaments approved Grand Treaty;

- 44000MW when complete-Grand Inga Phase A will generate 4800MW;
- Phases - contains low head and high head phase (now combined);
- Inga 3 Low head - 1800MW;
- Inga3 High head - 3000MW and Grand Inga Dam;
- 5 other hydropower dams – 44000MW;
- Under Treaty, SA to buy 2500MW;
- Grand Inga Phase A expected cost $12bn excluding transmission lines (entire Inga project $50-$80bn);
- Financiers involved in planning phase: AfDB; World Bank; French Development Agency; European Investment Bank, DBSA;
- World Bank approved $73m; AfDB $101m;
- September 2015 – SA Deputy Minister of Energy met counterparts in DRC;
- October 2015 – state visit led by HE President JG Zuma – part of BNC;
- November 2015 – Energy Ministerial –Progress on transmission lines made; and
- 4 December 2015 - DRC Prime Minister announced that Inga 3 Hydroelectric project could begin by end of 2016 or early 2017.

2013

In 2013, South Africa and the DRC signed a crucial treaty on the Grand Inga Hydropower project, which could eventually become the largest hydroelectric project in the world, with the potential to power half of the continent.

The signing of the treaty was a major step towards the realisation of the long-cherished dream of the people of the DRC.

The Grand Inga project will seek to harness the power potential of the Congo River, sub-Saharan Africa's greatest waterway.

The Grand Inga project, which will be located on the Congo River, is expected to generate 44000MW of electricity once all the phases are complete.

Inga 3, the first stage of the much larger Grand Inga scheme, will produce 4800MW of electricity and will be completed in two phases.

The first phase, the Inga 3 low-head project, will have a capacity of 1800 MW and will not require the damming of the Congo River. The second phase, the Inga 3 high-head project, will add an additional 3000MW and includes construction of the Grand Inga Dam.

Five other hydropower plants will be built on the same dam, eventually raising the plant's cumulative capacity to 44000MW.

South Africa is expected to buy 2500 MW of Inga 3's capacity. Inga 3 is expected to cost an estimated $12bn to complete.

Funding will come from several sources, including the AfDB, the World Bank, the French Development Agency, the European Investment Bank and the DBSA. The entire Grand Inga project is estimated at $50bn to $80bn.

2015 has been announced as the launch date for construction of the first phase of the Grand Inga project. It was reported previously that the World Bank's board has approved a $73m grant to help the DRC develop an expansion of the Inga Hydroelectric Dam. The grant, combined with another $33m from the AfDB, will fund technical studies to analyse the dam's environmental and social impact and ensure it is sustainable.

The grant will also help establish the independent Inga Development Authority (ADEPI), which is meant to follow best international practices in managing the project and selecting private companies to help fund it. Three international consortiums are bidding for the contract to build

the dam, known as Inga 3, and sell the power it generates. This is nearly three times the amount of power produced from Inga's two existing dams, which are decades old and have been crippled by neglect, government debt and risk-averse investors.

Under the current plan, South Africa will buy 2500MW from Inga III, and another 1300MW will be sold to Congo's power-starved mining industry. The remaining 1000 MW will go to the national utility SNEL, helping provide power for an estimated seven-million people around Kinshasa, Congo's capital, and covering all the projected unmet electricity needs by 2025.

The World Bank noted that its technical assistance funds will not go towards construction or operation of the dam, and it has not yet decided on whether to support the construction of Inga 3, which is proposed to cost $12bn.

2014

In November 2014, the South African legislature ratified the treaty on the energy scheme with the Democratic Republic of Congo (DRC). The treaty, signed by South Africa and the DRC in October this year, provides the framework for the facilitation of power generation from the Grand Inga project and its delivery to the border between the DRC and Zambia.

2015

It was agreed in October 2015, at Heads of State level that South Africa and the DRC will in the next 10 years focus on working together in economic projects.

It was decided that the next decade of the Bi-National Commission (BNC) should intensify the implementation of joint economic projects, in particular the Grand Inga Hydropower Project, whose founding Treaty was signed on 30 October 2013.

The Responsible ministries/departments are set to finalise all outstanding issues in order to pave the way for the construction of this Pan-African flagship project. To this end, South Africa and the DRC vowed to step up work on a massive new hydroelectric dam on the Congo River that could provide power to the entire continent.

The DR Congo President, HE Joseph Kabila and HE President Jacob Zuma welcomed progress so far on the multi-billion dollar Inga 3 dam project.

The Congo is Africa's most powerful river and already a major producer of hydroelectric power, but the Inga 3 would be unprecedented.

Current status, challenges, next steps and rank in complexity

To summarise:

- South Africa and the Democratic Republic of Congo (DRC) are finalising their agreement to build an ambitious multibillion hydropower plant to provide cheap electricity to five southern African countries.

- The Grand Inga project is the panacea to Africa’s perennial energy woes and a boost for its industrial and manufacturing sectors. The first phase will be developed on the lower end of DRC’s giant Congo River and will generate nearly 5 000MW of power for SADC countries, of which South Africa is expected to get 2500MW as the principal buyer. The other countries which will benefit from the massive project are Namibia, Botswana and Angola.

- Project plans were on course and agreements had already been concluded with the DRC. What remained was for the parties involved to finalise the financial aspects of the agreement. Once completed, the project will form part of South Africa's strategy to promote renewable energy and contribute to regional integration. Power generated from the plant will also contribute to reducing carbon emissions, ensuring security of supply and developing energy infrastructure on the continent.

- In terms of the new structure, Namibia, Botswana and Angola would be allowed to purchase electricity directly from the DRC, which owns the project.

- The wheels for a co-operative hydropower generation project, set in motion by South Africa and the DRC, culminated in the ratification of the Grand Inga treaty in August 2014. This paved the way for the development of the project with a number of organisations, including the SADC, the New Partnership for Africa's Development, the East African Power Pool and Eskom.

- As regards the details regarding time lines and funding, this remains difficult to project - the DRC had secured consortiums from China, Korea and France as developers.

- South Africa would not invest directly in the project but would only buy the 2500MW of electricity.

- The Grand Inga project is set to be financed under a public-private partnership structure, and it is listed by the G20 Multilateral Development Bank as one of the top

10 “exemplary transformational projects”. Its potential financial contributors include the World Bank, the African Development Bank and the European Investment Bank. The World Bank supported the project technically, as well as in an advisory capacity, having pledged $50m for this purpose, including for training. The African Development Bank had provided $15m to conduct a feasibility study for the project.

5. PROJECT: ZIZABONA MULTI COUNTRY ENERGY PROJECT

COUNTRY: ZAMBIA, ZIMBABWE, BOTSWANA AND NAMIBIA

The ZIZABONA Transmission Project comprises the development, construction and operation of a 400KV high-voltage transmission infrastructure, including transmission lines and associated substation infrastructure through Zambia, Zimbabwe, Botswana and Namibia with the view to facilitate the establishment of a ‘western transmission corridor’ in Southern Africa.

Sponsors are working on the finalisation of the PIM and the Financial Model.

In October 2015 the Namibian Minister of Mines and Energy called on southern African countries to speed up the implementation of the ZIZABONA project to help relieve congestion in the energy transmission network.

The electricity transmission interconnector links Zimbabwe, Zambia, Botswana and Namibia. The ZIZABONA has the capacity to increase power-trading among participating utilities, as well as providing an alternative route and to help decongest the existing central transmission corridor which currently passes through Zimbabwe.

Energy trading in the southern African pool is limited by transmission constraints in the region.

Recently, in October 2015, an 80MW power-purchase agreement (PPA) was signed between Namibian power utility NamPower and the Zimbabwe Power Company (ZPC) to address power supply security for Namibia, but also to improve the viability of ZIZABONA.

The ZPC will sell 80MW to Namibia for a period of 15 years at a cost of $150m.

It was also requested that the project sponsors should ensure that the outstanding wheeling and purchase agreement for the ZIZABONA project are concluded. Under the ZIZABONA agreement signed in 2008, all four countries respective power utilities NamPower, ZESA, the Zambia Electricity Supply Company (ZESCO) and the Botswana Power Corporation (BPC) - were expected to finance parts of the project which fall within their national boundaries.

The initial capacity of the transmission interconnector will be 300MW, which will be later increased to 600MW. The project is to be implemented in two phases.

The first phase will cover the construction of a 120 km, 330KV line from the Hwange Power Station to Victoria Falls, where a switching station will be built on the Zimbabwean side. The line will extend to a substation at Livingstone in Zambia. The second phase will involve the construction of a 300km, 330kv line from Livingstone to Katima Mulilo in Namibia, through Pandamatenga in Botswana.

The Zimbabwe-Zambia interconnector will be built as a high-voltage line with a transmission capacity of 430kv. However, it will operate as a 330kV line during the first phase.

Current status, challenges, next steps and rank in complexity

The ZIZABONA project will be organised as a SPV, to be incorporated as a company in Namibia. The four utilities will take 20% each of the equity. At least five investors have expressed interest in developing the electricity transmission interconnector. The five investors are the AfDB, the Development Bank of Southern Africa, the European Investment

Bank (EIB), the French Development Agency and Stanbic (Botswana). The total funding requirement is $223m.

6. MPHANDA NKUWA, MOZAMBIQUE – HYDROPOWER PROJECT

COUNTRY: ZIMBABWE & SOUTH AFRICA

The project potential is for about 1500MW of hydropower. An inter-governmental MOU between Mozambique and South Africa is under negotiation. Terms and conditions of the Power Purchase Agreement (PPA) are also under discussion. EPC contractor has been appointed. The Environmental Impact Assessment (EIA) is still pending. [1]

Current status, challenges, next steps and rank in complexity

There is no new information on this project.

7. PROJECT: KAFUE LOWER GORGE, ZAMBIA – 750MW HYDROPOWER PROJECT

COUNTRY: ZAMBIA

It was recently (October 2015) noted that China's Synohydro Corp will start building a 750MW hydroelectric power station in Zambia, in December 2015.

According to the state power company, Zesco, Zambia seeks to address an electricity deficit.

An electricity shortage and weaker copper prices have put pressure on Zambia's mining industry, threatening output, jobs and economic growth. The government noted in August 2015 that it was planning investments worth about $4.3bn (ZAR56.5bn) to begin over the next 12 months meant to add 1673MW to the grid once completed, and the Sinohydro

[1] SAPP updated info July 2014

project would be one of them. The Chinese firm will build the Kafue Gorge lower power station at an estimated cost of about $2bn over a period of slightly more than four years.

The Kafue Gorge Lower Development Corporation, a special purpose vehicle, would borrow 85% of the financing for the project from Exim Bank of China and the government of Zambia would put up the rest of the financing as equity. Zesco has applied to the energy regulator to allow it to more than double the cost of electricity for all customers except mining firms to attract investors to build power plants.

In August 2014 it was noted that ZESCO had engaged two advisory firms to assist pave way for the construction of the 750MW Kafue Gorge Lower hydro-electric project. CPCS Transcom International and SMEC International were selected for transaction advisory services and engineering consultancy services, respectively. The Kafue Gorge lower hydro-electric project, which received a capital injection of $186m from the $750m Eurobond, was expected to take four to five years to build. The 750MW Kafue Gorge Lower hydro-power project will start producing electricity by 2018 and will be an important energy source for Zambia and surrounding countries.

Current status, challenges, next steps and rank in complexity

The construction of the $2b Kafue Gorge Lower Hydropower Station is expected to be revised before the end of 2015. Various pieces of energy infrastructure have been lined up for construction including facelift to increase power generation capacity under $5b budget plan earmarked until 2020. Once completed by 2018, the Kafue Gorge Lower Hydropower station will be producing 750MW of power in addition to other power plants on cards.

F. PORTS

1. The Rehabilitation of Dar es Salaam Port Berths (1-7)
2. The Rehabilitation of Dar es Salaam Port Berths (13-14)
3. The Durban Dig-Out Port
4. The Mtwara port and the Mtwara Gas Pipeline
5. Tanzania poised to award Mtwara Port Expansion Contract
6. Port Co-operation Agreements between Mozambique, Kenya and Sudan

1. PROJECT: THE REHABILITATION OF DAR ES SALAAM PORT BERTHS (1-7)

COUNTRY: TANZANIA

The project is more commonly known as the Dar es Salaam Berths 1 to 7 & Bulk terminal and is currently in the project preparation phase. The project objectives include increasing the ports' capacity and modernising berths 1 to 7 in order to cope with the forecast increase of cargo throughput at the port of between 200% (liquid bulk cargo) and 800% (containers) as was projected for 2011 to 2028.

Feasibility studies have been completed on Berths 1 – 7. The project is now in the design stage and the Project Information Memorandum (PIM) has been completed.

A Memorandum of Understanding (MoU) was concluded between the World Bank, Trademark East Africa (TMEA) and Department for International Development (DfID) (the development partners) and Tanzania Ports Authority (TPA) in September 2014. The World Bank also signed a Memorandum of Understanding with Tanzania's Department of Transport.

At the same time, the TPA issued Expressions of Interest (EoI) to source consultancy services to complete the outstanding studies of the project, being the following:

- Bathymetric, Hydrodynamic and Geo-technical
- Environmental and Social Impact Assessment Study
- Assistance in the procurement of contractors, reviewing of the designs presented by contractors, works supervision and contract administration for the construction of Berth 1 – 7 of the Dar Port

The TPA also issued an EoI for the Design, Build of the Roll-On-Roll-Off Terminal, Deepening and Strengthening of the Berth 1 – 7 and construction of terminals at the Port of Dar es Salaam.

The EoI closed on 18 November 2014. In all the issued EoI, reference was made that TPA sourced grant funding from the development partners and submissions are required on the World Bank formats and templates.

The estimated date of World Bank appraisal completion as advertised is 5 October 2015 with board approval targeted for 17 December 2015.

Current status, challenges, next steps and rank in complexity

- Berths 1-7 EPC Request for Proposals (RfP) closed (World Bank finance) – appointment expected by the end 2015
- Berths 5-7 Container Terminal Transaction Advisors RfPs received – appointment was planned for June 2015

- Project estimates for Berths 1-7 = $593m
- Target date for project implementation – December 2017

The $593m Dar-es-Salaam Port upgrade began in April 2015 and is being overseen by TradeMark East Africa and involved financing from both bi- and multi-lateral donors, the World Bank and DFID. As part of the Dar es Salaam Maritime Gateway Project, shed 2 and 3 has been demolished.

The upgrade is a direct support of the Tanzania's Big Results Now Vision for 2025. On completion the port capacity should double to more than 28 million tonnes by 2020. The efficient operations of the port should help unlock the potential of neighbouring landlocked countries such as Rwanda and Burundi. Further procurement and approval processes for advisory and technical support through consultants are ongoing.

Current status, challenges, next steps and rank in complexity

2. PROJECT: THE REHABILITATION OF DAR ES SALAAM PORT BERTHS (BERTHS 13-14)

COUNTRY: TANZANIA

There has been an EOI to design, build and operate Berths 13 & 14 in the Port of Dar es Salaam. Throughput of the facility is expected to be 600 000 containers. A further Expression of Interest (EOI) has been issued for a Transaction Advisor.

Current status, challenges, next steps and rank in complexity

- Berths 13-14 DBFO RfP issued – closes on 22 April 2016

- Berths 13-14 Container Terminal Transactional Advisers RfPs received – appointment was planned for June 2015
- Project estimates for Berths 13-14 = $ 281m
- Target date for project implementation – December 2017/2019

The RFP from the 10 shortlisted companies for the design, build and operate of Berths 13 & 14 were closed and postponed for another year. The reasons provided included the need for the appointment of a Geotechnical team to do further studies for the movement of the Oil jetty before Berths 13 and 14 construction can start.

3. PROJECT: THE DURBAN DIG-OUT PORT (SOUTH AFRICA)

COUNTRY: SOUTH AFRICA

It is anticipated that container, automotive and liquid bulk demand in Durban over the next 30 years far exceed the existing and planned future capacity of the Port of Durban. Medium and long-term capacity expansion initiatives include the development of a modern, deep-water mega container port at the site of the old Durban International Airport located approximately 10km south of the existing Port of Durban, with an ultimate estimated annual throughput capacity of more than 9 million containers.

Automotive terminals with a throughput of approximately 500 000 units, as well as liquid bulk handling facilities for the fuel industry are also planned. The port will be constructed in phases over the next 30 – 40 years.

Current status, challenges, next steps and rank in complexity

With regard to the Durban Dig-Out Port, the project is still at the pre-feasibility stage and the project should be seen in conjunction with the current capacity expansion plans in place for the Durban Container Terminal (DCT) as well as the long term volume forecast.

Durban Berth Deepening and the Salisbury Pier 1 infilling are expected to create adequate capacity in the medium while the Durban Dig-Out Port undergoes feasibility studies.

It was reported on 30 November 2015 that the proposed Durban Dig-out Port will eventually become a reality, but development of the port was on ice for now, with the Transnet Port Authority (TNPA) declining to even set a date. It was reported that for now SA has enough capacity. It was reported that TNPA will be deferring this project. The immediate focus was on improving the existing facilities and well as the efficiency of the existing port. TNPA is spending some ZAR53b on the existing port, which includes the deepening of existing container shipping berths so that the port can accommodate the largest container vessels.

4. PROJECT: THE MTWARA PORT; MTWARA GAS PIPELINE & TANZANIA RAILWAYS

COUNTRY: TANZANIA

It was reported that Asian firms led the pack among those that bid to rehabilitate and expand the Tanzania-based Mtwara port to a capacity of about 28 million tons of traffic annually, driven by the gas discoveries in the Mtwara and Lindi regions in the southeastern part of the country. The bid, whose final selection was set for October 2014, also attracted a local firm and others from the Netherlands.

The Tanzanian government announced a year ago that it would invest $214m in the upgrade and expansion of the harbor to international standards after signing an agreement with the Japanese government to conduct the preliminary survey.

The Mtwara port manager noted that due to the influx of cargo in the region, especially over the past two years as a result of gas drilling activities, the Mtwara port management has come up with a strategy to expand and improve services. Accordingly, $1.7m was to be spent on improving port infrastructure.

Tanzania will be undertaking two projects: one is the expansion and the other is the improvement of infrastructure and working equipment like cranes and tractors. This would see the port increase its capacity to berth seven ships from the current four. Presently, the yard can handle up to 1000 containers measuring 20 feet each.

Mtwara port currently handles 400000 metric tons of imports and exports per annum. The port is mainly designed to handle conventional cargo. Through this expansion, the Tanzania Ports Authority is seeking to fully capitalise on the massive discoveries of natural gas resources, estimated at over 50 trillion cubic feet.

Mtwara port is one of three major sea ports managed by Tanzania Ports Authority. The other two are Dar es Salaam and Tanga. The deep water port at Mtwara was built between 1948 and 1954. Development of the deep water port was accompanied by railway construction from Mtwara and Nachingwea in the Lindi region.

Current status, challenges, next steps and rank in complexity

There is no new information to report.

5. PROJECT: AWARDING THE MTWARA PORT EXPANSION CONTRACT

COUNTRY: TANZANIA

It was noted that Tanzania will award the contract for expansion of the Mtwara port, after discovery of natural gas made project a priority.

Current status, challenges, next steps and rank in complexity

The AfDB has been requested by the Government of Tanzania through the Tanzania Ports Authority (TPA) to support the transaction advisory services as well as investment finance for upgrading the port. Consultations are ongoing with TPA and other financiers involved (DBSA & Tanzania Investment Bank). The necessary due diligence will be effected by the Bank.

6. PROJECT: PORT CO-OPERATION AGREEMENTS BETWEEN MOZAMBIQUE, KENYA & SUDAN

COUNTRY: MOZAMBIQUE, KENYA & SUDAN

In 2014, a port co-operation agreement was signed between Mozambique, Kenya and Sudan. These agreements promote co-operation on strategic issues such as technical expertise, port planning, port development and marine services. In October 2014, the Transnet National Port Authority deployed a maintenance dredger to the port of Maputo (Mozambique) to provide dredging services in the entrance channel.

Current status, challenges, next steps and rank in complexity

There is no new information to report.