

# Africa's Regional Infrastructure Initiatives: Challenges and Emerging Solutions

Colloquium on the CFTA: Internal Challenges and External Threats

29 February - 1 March 2016

Accra, Ghana

Robert Tama Lisinge

# Outline

- ▶ Context
- ▶ State of Africa's Infrastructure
- ▶ Africa's infrastructure Initiatives
- ▶ The implementation Problem
- ▶ Issues and emerging solutions

# Relevance of Transport Infrastructure (1)

- ▶ Contributes to inclusive and equitable economic growth and sustainable development
- ▶ Promotes trade
  - ▶ Enhances competitiveness through reduced transport costs
  - ▶ Attracts Foreign Direct Investment (FDI), which enhances
    - ▶ Value addition; export diversification
    - ▶ Science, technology & innovation
  - ▶ Develops private sector
- ▶ Promotes Regional Integration
  - ▶ Enlarge markets
  - ▶ Physical connectivity

# Relevance of Transport Infrastructure (2)

- ▶ Opens up isolated and remote areas
  - ▶ Promote agricultural development
  - ▶ Access to markets and economic opportunities
- ▶ Enhance resilience to climate change and natural disaster

# Infrastructure and Economic Development

- ▶ Africa's infrastructure deficit is lowering the continent's per capita economic growth by 2% a year
- ▶ It is also reducing the productivity of firms by as much as 40%
- ▶ According to some estimates, a 1% increase in infrastructure stock adds 1% to a nation's GDP growth

# Africa's Infrastructure Deficit

Source: Yepes, Pierce, and Foster 2008

Road density: km per 100 sq km of arable land; tel density: lines per 1000 pop;  
generation capacity: megawatts per million pop; electricity  
water, and sanitation coverage:% of pop..

Normalised units	African low-income countries	Other low-income countries	African middle-income countries	Other middle-income countries
Paved-road density	34	134	284	461
Total road density	150	29	381	106
Main-line density	9	38	142	252
Mobile density	48	55	277	557
Internet density	2	29	8.2	235
Generation capacity	39	326	293	648
Electricity coverage	14	41	37	88
Improved water	61	72	82	91
Improved sanitation	34	53	53	82

## Africa's Infrastructure Deficit 2

Normalised units	ECOWAS	EAC	SADC	Central
Paved-road density	38	29	92	4
Total road density	144	362	193	44
Main-line density	28	6	80	13
Mobile density	72	46	133	84
Internet density	2	2	4	1
Generation capacity	31	16	176	47
Electricity coverage	18	6	24	21
Improved water	63	71	68	53
Improved sanitation	35	42	46	28

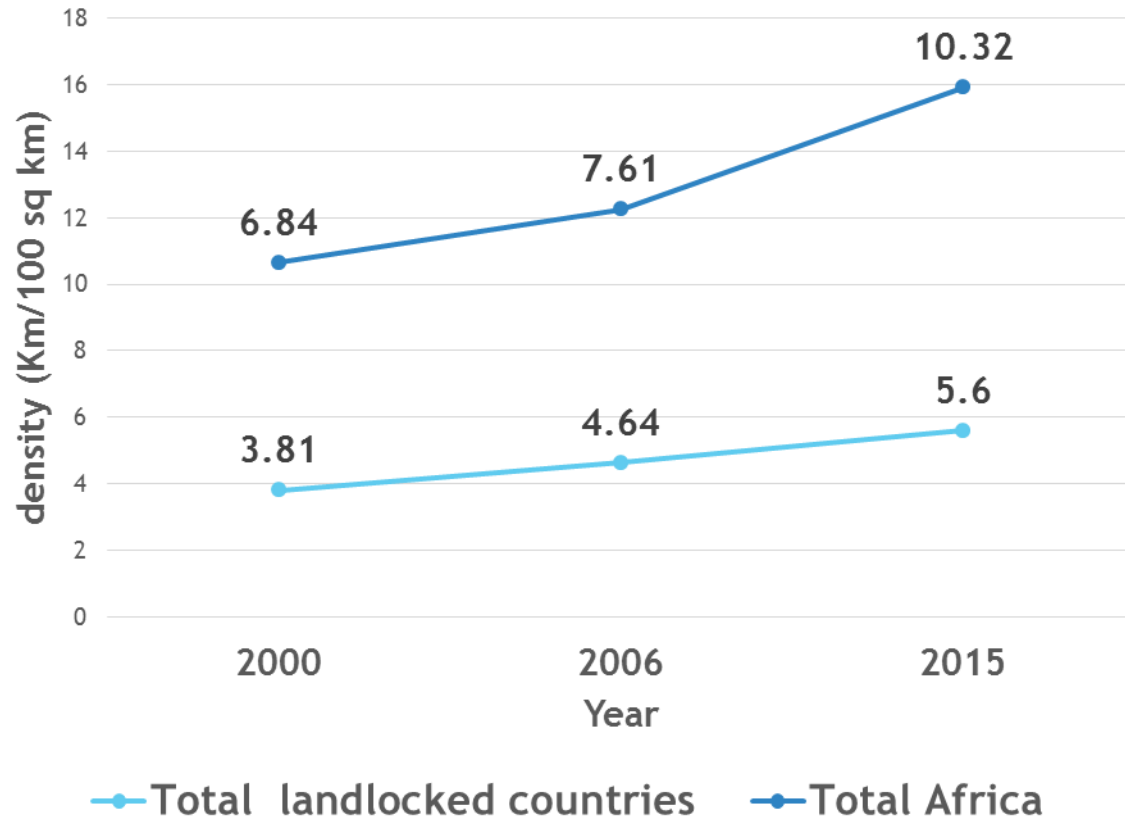
## TAH Missing Links by Sub-region

Region	Total TAH network (km)	Paved sections (km)	% of missing links
Northern Africa	13,292	13,195	1
Southern Africa	9,932	8,201	17
Eastern Africa	7,988	6,817	15
Central Africa	11,246	3,891	65
Western Africa	11,662	10,581	9
Total Africa	54,120	42,665	21



# Road Density of African Landlocked Countries (2)

## Density Road networks



- ▶ African Landlocked countries are less connected internally than their coastal neighbours
  - ▶ Their road density was 5.6 in 2015 compared to 10.32 km/100 sq km for Africa as a whole
  - ▶ Trend of lower density of landlocked countries has not changed since 2000

# Improvement in Africa's Road Network by Sub-Region

- ▶ Improvement under-reported
  - ▶ Paucity of data
  - ▶ Entrenched perception of Africa's poor infrastructure
- ▶ Total length of Africa's road network is about 2.8 million km
- ▶ Length of network increased by 21.93% between 2006-2015
- ▶ All sub-regions experienced increases greater than 20% between 2006-2015
  - ▶ Except Central Africa
- ▶ North Africa had the highest growth between 2006-2015 followed by West, East, Southern and Central Africa

# Africa's Regional Infrastructure Initiatives

- ▶ Trans-African Highways
- ▶ Second United Nations Transport and Communications Decade in Africa (UNTACDA II: 1991-2000)
- ▶ NEPAD Infrastructure Short-Term Action Plan
- ▶ Programme for Infrastructure Development in Africa (PIDA)
- ▶ Presidential Infrastructure Champion Initiative (PICI)
- ▶ Sub-regional programmes

# Why Regional Transport Corridors in Africa?

TAH	UNTACDA	PIDA
<p>(a) Provide direct road links between capital cities of the continent</p> <p>(b) Contribute to the political, economic and social integration and cohesion of Africa; and</p> <p>(c) Ensure road transport facilities between important areas of production and consumption</p>	<p>(a) Establish an efficient and integrated transport system to promote the physical integration of Africa, facilitate trade, and ultimately achieve self-sustaining economic development.</p> <p>(b) Ensure Africa's participation in the globalisation process and</p> <p>© contribute to poverty alleviation on the continent</p>	<p>(a) Slash transport costs and boost intra-African trade</p> <p>(b) Link major production and consumption centres</p> <p>© Provide connectivity among major cities in Africa</p> <p>(d) Open landlocked countries and improve their contribution to sub-regional and continental trade</p>

# Trans-African Highways



- Major Port
- National Capital
- TAH 01: Cairo - Dakar
- TAH 02: Algiers - Lagos
- TAH 03: Tripoli - Windhoek - Cape Town
- TAH 04: Cairo - Gaborone - Cape Town
- TAH 05: Dakar - N'djamena
- TAH 06: N'djamena - Djibouti
- TAH 07: Dakar - Lagos
- TAH 08: Lagos - Mombassa
- TAH 09: Beira - Lobito
- TAH-10: Libreville - Djibouti

Robert Tama Lisinge



02/03/2016

13

The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.  
Les frontières et les noms indiqués sur cette carte n'impliquent pas la reconnaissance ou l'acceptation officielle par l'organisation des Nations Unies.  
© Economic Commission for Africa, 2014

# Programme for Infrastructure Development in Africa (PIDA)

- ▶ Endorsed by Heads of State in 2012
- ▶ Developed through extensive consultations
- ▶ Strong analytical base
- ▶ Short (2020), Medium (2030) and Long term (2040) view
- ▶ Priority Action Plan (PAP)
- ✓ 51 projects
- ✓ 24 in Transport Sector
- ▶ Dakar Agenda for Action
  - ▶ 16 priority projects
  - ▶ Resource mobilisation for project implementation

# Implementation Challenge

Initiative	Performance
TAH	<ul style="list-style-type: none"><li>• Missing links &gt; 20% of network</li><li>• Inter-governmental Agreement endorsed in 2014<ul style="list-style-type: none"><li>• More than 40 years after conception</li></ul></li></ul>
UNCTADA II	<ul style="list-style-type: none"><li>• 50% of projects completed</li><li>• 16% partly completed</li><li>• 28% unimplemented</li><li>• 6% abandoned</li></ul>
NEPAD Infrastructure STAP	<ul style="list-style-type: none"><li>• 16% of projects completed<ul style="list-style-type: none"><li>• 0% of capacity building projects</li><li>• 20% investments</li><li>• 33.3% studies</li><li>• 6.9% facilitation projects</li></ul></li></ul>

# Challenges: Political Will (1)

- ▶ Key related words: Political will, ownership, leadership, commitment
- ▶ Attributes:
  - ▶ **Awareness:** Lack of awareness of regional projects at national level
    - ▶ Failure to advocate for regional projects at the national level
  - ▶ **Respect of agreements:** Implementation of agreements
    - ▶ Weak or lack of commitment
  - ▶ **Importance:** Importance attached to regional projects
    - ▶ Failure to dedicate human and financial resources to regional projects
  - ▶ **Prioritisation:** Prioritise regional projects at the national level
    - ▶ Regional projects not mainstreamed in national plans



# Solution: Presidential Infrastructure Champion Initiative

- ▶ Aimed at accelerating implementation of PIDA projects
  - ▶ Endorsed by AU Assembly in 2011
  - ▶ 9 projects championed by Heads of States
  - ▶ Champions brief peers regularly
  - ▶ Positive results
    - ▶ Some Champions committed resources for projects
  - ▶ PICI challenges:
    - ▶ Effective participation/buy-in of countries that are not champions of projects
    - ▶ Continuity in case of change of government
    - ▶ National versus regional interest
- i. Missing links of Trans-Sahara Highway (Algeria)
  - ii. Optic Fibre from Algeria to Nigeria (Algeria)
  - iii. Dakar-Ndjamena-Djibouti Road/Rail (Senegal)
  - iv. Nigeria-Algeria Gas Pipeline (Nigeria)
  - v. Kinshasa-Brazzaville Bridge Road/Rail (Congo)
  - vi. ICT Broadband and Fibre optic link to neighbouring states (Rwanda)
  - vii. North-South Corridor Road/Rail (South Africa)
  - viii. Navigable Route between Lake Victoria and Mediterranean Sea (Egypt)
  - ix. Lamu Port-Southern Sudan-Ethiopia Transport Corridor Project (Kenya)

# Challenge: Institutions and Policies (1)

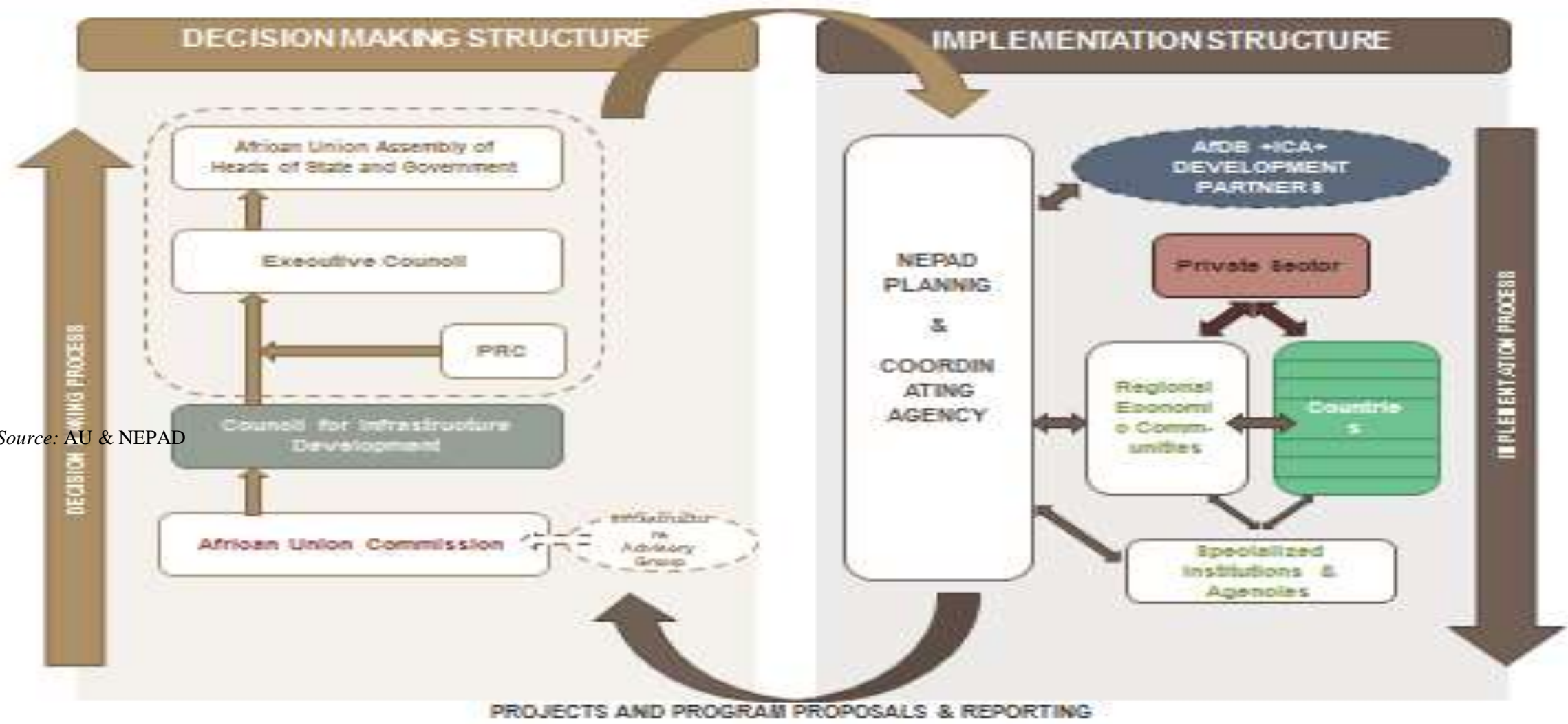
- ▶ Legal and Regulatory Frameworks not harmonised
  - ▶ Lack of uniform laws, rules & regulations
  - ▶ Lack of harmonised design standards
  - ▶ Conflicting policies
- ▶ Weak institutional structures
  - ▶ Lack of supranational organisations to lead implementation process
  - ▶ Lack of Intergovernmental Agreements
  - ▶ Lack of operational guidelines
  - ▶ Inappropriate roles and responsibilities
  - ▶ Weak leadership
  - ▶ Dysfunctional management structures

# Institutional Architecture for Infrastructure Development in Africa

15/04/2013

DECISIONS FOR IMPLEMENTATION

18



Source: AU & NEPAD

# Civil Society and Africa's Regional Infrastructure Programmes

- ▶ Project selection criteria
  - ▶ Regional dimension
  - ▶ Advanced stage of preparation
  - ▶ Economic impact
- ▶ Profits for big business corporations versus poverty reduction and benefits for local communities
- ▶ Outward versus inward looking investments
  - ▶ Implications for economic transformation and industrialisation

# Challenge: Funding (1)

- ▶ Funding for what?
  - ▶ Feasibility studies and detail design
  - ▶ Project preparation
  - ▶ Project implementation
  - ▶ Project coordination and facilitation
  - ▶ Operation of Project Preparation and Implementation Units/RECs that act as Secretariats of programmes

# Challenge: Funding (2)

- ▶ Donor failure to fulfil pledges/commitments
  - ▶ Slow, unpredictable, conditionalities
- ▶ Fragmentation & piecemeal delivery of funds
- ▶ Change in donor interest
- ▶ Over-reliance on donors
- ▶ Weak resource mobilisation capacity
- ▶ National budget constraints (resource competition)
- ▶ Weak mobilisation of counterpart funding
  - ▶ Inadequate, sourcing delays
- ▶ Difficulties in securing loans
- ▶ Weak engagement of private sector
- ▶ Lengthy procurement processes
- ▶ Delays/bureaucracies in payment of consultants

# Solution? China and Africa's Infrastructure Development

- ▶ China is by far the biggest investor in Africa's infrastructure
- ▶ Mostly involved in national projects
  - ▶ Huge presence in resource-rich countries
  - ▶ But also in non-resource-rich countries
- ▶ Increasingly involved in regional projects
  - ▶ Addis Ababa - Djibouti Rail Project
  - ▶ Mombasa - Nairobi Rail Project to be extended to neighbouring landlocked countries
- ▶ Could be a ***game changer*** in the implementation of Africa's regional infrastructure programmes
  - ▶ Fast Speed Rail Project demonstrates the scale of potential Chinese involvement
  - ▶ But Africa needs a strategy to channel Chinese investment to existing regional programmes
  - ▶ Recent economic slow-down has dampened enthusiasm

# Challenge: Capacity (1)

- ▶ Capacity for what?
  - ▶ Project preparation (feasibility studies, detailed design, contract negotiation, procurement)
  - ▶ Implement projects
  - ▶ Bid for contracts successfully (bidding skills)
  - ▶ Project management
  - ▶ Absorb available funds
  - ▶ Institutional
  - ▶ Mobilise contractors
  - ▶ Mobilise funds for project preparation and implementation



# Challenge: Capacity (2)

- ▶ Capacity for who?
  - ▶ RECs
  - ▶ Local contractors
  - ▶ Local consultants
  - ▶ Specialised schools, higher education, universities
  - ▶ National project implementing agencies
- ▶ Consequences of weak capacity
  - ▶ Change of scope of work
  - ▶ Increase costs
  - ▶ Projects not bankable
  - ▶ Contracts awarded to more expensive foreign contractors at the expense of local contractors/consultants
  - ▶ Monopoly by international companies that tender at higher price thus increasing project costs
  - ▶ Failure to mobilise funds from international financing institutions

# Way Forward

- ▶ Sign inter-governmental Agreements
- ▶ Establish project implementation units
- ▶ Establish Project Committees
  - ▶ Political and technical
  - ▶ Designate national focal points
- ▶ Create Seed Funds for projects
  - ▶ Contributions from member States
  - ▶ Complemented by support from development partners
- ▶ Formulate detailed work programmes
- ▶ Incorporate regional projects in national plans
- ▶ Establish fully functional monitoring and evaluation mechanisms

# Thank you

The screenshot shows the UNECA website with the following elements:

- Header:** United Nations Economic Commission for Africa logo and name. Language options for English and Français. A search bar.
- Navigation:** A horizontal menu with links for About ECA, Our work, Subregional Offices, Capacity Development, Publications, Events, Media Centre, and contact us.
- HOME:** A section with a list of links: Home, About ATPC, Events, Publications, and Stories.
- African Trade Policy Centre:** A main section with the title "African Trade Policy Centre" and a sub-section "About ATPC". The text describes the center's establishment in June 2003 and its location in Addis Ababa. A "READ MORE" link is provided.
- Top Stories:** A carousel showing a featured story with an image of a globe and gold coins. The text reads: "Negotiators meet on trade, transformation and Africa's role in global markets". Navigation arrows for "PREVIOUS" and "NEXT" are visible, along with "8 of 9" items.
- Stories on African Trade Policy Centre:** A list of recent news items:
  - 10 February 2016: The African Trade Policy Centre Launches Third Cycle with a Focused Resource Mobilization Strategy for 2016.
  - 10 February 2016: African Experts in Talks for a Continental Free Trade Agreement.
  - 29 January 2016: Experts to review draft free trade agreement.
- Publications on African Trade Policy Centre:** A row of five publication covers:
  - Recommendations from the Multi-
  - The Option of a Framework
  - Building Trade Capacities for
  - The African Growth and
  - Trade Facilitation from an African

For more information: <http://www.uneca.org/atpc>