

**AFRICAN UNION**

**الاتحاد الأفريقي**



**UNION AFRICAINE**

**UNIÃO AFRICANA**

---

P. O. Box 3243, Addis Ababa, ETHIOPIA Tel.: (251-11) 5182406 Fax: (251-11) 5182450

---

**AFRICAN UNION CONFERENCE  
OF ENERGY MINISTERS (CEMA)  
SECOND SESSION  
12- 16 NOVEMBER 2012  
ADDIS ABABA, ETHIOPIA**

**AU/CEMA/MIN/Res.(II)**

**RESOLUTION ON THE IMPLEMENTATION OF THE PIDA  
ENERGY PRIORITY ACTION PLAN**

## RESOLUTION ON THE IMPLEMENTATION OF THE PIDA ENERGY PRIORITY ACTION PLAN

We, African Union Ministers in Charge of Energy, gathered at the Second ordinary Session of CEMA in Addis Ababa, Ethiopia, on the 16<sup>th</sup> of November 2012,

**Recognizing** that the Priority Action Plan (PAP) of the Programme for Infrastructure Development for Africa (PIDA) is composed of projects and programmes emanating from a rigorous prioritization of projects and programmes in existing regional master plans, and adopted by our Heads of State and Governments as of highest priorities for accelerating energy supply and services towards universal energy access on the continent, lowering electricity costs and containing GHG emissions, and measuring the cost of non-actions to implement the plan on the economies of our countries and people, therefore:

**Considering** Declaration Assembly/AU/Decl. 1 (XII) of the Twelfth AU Ordinary Session in Addis Ababa, Ethiopia in January 2009 which resolved to support the Programme for Infrastructure in Africa as the unique strategic and sectoral framework in Africa;

**Considering** the Declaration on the Programme for Infrastructure Development of Africa, Assembly/AU/Decl.2(XVIII), of the Heads of State and Government of the African Union, meeting at the Eighteenth AU Ordinary Session in Addis Ababa, Ethiopia, from 29 to 30 January 2012, approving the Programme for Infrastructure Development in Africa and the institutional architecture for its implementation and inviting the Commission to ensure, in coordination with the NEPAD Planning and Coordinating Agency (NPCA), the speedy implementation of the Programme for Infrastructure Development in Africa and to report annually thereon;

**Considering** the Declaration on the Programme for Infrastructure Development for Africa, Assembly/AU/Decl.2(XVIII) further appeals to the United Nations Economic Commission for Africa, the African Development Bank, the World Bank, the European Union, the Specialized Organizations, the Specialized Agencies of the United Nations System and all relevant Development Partners, to support the implementation of this Declaration;

**Aware** that cost of delay in implementation of the PIDA PAP energy projects has negative consequences on economic growth, job creation, and induces additional cost if alternative less cost effective conventional energy systems are utilized;

**Aware** that PIDA PAP implementation is not contradictory to regional and national objectives for energy security and energy access, but on the contrary, an important contribution to achieve the said objectives;

**Also Aware** that the delay in implementation of the PIDA PAP projects could slow down the mitigation efforts of negative impacts on the environment because of the recourse to more polluting alternative technologies;

**Mindful** of the initiatives by some organizations/RECs to establish Project Preparation and Implementation Units and in order to improve the continent's project

preparation capacity for moving project from concept to financial close and the increased challenge in this respect due to the urgency to move PIDA projects to financial close;

**Reaffirming** our commitments to prioritize energy development in our national development plans, and include specific earmarked financing to support the public share in the overall cost of projects in our national capital expenditure budget for the implementation of PIDA projects, in timely manner;

**Resolve to:**

**Take** all measures at national and regional levels to accelerate the implementation of the Energy PAP, including:

- **Lift** regulatory and institutional barriers, the adoption of innovative project structures, procurement procedures more adapted to multinational projects, granting sufficient delegation of authority to special project development and operation entities to operate with sufficient autonomy, favoring fair cost recovery arrangements.
- **Reduce** commercial and financial bottlenecks such as delayed negotiation of long term project contracts on commercial terms; high perceived political risks affecting long term agreements; persisting discrepancies between production costs and distribution tariff among participating countries in the regional projects.
- **Address** through objectively defined long-term phased reforms, the sustainability and creditworthiness of our energy utilities in order to increase their performance and their role in mobilizing financing for sector investments;

**Call upon:**

- The donor community to prioritize in their financial commitment the implementation of PIDA, and in particular to achieve a significant replenishment of the African Development Fund in its upcoming 13th cycle, as the main funding window for most African countries for infrastructure, and to contribute to strengthen the Sustainable Energy Fund for Africa, as a flexible platform for Sustainable Energy Solutions in Africa, with a strong focus on PPPs;
- The African Development Financial Institutions, and the donor community to scale up their contributions to the NEPAD Infrastructure Project Preparation Facility, which has proven to be a critical instrument to move projects to financial close; and
- Financial Institutions, including the African Development Bank and World Bank to adopt innovations in their instruments to address the specific challenges of financing regional projects, such as pooling of preparation Trust Funds for regional projects in a single window, direct financing to special project development entities, and establishing risks mitigation instruments for Regional projects.