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OF THE WORLD

African Strategic Infrastructure Initiative Accelerating major infrastructure projects

Issue

Development of infrastructure is one of the top political priorities in Africa, to enable economic growth and competitiveness. Without adequate infrastructure endowment, Africa risks sacrificing about 2% of GDP growth per annum. For this reason, and for the first time in its history, the continent has established a commonly accepted plan for its infrastructure priorities: the Program for Infrastructure Development in Africa (PIDA).

It is jointly developed by the African Union Commission (AUC), the NEPAD Planning and Coordinating Agency (NEPAD Agency) and the African Development Bank (AfDB).

Within PIDA, a sub-set of 51 "Priority Action Plans" constitute the PIDA Priority Action Programme (PAP), which concern energy, transportation, water and ICT infrastructure. They were selected on the basis of their expected overall economic impact, affordability and potential for regional integration.

The total cost of delivery of these programmes – from 2012 through 2020 – is expected to be nearly US\$ 68 billion, or some US\$ 7.5 billion annually for the next nine years.



PIDA has received strong political endorsement from all African heads of state and governments. The PIDA programmes provide a sophisticated plan and roadmap for the development of Africa's infrastructure – it is now time for action.

Opportunity

At the World Economic Forum in Africa in Addis Ababa in May 2012 international and African business leaders endorsed the launch of an Africa-focused business-driven initiative to accelerate the implementation of the PIDA Priority Action Plan. Consequently, the African Strategic Infrastructure Initiative was formally launched in Johannesburg on 9 July

2012 with the objective to accelerate implementation of the PIDA “Priority Action Plan” programmes by providing direction on Africa’s infrastructure priorities from a private sector perspective.

Led by the World Economic Forum, the African Strategic Infrastructure Initiative is jointly coordinated with the African Development Bank, with the support and guidance of the African Union Commission and the NEPAD Planning and Coordinating Agency – the overall coordinating agencies of PIDA.

Collaboration with the private sector is essential to improving infrastructure: the Twentieth Session of the Assembly of the African Union Heads of States in January 2013 reaffirmed “the need to increase private sector involvement in infrastructure development in conjunction with the World Economic Forum.”

Communities and Impact

The World Economic Forum offers a unique platform to engage key decision-makers at a strategic level, connecting Partner companies across industries and stakeholder groups, paving the way for action.

To provide for optimal impact, the World Economic Forum has formed a Business Working Group (BWG), drawing on Partners from the Forum’s Infrastructure & Urban Development industries, on multilateral and regional development banks and other relevant sectors.



In its initial phase (July 2012 - May 2013), the African Strategic Infrastructure Initiative focused on the development of a methodology to identify programmes for immediate private sector acceleration. The Forum report Strategic Infrastructure in Africa – A Business Approach to Project Acceleration presents a selection methodology featuring a common language with clear economic, technical, social and regional criteria to identify infrastructure projects with the potential for acceleration.

Furthermore, the Central Corridor has been identified and endorsed as the first pilot from the list of PIDA programmes with potential for short term acceleration. The Central Corridor (a port, rail and road programme connecting Tanzania, Burundi, Uganda, Rwanda and Democratic Republic of Congo) as pilot will serve to document a generic but structured approach to address the complex implementation of large infrastructure programmes and that can typically be replicated for the remaining PIDA projects.

The current phase ii of the initiative focuses on 3 workstreams:

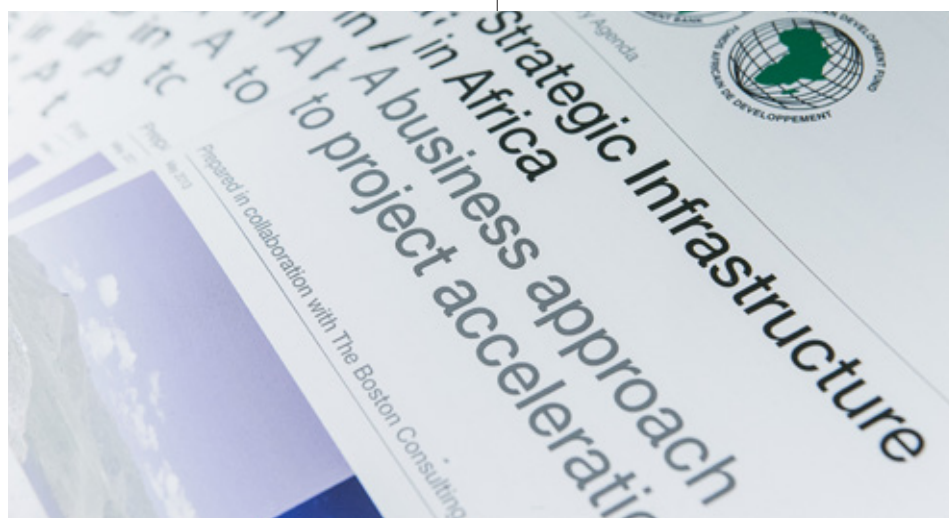
- Individual project acceleration via a pilot PIDA project, the Central Corridor
- Revision of a model infrastructure facility for Early Stage Project Financing
- Capacity building in governments, institutions and local organisations to bridge the infrastructure gap

Interaction

The most recent achievements of the initiative were presented at the 4th Business Working Group meeting held on 30 October 2014 in Sandton, South Africa.

In particular, since selection of the pilot for acceleration, significant progress has been achieved in partnership with the Central Corridor Transit Transport Facilitation Agency. Alongside Ms Rukia D. Shamte, Executive Secretary, Central Corridor-TTFA, participants had the opportunity to review the current 18 shortlisted projects to be showcased at a planned Investors Forum to be held in Kampala during March 2014.

Through its workstreams, this Initiative offers multiple economic and social opportunities for both the private sector and civil society. Between June 2014 and May 2015 (World Economic Forum on Africa, Cape Town 3- 5 June 2015), participants will have the opportunity to advance the African infrastructure development agenda by participating in the acceleration activities of the selected pilot project.





Members of the Business Working Group (as of Nov 2014):

A.P. Møller-Maersk AS
 ABB
 Absa Capital
 Africa Capacity Building Foundation*
 African Rainbow Minerals Ltd
 ArcelorMittal
 Arup
 BT
 Dev. Bank of Southern Africa
 Diageo Plc
 Eskom
 Etisalat Group
 First Bank Nigeria
 Flour Mills of Nigeria
 General Electric
 HSBC
 IDC of S. Africa
 IFC* International Container Terminal Services Inc
 Investec Asset Management
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 Sasol Limited
 SNC-Lavalin
 Standard Bank
 Standard Chartered
 Telkom SA
 The Office of Gordon & Sarah Brown*
 Transnet
 UBS
 United Phosphorus Ltd
 World Bank*
 Yara

* Advisory/expert role

Contact Information

Alex Wong

Senior Director
 Head of the Centre for Global Industries
 World Economic Forum
 Tel.: +41 (0)22 869 1460
 Fax: +41 (0)22 786 2744
 Email: alex.wong@weforum.org

Pedro Rodrigues de Almeida

Director
 Head of Infrastructure & Urban Development Industries
 World Economic Forum
 Tel.: +41 (0)79 593 7033
 Email: pedro.rodriguesdealmeida@weforum.org

Elsie Kanza

Director
 Africa
 World Economic Forum
 Tel.: +41 (0)79 302 2822
 Email: elsie.kanza@weforum.org

Reuben Coulter

Associate Director
 Africa
 World Economic Forum
 Tel.: +41 (0)79 398 5769
 Email: reuben.coulter@weforum.org

Benji Coetzee

Project Manager
 African Strategic Infrastructure
 World Economic Forum
 Tel.: +41 (0)79 561 3986
 Email: benji.coetzee@weforum.org

Katerina Labrousse

Team Coordinator
 Infrastructure & Urban Development Industries
 World Economic Forum
 Tel.: +41 (0)22 869 3596
 Email: Katerina.labrousse@weforum.org