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Industry Agenda

African Strategic Infrastructure Initiative Summary: Overview Since Inception

January 2015



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REF 140115

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1. Initiative Background and Overview

Development of infrastructure is one of the top political priorities in Africa, to enable economic growth and competitiveness. Africa runs the risk of sacrificing about 2% of gross domestic product (GDP) growth per annum, without adequate infrastructure endowment. For this reason, and for the first time in its history, the continent established a commonly accepted plan for its infrastructure priorities, the Programme for Infrastructure Development in Africa (PIDA). PIDA has been jointly developed by the African Union Commission (AUC), the New Partnership for Africa's Development (NEPAD) Planning and Coordinating Agency (NEPAD Agency), and the African Development Bank (AfDB). A subset of 51 "Priority Action Plans" constitutes the PIDA PAP (Priority Action Plan), which includes energy, transportation, water and information and communications technology infrastructure programmes 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 to 2020, is expected to be nearly \$68 billion.

To achieve the ambitious objectives set out in PIDA, collaboration with the private sector is crucial. Hence, to integrate private sector input regarding the direction of the infrastructure mega programmes (to potentially accelerate implementation), international and African business leaders initiated the African Strategic Infrastructure Initiative at the World Economic Forum on Africa in Addis Ababa, in May 2012. The Initiative is led by the World Economic Forum in partnership with the African Development Bank, and is supported and guided by the African Union Commission and the NEPAD Agency, the overall coordinating agencies for the implementation of the PIDA PAP. The Initiative aims to:

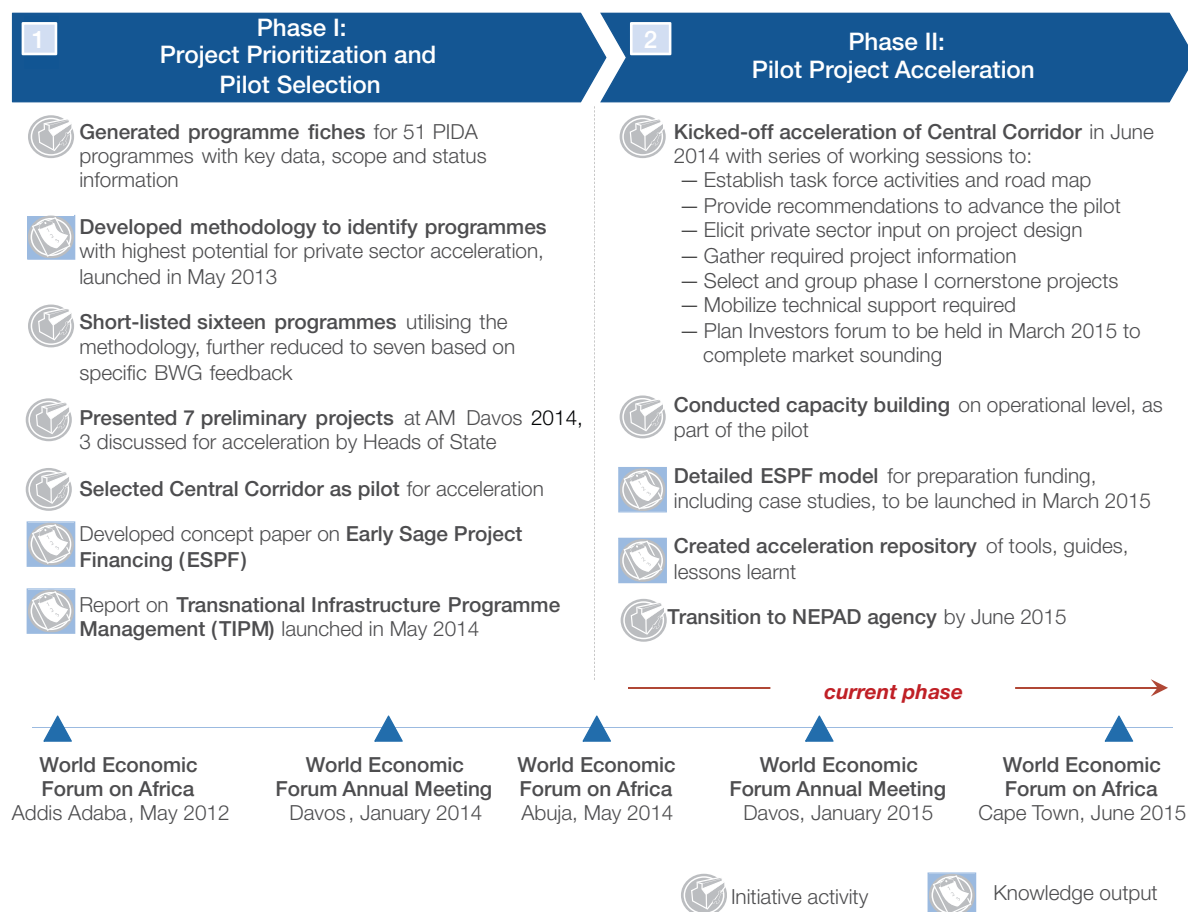
- Help the public sector benefit from objective, transparent and informed input from the private sector to prioritize and systematically select projects for acceleration from PIDA, including a pilot project

- Develop innovative ideas and informative publications on project acceleration (including enablement and capacity building), transnational infrastructure programme management and early stage project financing to improve infrastructure delivery in Africa. Ultimately, it will provide a model to be replicated across Africa, creating an enabling environment for private sector involvement in infrastructure development, with a core focus on accelerating the implementation of PIDA PAP.

To ensure a coordinated business voice to review, prioritize and accelerate the PIDA programmes, a Business Working Group (BWG) for the Initiative was established. Currently the BWG consists of more than 40 institutions (see the appendix for BWG members as of January 2015).

The BWG was recognized and endorsed at the 20th Assembly of the African Union Heads of State in January 2013. It draws on Forum Partners in the Infrastructure & Urban Development industries, on multilateral and regional development banks, and other relevant industry sector experts. The BWG holds regular meetings to guide the Initiative and enable the public sector to benefit from objective, transparent and informed input from the private sector; the most recent meeting was held 30 October 2014 in Sandton, South Africa. The Development Bank of Southern Africa (DBSA) and General Electric (GE) act as co-chairs to the Initiative.¹

Figure 1: Initiative Phases and Topic Overview



Source: World Economic Forum

The Initiative has been structured into two phases, with the first focusing on “Project Prioritization and Pilot Selection”; the second focuses on “Pilot Project Acceleration” (Figure 1).

Phase I focused on groundwork fostering strong relationships between the public and private sectors to ensure the future success of the Initiative. Key outcomes of phase I included the formation of the BWG, and two reports: *Strategic Infrastructure in Africa – A business approach to project acceleration* and *Managing Transnational Infrastructure Programmes in Africa – Challenges and Best Practices*.

The Forum report, *Strategic Infrastructure in Africa – A business approach to project acceleration*, presents the infrastructure project prioritization and selection methodology developed in detail, and explains the different economic, technical, social and regional criteria that were applied to identify the PIDA projects with potential for acceleration.² Based upon this methodology, the 51 PIDA programmes were evaluated, with 16 programmes shortlisted for potential acceleration. Initially three programmes from the 16 were discussed: the West Africa port and hub programme, Beira Nacala Corridor and Central Corridor. Heads of state and business representatives agreed to accelerate the Central Corridor as the pilot project, due to its significant potential for Africa to unlock

landlocked countries and support secondary markets, and as it benefitted from strong political support.

The current phase II, focusing upon pilot acceleration, was initiated in June 2014. The Central Corridor serves as the pilot, with an integrated multimodal transport programme across five countries, Tanzania, Burundi, Rwanda, Uganda and the Democratic Republic of Congo (DRC), and an investment need of approximately \$18 billion. Impeding its progress are issues such as lack of quality data, little stakeholder cooperation, insufficient programme planning and structuring. But due to the convening power of the Forum and its Partners AfDB, NEPAD and AUC, as well as private sector input on various programme design issues, significant progress has been achieved. As an example, the Initiative has - with local agencies like the Central Corridor Transit Transport Facilitation Agency (CC-TTFA), ministerial representatives and institutions (BWG, Roads Agency Holding Company (Tanzania), Tanzania Ports Authority, Uganda Investment Authority, etc.) - collaboratively developed a plan to gather omitted project data, standardized project fiches (based on a template tool) and consolidated more than 121 sub-projects within the Central Corridor countries and sectors. Based on a stringent methodology using criteria such as strategic importance, corridor linkage and value proposition, 18 sub-projects were selected from the 121 as cornerstone stage 1 projects (details below). A series of working sessions was

held in Dar es Salaam, Midrand and Kigali to ensure that local, international, private and public sector inputs were incorporated into the process. Among others, input was sought on the typical project finance requirements for rail projects, the harmonization of technical requirements (such as rail gauge selection), and procurement transparency requirements.

As a result, key outcomes of phase II presently include a consolidated data book of the 121 sub-projects; a staged road map for the implementation of the corridor projects; 18 shortlisted projects for immediate consideration as cornerstones of the corridor; and the idea to develop a value (rather than an extraction) corridor. Additional outcomes include enhanced investor confidence; increased marketing and visibility of the corridor potential and its projects; improved public sector understanding of private finance requirements; enabled agencies (through hands-on training and capacity building); and overall stronger public-private relationships (local and international). The Initiative has also facilitated the mobilization of much needed technical resources, sponsored by the DBSA, to complete required project packaging exercises of the stage 1 projects in preparation for their showcasing and market sounding during a presidential roundtable and Investors' Forum in March 2015 in Dar Es Salaam, Tanzania.

Apart from project prioritization and acceleration efforts, the Initiative continues to develop innovative ideas and informative publications that contribute to an enabling environment for African infrastructure. Topics include transnational infrastructure programme management, early stage project preparation financing and capacity building.

As the Initiative is currently within its final phase, the World Economic Forum will transition the work completed to a new host organization, the NEPAD Agency, for replication of the project acceleration process and continued acceleration of PIDA. A smooth staged transition is planned, with preliminary handover in March 2015; this will provide three months of "oversight and enablement" until the final handover at the World Economic Forum on Africa in Cape Town on 3-5 June 2015. Initial considerations on the transition plan and required resources for the NEPAD ASI secretariat are continuing with AfDB, AUC, DBSA and NEPAD.

The following sections provide a brief yet comprehensive summary of the various activities and knowledge tools created since the Initiative's inception in 2012, for ease of reference (see the appendix and Forum website for details).



2. Project Portfolio and Pilot Selection Prioritization

The magnitude of the PIDA programme is significant as it constitutes 51 mega programmes across the continent and sectors, with an estimated investment need of \$68 billion. Unfortunately, not every proposed infrastructure programme is equally valuable or doable. Given that resources of time, labour and capital are limited, decision-makers must give priority to programmes that yield economic and social benefits most effectively and efficiently. However, identifying and prioritizing a programme for acceleration requires analysing a large number of diverse projects across various dimensions - a difficult and time-consuming task involving rigorous methodology. Therefore, the Forum report (created in partnership with the BWG) entitled *Strategic Infrastructure in Africa - A business approach to project acceleration* introduces such a detailed, quantitative-based methodology.

The methodology proposed includes a set of analytic tools to be used sequentially in four basic steps:

1. Unbundling complex programmes into discrete individual projects to facilitate direct comparison (as comparisons between broadly labelled programmes can be misleading)
2. Grouping projects by potential along three key thresholds (data quality/availability, project environment, project complexity) and rating them for immediate, mid- or long-term acceleration
3. Using the “two-lens clustering” method to identify candidates for immediate acceleration according to their readiness and likely value creation and impact
4. Fine-tuning the shortlist produced by rating projects on other key considerations (e.g. regional and sector diversity and public support)

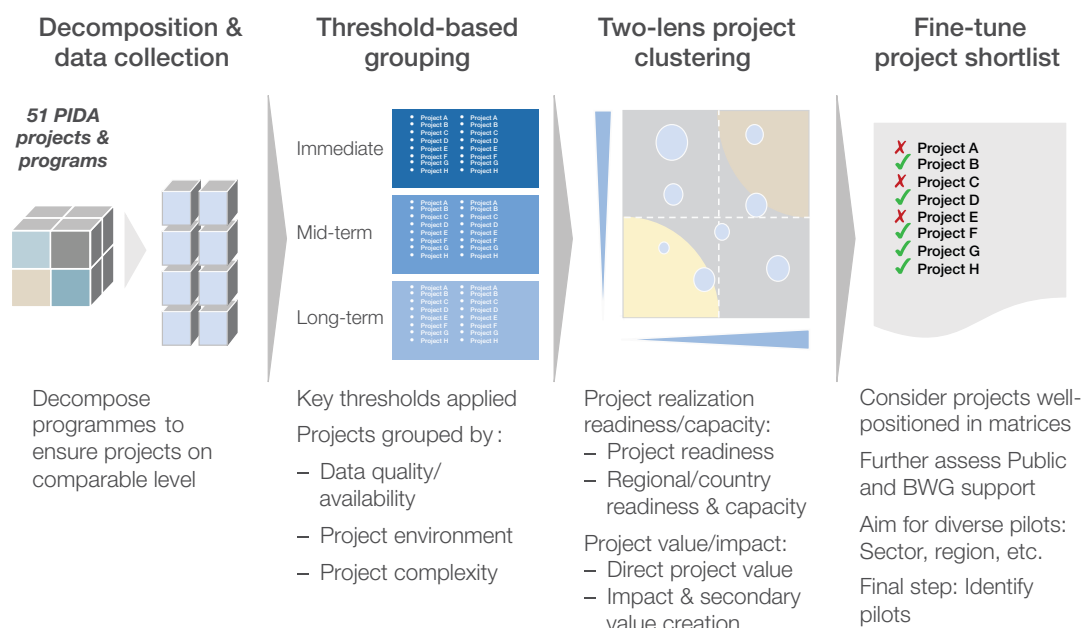
These steps act as a series of refining screens to sort and then analyse projects for possible acceleration, designed to reduce the complexity of the selection process by making

key project factors easily visible. While these tools provide a disciplined structure for analysis, the criteria employed can be calibrated to meet the specific requirements of various individual project stakeholders (and be applicable to other regions with certain adaptations). The report also includes ideas concerning potential innovations and new products to provide the financing needed to implement Africa’s infrastructure priorities.

The PIDA project list, with data sourced from AUC, NEPAD and Aurecon, served as input to apply the methodology and the project assessment tool developed. Based on the data and method, 16 programmes were initially shortlisted and presented to stakeholders at the World Economic Forum on Africa in May 2013 in Cape Town. To refine the shortlist, a second private sector survey on a more granular level was conducted. Additional identification criteria were also applied, such as low sequential dependence with other programmes (programme implementation dependant on another being completed first), the availability of acceleration levers, private sector interest and reduced “showstoppers”. This provided a shortlist of seven PIDA programmes that served as the basis for selection of the pilot project.³

During the World Economic Forum Annual Meeting 2014 in Davos-Klosters, heads of state and business leaders considered the seven shortlisted projects. As a result, the Central Corridor was selected as a pilot for immediate acceleration, since it holds significant regional importance and would unlock multiple landlocked countries, while supporting the development of secondary industries such as fisheries, cotton and coffee.⁴ The next section describes the activities completed since selection of the pilot.

Figure 2: Four-Step Methodology to Unbundle and Prioritize the 51 PIDA Programmes



Source: *Strategic Infrastructure in Africa - A business approach to project acceleration report*, World Economic Forum

3. Pilot Project Acceleration

Since the selection of the Central Corridor as the pilot project in May 2014, the Initiative has focused on accelerating progress by leveraging the BWG through dialogue-based working sessions, collaboratively developing a replicable process for other infrastructure programmes in Africa.⁵ The Central Corridor is considered a complex programme, yet significant progress has been achieved in partnership with the CC-TTFA, AUC, NEPAD and AfDB.⁶ The CC-TTFA has been mandated to coordinate and support the development of the Central Corridor, with Rukia D. Shamte, Executive Secretary of the CC-TTFA, acting as the co-lead of the pilot.

Key recommendations from the BWG over the period have guided the process, providing critical input and supporting the CC-TTFA. These recommendations have included, among others, the need to:

- Establish a clear structure for the Central Corridor with a distinct definition of projects (i.e. clarity on project granular level)
- Consolidate project information and make non-confidential information available to all stakeholders
- Establish an overall Programme Management Unit for the implementation of the Central Corridor
- Ensure projects are developed in a staged approach, by selecting cornerstone projects from the long list to be considered during stage 1 of the Central Corridor's development
- Bundle projects into viable packages, with appropriate legal and governance structures for each
- Complete the preparation of project packages, determining the procurement model for each package and prioritizing their implementation
- Appoint a technical expert within the CC-TTFA to drive and oversee selected stage 1 projects during preparation and packaging towards implementation, while enabling the institutions involved
- Address open legal and regulatory issues and establish standard procedures for implementation
- Host a public Investors' Forum to showcase selected cornerstone projects for participation by the private sector
- Market the successes achieved to build credibility and confidence in partners

Given these recommendations, and in partnership with the CC-TTFA, the World Economic Forum has led and facilitated multiple planning and working sessions in Dar es Salaam, Midrand and Kigali since May 2014. The progress has been recognized as “phenomenal” by the AUC and industry experts, with information on over 120 sub-projects consolidated and standardized within a single reporting tool, and projects prioritized across five countries and three sectors with 18 projects selected for stage 1 focus. The criteria applied for selecting the stage 1 projects included strategic importance (industry), corridor linkage, project type and value proposition. The selection of projects was based on an analysis of available data and on dialogue and input from both public and private representatives. Not all 18 stage 1 projects have private sector potential as stand-alone projects but comprehensively provide the cornerstones of the corridor.

The objective of the coming months includes the appropriate packaging of the stage 1 projects for showcasing and market sounding to the private sector, development banks and governments at an “Investors and Industry Forum” planned for March 2015 in Dar es Salaam, Tanzania. The stage 1 projects are currently being further detailed and investigated by the CC-TTFA to identify and complete the potential financing modes (e.g. public-private partnership, public), key users and respective situation analysis addressing the required next steps for development. A presidential roundtable is to be held in conjunction to the Investors' Forum, during which the five countries of the corridor will take relevant decisions on outstanding issues to development. This will most importantly serve as an expression of political support to the private sector for the programme. BWG member DBSA generously stepped in to support the CC-TTFA, by employing a technical consultant to ensure the required project review activities and business cases are completed prior to the Investors and Industry Forum. Additional work focusing on the potential development benefits of the corridor has continued, ensuring its value proposition not only relies on specific off-takers that position the corridor as an extraction corridor, but as a value corridor with additional industrial expansion for various communities.⁷ A detailed report on the process, lessons learned, tools and outcomes of the pilot will be completed by June 2015, given the key events planned in March 2015.



3.1 Capacity Building as Part of the Pilot

Africa faces a critical shortage of skills required for efficient infrastructure development. This not only includes technical and engineering skills, but also the project management, finance and legal skills needed to prepare and structure projects adequately. This dire situation is caused by low enrolment for technical degrees, emigration, lack of access to education and an increasing demand for skilled labour across sectors.⁸ Only 4% of university students in Africa study engineering, manufacturing and construction, compared to 20% in Asia, yet the demand for engineers is rapidly increasing. For example, Nigeria alone requires 51,000 engineers to upgrade its electric power infrastructure.⁹ Additionally, project management skills for oversight that ensures the efficient and quality delivery of projects on schedule and within budget are also in rare supply in Africa. Developing and retaining such skills require time and experience, but by catalysing the right investments and partnering with the private sector, skills can be developed to support ambitious cross-country programmes such as PIDA.

To achieve realistic outcomes within the Initiative's time and resource constraints, while contributing to the overall goal of enablement, it was agreed that capacity building should address two key questions:

1. What existing vehicles or tools currently being developed by the African infra-initiative could be used or advanced?
2. How can the BWG contribute towards capacity building, specifically supporting the pilot project?

First, a core focus of the Initiative is to ensure the replicability of its efforts. Thus, all frameworks, tools and processes created are generic and adaptable (to a degree) so they can be replicated for other projects within PIDA, in Africa and other regions. The "acceleration repository" will include the report outputs, methodologies, high level process maps for acceleration, lessons learned, the PIDA PAP assessment tool, standardized project fiche templates, project reporting tools, standard checklists and workshop materials. This acceleration repository is only one of many available resources from AfDB, AUC, NEPAD and DBSA, all with the common objective of advancing infrastructure development. In addition to the tools created during the pilot, the acceleration process aims to enable and capacitate the local institutions to better interact and understand the requirements from a private sector perspective through dialogue. These continued efforts and engagements foster stronger relationships for continued collaboration, the alignment of interests, and standardization for the accelerated development of infrastructure programmes.

Second, the BWG has been recognized as a core enabler to help build the necessary capacities for infrastructure development in Africa. Capacity building is a very broad concept and can be managed in multiple ways. By providing apprenticeships, sponsorships, donations and training programmes, knowledge can be shared. Knowledge sharing could significantly reduce the infrastructure investment need, for example, by sharing information on the most innovative construction processes, new building materials and designs, and leaner designs using smart materials; this could potentially reduce infrastructure and maintenance costs by up to 50%. Initiatives such as the Transnet Academy and/or General Electric's swap programmes provide a great learning opportunity to import international experience and contribute significantly towards skills development in the region.¹² By providing staff via secondments to public entities for a limited period of time, the host organization is capacitated, which facilitates the continued transfer of skills. Partnerships with state-owned enterprises (and local companies) also allow for the transfer of knowledge and skills – either explicitly through capacity-building programmes or implicitly through learning and adaptation. The DBSA's sponsorship for technical assistance to the CC-TTFA to package stage 1 projects and secondments from The Boston Consulting Group are prime examples of the BWG supporting the pilot acceleration and enablement of local public agencies.



4. Knowledge Tools and Reports

Knowledge tools created as part of the Initiative not only guide the project acceleration efforts, but also aim to enable governments and other institutions to replicate the successes and progress achieved. Documenting best practices and lessons learned not only helps avoid typical mistakes made in similar programmes, but also capacitates individuals applying these methods. Knowledge tools, whether report publications, templates or process maps, will form part of the acceleration repository available to governments, institutions and companies.

The following Initiative publications and topics aim to enable the environment for African infrastructure development:

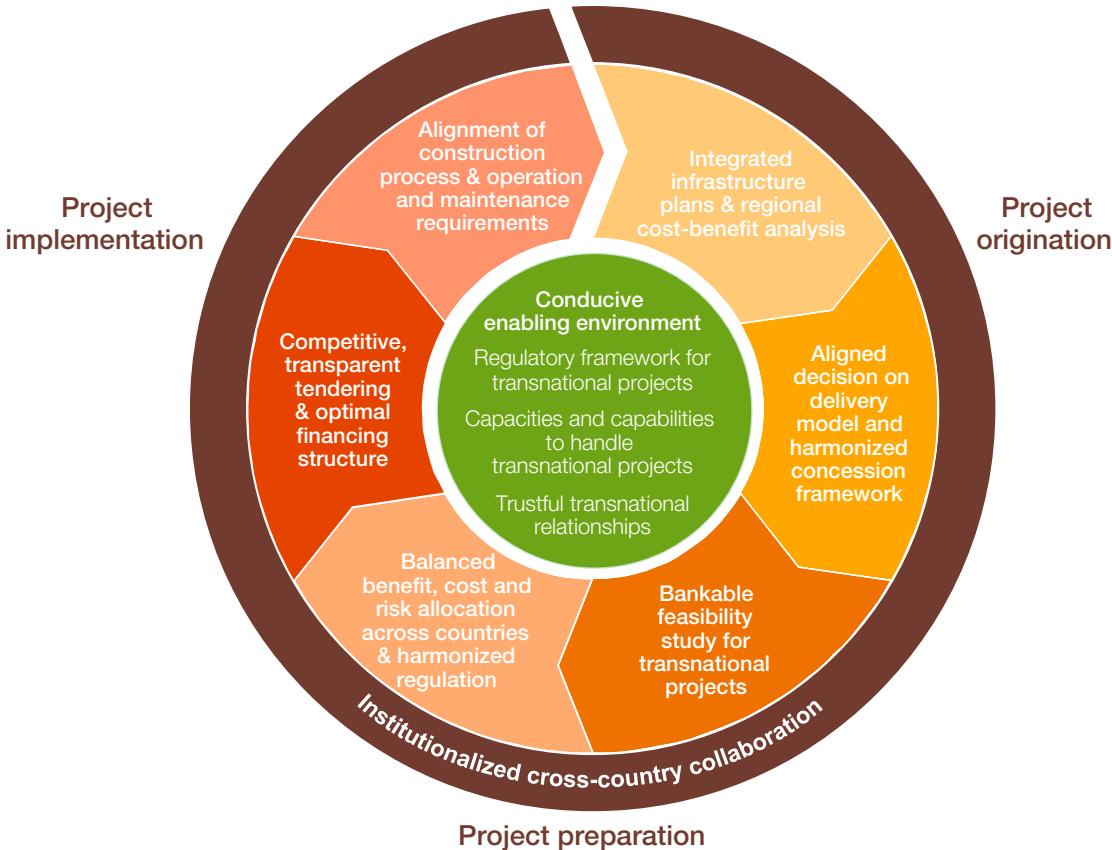
4.1 Transnational Infrastructure Programme Management

Increasingly, political leaders in Africa share a common vision of regional integration: to open up regional markets, link production clusters in different countries, facilitate the free movement of goods, services and people, and foster political stability and peace. Consequently, a common ambition is to promote transnational infrastructure as the physical backbone of this regional integration, and initiatives

such as PIDA PAP are under way to give greater priority to cross-border programmes. However, the realization of these programmes is hampered by the tremendous challenges they face, particularly due to their transnational nature.

Although these challenges can arise in any region, they are particularly severe in Africa. The continent is very heterogeneous, with 34 official languages (in addition to a plethora of local tongues) and more than 40 currencies, with great variation in the financial capacities of individual countries. Moreover, the maturity of public institutions remains inadequate, and serious shortcomings persist in the capability of/for managing transnational infrastructure programmes. Finally, unlike the European Union, for instance, Africa's Regional Economic Communities lack the resources and mandate to drive the implementation of such programmes. Therefore, the *Managing Transnational Infrastructure Programmes in Africa – Challenges and Best Practices* report, developed by the Africa Strategic Infrastructure Initiative, presents a potential best practice framework for the management of transnational infrastructure programmes in Africa (Figure 3).

Figure 3: Transnational Infrastructure Programme Management Best Practice Framework



Source: *Managing Transnational Infrastructure Programmes in Africa – Challenges and Best Practices* report, World Economic Forum

The framework is structured along the various phases of an infrastructure programme (i.e. origination, preparation and implementation). In the origination phase, the initial priority is to integrate the individual national infrastructure plans. To achieve that, the programme sponsors in the involved countries should devise a regional sector-planning framework, with appropriate institutional arrangements. Given that the costs and benefits (both monetary and other) of a cross-border infrastructure facility are often unequally distributed across participating countries, it is important to conduct a regional cost-benefit analysis to establish a regional business case. As a second step, the involved governments should take an aligned decision on the delivery model and should harmonize their concession frameworks, ideally issuing a single concession for the whole facility rather than several.

A bankable feasibility study is needed for the programme's preparation phase. Next, the costs, benefits and risks of the programme need to be carefully allocated to the involved countries. This work should be assigned to a strong, impartial and respected arbiter, such as a regional development bank. A further imperative during this phase is to harmonize the regulations and technical standards across the various countries. Where possible, existing national standards should be adopted and regulations should be radically simplified.

Finally, during the implementation phase, a competitive, transparent tendering process and an optimal financing structure will be required. For example, in the Economic Community of West African States (ECOWAS) region, the procurement process has increased in transparency due to a procurement committee staffed by all participating countries and involving neutral experts. To secure the best financing structure, the programme sponsors should establish regional financing instruments and make use of risk-mitigating instruments such as guarantees. During the construction phase, the processes should be aligned across all participating countries to ensure execution remains on schedule, so that, for example, different stretches of a railway can be interconnected at a border. The programme sponsors should also ensure that the operation and maintenance of the infrastructure facility is properly coordinated across borders.

For transnational infrastructure programmes to flourish, a conducive environment is required, including an appropriate regulatory system in all countries. Moreover, the environment should have the right management capacities and capabilities in the public sector (e.g. ministries and public agencies), as well as in national and regional finance institutions (e.g. development banks), parastatals (e.g. national utility and railway companies) and the programme management unit (e.g. the Special Purpose Public Agency). A final crucial factor is good relationships between the relevant parties, which requires trust, and investment in time and effort to build those relationships. Institutions, treaties and agreements can support bilateral and multilateral cooperation, but they are no substitution for trust.

4.2 Early Stage Project Preparation Financing

The shortage of a strong pipeline of well-prepared, bankable projects has been widely recognized as one of the key constraints to infrastructure development, particularly in Africa. Project preparation is a multiplex process comprised of a host of activities, requiring several players developing a project from conceptualization to implementation (e.g. technical, commercial, environmental and legal work packages). This complexity means existing project development cycles are typically very drawn out and expensive, with project development costs representing a substantial proportion of the entire project budget. Furthermore, projects often struggle to survive past the concept stage, with some calling the early stages of project preparation the "Valley of Death".¹⁵ The reasons for the continued project preparation struggles are multidimensional and remain valid concerns for governments, especially in developing regions, given the magnitude of their infrastructure needs and thinly spread government budgets.

Time and resources spent on project preparation are usually money well spent, since it is during this stage that projects can be designed into productive assets suited to a particular context. Therefore, project preparation requires adaptive and innovative approaches to ensure the most effective allocation of resources during preparation stages. The Forum report entitled *Early Stage Project Preparation Financing*, currently being completed, attempts to describe a sustainable Infrastructure Project Preparation Facility based upon cooperation between public and private sectors, to reduce the number of projects that fall prey to typical preparation issues.

The first section of the report provides a brief overview of the key issues that increase a project's risk of failure during its early stages of development (e.g. fragmentation, lack of ownership, low private sector focus) and the potential benefits of a new approach that could possibly sidestep such issues. The second section describes the key principles for designing a model Infrastructure Project Preparation Facility (IPPF), preliminary design options, the importance of the respective roles of various stakeholders, and core conditions required for implementation. The five key principles described include ensuring a structured strategy, portfolio excellence, a prioritized pipeline, self-sustainable cost recovery and tight cost control.¹⁶ Throughout the publication, reference is made to existing IPPFs via case studies, which provides additional guidance to the report recommendations.¹⁷

A key theme of the report focuses on enhanced public-private collaboration within the project preparation space. Such strategic partnerships could significantly contribute to developing proper projects for the industry, relieve the burden on public budgets and, most importantly, accelerate the development of much needed infrastructure in Africa. The target audience includes both private and public sector decision-makers involved in the development and financing of infrastructure projects. The launch of the report is expected in March 2015, as comments are being incorporated and socialized in consideration of new endeavours, such as AfDB's Africa50, within this space.

5. Next Steps and Way Forward

Concrete next milestones have been defined for the Initiative during its final phase to ensure continued momentum. As mentioned, the World Economic Forum will be handing the Initiative over to NEPAD as the implementing agency of PIDA. NEPAD will continue the work and will replicate acceleration as far as possible, utilizing the tools and processes created within the repository, adapting and enhancing them as they systematically progress through the remaining PIDA programmes. The Forum, AfDB, DBSA and AUC have already initiated transition discussions, defined a timeline and engaged with resource mobilization to ensure NEPAD's readiness from June 2015 onwards.

The Initiative will continue to focus on key acceleration activities and knowledge contributions until the World Economic Forum on Africa in June 2015. In particular it will:

- Monitor and mobilize continued BWG support for the CC-TTFA to accelerate the Central Corridor projects
- Facilitate the Central Corridor Presidential Roundtable and Investors and Industry Forum in March 2015 in Dar Es Salaam
- Support the selection of a pilot project to be used on the Sustainable Infrastructure Foundation International Infrastructure Support System platform
- Complete the report on early stage project preparation financing and socialize the model concept
- Refine and enhance the acceleration repository of standardized frameworks, tools and processes
- Facilitate a smooth transition of the initiative to the NEPAD Agency for replication

Thanks go to all Members and Partners for their continued support of the Initiative, without which the progress and successes could not have been achieved. The aim is to provide personal feedback on further progress made at the World Economic Forum on Africa in Cape Town, in June 2015.

Appendix

List of Abbreviations

AfDB	African Development Bank
APMU	Acceleration Project Management Unit
AUC	African Union Commission
BNDES	Brazilian Development Bank
BWG	Business Working Group
CC-TTFA	Central Corridor Transit Transport Facilitation Agency
DBSA	Development Bank of Southern Africa
DRC	Democratic Republic of Congo
ECOWAS	Economic Community of West African States
ESPF	Early Stage Project Financing
IPPF	Infrastructure Project Preparation Facility
NEPAD	New Partnership for Africa's Development
PAP	Priority Action Plan
PIDA	Programme for Infrastructure Development in Africa
TIPM	Transnational Infrastructure Programme Management

List of Figures

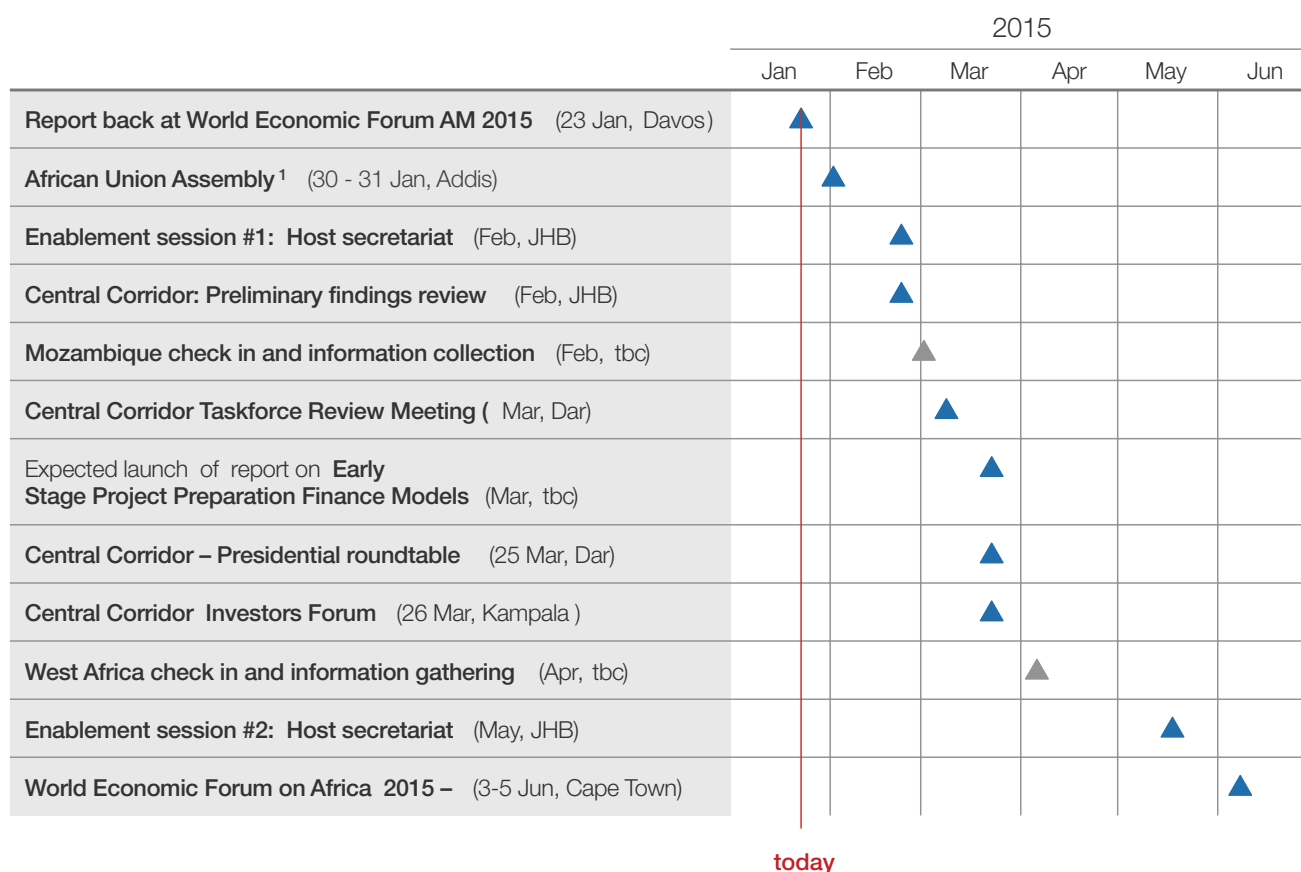
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Figure 3	Transnational Infrastructure Programme Management Best Practice Framework
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Figure 5	18 Shortlisted Central Corridor Sub-Projects

Business Working Group Members

- A.P. Møller-Maersk AS
- ABB
- Absa Capital
- Acciona
- Africa Capacity Building Foundation
- African Development Bank (including ICA)
- African Rainbow Minerals
- African Union Commission
- ArcelorMittal
- Arup
- BT
- Construction Products Holding Company (CPC)
- Development Bank of Southern Africa
- Diageo
- Eskom
- Etisalat Group
- First Bank Nigeria
- Flour Mills of Nigeria
- General Electric (GE)
- HSBC
- IDC of South Africa
- IFC
- International Container Terminal Services
- Investec Asset Management
- Mo Ibrahim Foundation
- NEPAD Business Foundation
- NEPAD Planning & Coordinating Agency
- Oando

- Old Mutual
- Orrick
- Philips
- Prudential
- Sasol
- SNC-Lavalin
- Standard Bank
- Standard Chartered
- Telkom
- The Boston Consulting Group (BCG)
- The Office of Gordon & Sarah Brown
- Transnet
- UBS
- United Phosphorus
- World Bank
- Yara

Figure 4: Key Dates to June 2015



1. NEPAD HSGOC internal reporting details- shared activities to be determined

Source: World Economic Forum

Key Events and Dates

Shortlisted Stage 1 Central Corridor Projects

Figure 5: K18 Shortlisted Central Corridor Sub-Projects

Countries	Sector	Project ID	Title	Description	Stage code	Investment need (USD m)
Tanzania	Port	29	Kisarawe Dry Port	Increase handling capacity [short-term], development of Kisarawe Dry Port	S3a	454
Tanzania	Port	32	Future berth development Dar Port	Increase handling capacity [short-term], future berth development (Berth 13/14, Berth 12,13,14, KOJ, Vijibweni, Kigamboni, Mjimwema)	S2	358
Tanzania	Port	122	Rehabilitation of Lake port facilities for transit cargo at Mwanza port	Modernization of Lake Victoria ports of Mwanza, Musoma and Bukoba	S3b	226
DRC	Port	16	Kalundu port	Dredging, Rehabilitation and modernization of Kalundu port	S2	135
Burundi	Port	36	Development of the corridor of Lake Tanganyika (Kigoma -Bujumbura)	Construction of a breakwater at the port of Bujumbura; Construction of a RO / RO ferries and ports of Bujumbura and Kigoma terminal; Develop an operational mechanism for Search and Rescue (boats, equipment, training, ...); Rehabilitation oil terminal at the port of Bujumbura; Construction Port, Rumonge. Specific objective 2: Fit centers Search and Rescue; Prepare a hydrographic map of Lake Tanganyika	S2	19
Uganda	Port	18	Jinja Port	Improve facilities at Jinja Port	S2	1

Tanzania, Burundi, Rwanda	Rail	65	Upgrading and construction of Dar es Salaam – Isaka – Keza – Kigali / Gitega – Musongati Railway Project	Upgrade the Dar es Salaam – Isaka railway to standard gauge and construction of a new standard gauge railway from Dar es salaam, Tanzania to the landlocked countries of Rwanda and Burundi, increasing the capacity of the central railway to meet the huge traffic potential for Tanzania, Rwanda, Burundi, Uganda and DRC (Total distance 1,672 kms, out of which 1,400 kms are in Tanzania). Upgrading to the same standard as that of the planned DSM-Isaka-Kigali /Musongati standard gauge railway, by meeting the traffic demand and potential of Tanzania, DRC, Burundi and Rwanda (623kms). 970km of existing and 702 of new construction (including branch to Munongati)	S3a	5 419
Tanzania and Burundi	Rail	40	Rail: Construction of Uvinza - Musongati Railway line	To extend railway services to Musongati in Burundi. This will provide a reliable, cost effective and high capacity transport for the evacuation of nickel from Musongati (200kms, out of which 150kms are in Tanzania). Nickel extraction works were officially launched 2nd October 2014.	S2	1 062
Tanzania	Rail	68	Rail: Upgrading to standard gauge of Tabora – Kigoma and Kaliua – Mpanda	Upgrading of Tabora – Kigoma and Kaliua – Mpanda to standard gauge	S3a	978
DRC	Rail	53	Kalemie - Kindu - Kamina - Lubumbashi (DRC)	Kalemie - Kindu - Kamina - Lubumbashi (DRC); Kalemie a Kindu already rehabilitated; Kindu-Kamina to be rehabilitated (approx. 500km)	S4a	631
Tanzania	Rail	45	Upgrading to standard gauge of Isaka – Mwanza Railway line	Upgrade railway line (250km) to standard gauge from Isaka to Mwanza	S3a	500

Burundi	Road	123	Rehabilitation and widening from 6 to 7 meters	a)Ruhwa-Bujumbura section (80km): 50 km completed (from Ruhwa to Nyamitanga); From Nyamitanga to Bujumbura (30km), funds for works available (Arab Bank for the Economic Development of Africa). b) Bujumbura-Rumonge (78km): NEPAD is financing studies. c) Rumonge-Mugina (90km): 45km from Rumonge to Nyanza Lac: Funds for works available (Kuwait Funds). From Nyanza Lac to Mugina (45km), works in progress (AfDB)	Road section Ruhwa-Nyamitanga(50km): S4C; Nyamitanga-Bujumbura(30km): S4A; Bujumbura-Rumonge(78km): S3A; Rumonge-Nyanza-Lac(45KM):S3B; Nyanza-Lac-Mugina: S4B	93.6
Tanzania	Road	71	Road: Build supporting routes Dar es Salaam - Chalinze - Morogoro Express Way	Dar es Salaam - Chalinze - Morogoro Express Way (Dsm-Chalinze Section)	S2	973
DRC	Road	114	Construction and rehabilitation of Kalundu, Kamanyola, Bukavu, Goma, Rutshuru and Bunagana road	Construction and rehabilitation of Kalundu, Kamanyola, Bukavu, Goma, Rutshuru and Bunagana road	S1	560
Rwanda	Road	82	Construction Ngoma-Bugesera - Nyanza Road. This connects Rwanda to Central Corridor via Rusumo	Construction Ngoma-Bugesera - Nyanza Road. This connects Rwanda to Central Corridor via Rusumo. It links the Eastern Province of Rwanda with the Southern Province (see doc 8 Kibungo Ngoma Nyanza RTDA) (Gov. of Rwanda currently sponsoring the detailed design) The project consists of upgrading the existing earth road with a bituminous concrete and extension to 7m width and 1.5 m to 2m of pedestrian and cyclists walkways on each side (or Non motorized Traffic- NMT).	S2	177

Tanzania	Road	121	Central Corridor Missing Links	Manyoni-Itigi-Chaya Road; Nyahua-Chaya (90 km); two lots (Lot 1=42m, Lot 2=43km; Urambo - Kaliua; Kazilambwa-Chagu (40km); Mlagalasi-Uvinza (51km).	S2	141
Uganda	Road	100	Masaka – Kyotera and Mutukura - Kyotera Road Project	Construction of Masaka – Kyotera road (43km) and Mutukula - Kyotera road (45km)	S2	83
Rwanda	Road	119	Highway to Bugesera Airport	Multi-lane divided highway to Bugesera Airport 40 km. Upgrading existing 6m pavement to a double carriage way (7m x2)	S1	62

Source: World Economic Forum

Reports

Strategic Infrastructure in Africa- A business approach to project acceleration, available at http://www3.weforum.org/docs/AF13/WEF_AF13_African_Strategic_Infrastructure.pdf

Transnational Programme Management for Infrastructure, available at <http://www.weforum.org/reports/african-strategic-infrastructure-initiative-managing-transnational-infrastructure-programmes>

Contact Details

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

Elsie Kanza

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

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

Endnotes

1. The Boston Consulting Group has provided three strategic secondments to the World Economic Forum since 2012 to fulfil and support the required activities of the Initiative acting as project advisor.
2. Available via the link provided in the appendix of this report.
3. BWG Private Sector Interest Survey July 2013; Programmes are classified as “high private sector interest” if at least two companies express willingness to play a core role in the acceleration of the specific programme, and at least two companies offer to play a supporting role. The seven shortlisted programmes included: Beira Nacala Multimodal Corridor; Southern Africa hub, rail and port programme; Northern Multimodal Corridor; Central Corridor; West Africa hub, rail and port programme; North South Multimodal Corridor; Mphanda Nkuwa hydroelectric power plant.
4. The Central Corridor was identified as the first pilot, with the Beira Nacala Multimodal Corridor as second, and the West Africa hub, rail and port programme as third. The Central Corridor is a multimodal transport system (road, rail and port) from the Port of Dar es Salaam (Tanzania) to Uganda, Burundi, Rwanda and DRC. This corridor is the preferred logistics and commodities transportation route in the region, as it connects the landlocked countries to the sea with a single border crossing.
5. The pilot objective would be to document a generic but structured approach to address the complexities of large programmes, which can typically be replicated for the remaining PIDA projects.
6. An integrated multimodal transport programme (road, rail and port) across five countries (Tanzania, Burundi, Rwanda, Uganda and DRC) with an investment need of approximately \$18 billion, with 121 sub-projects reported.
7. Value corridors are transport networks that support and facilitate not only the movement of goods and services but also of people, smaller industry goods and the exchange of information. Extraction corridors are transport networks that predominantly transport bulk raw materials from production sources to ports/airports. Additional work in this regard has been conducted by Law Associate Advocates for the CC-TTFA.
8. David Bloom, David Canning and Kevin Chan, February 2006, *Higher Education and Economic Development in Africa*, Harvard University.
9. African Economic Outlook, 2012, *Education & Skills Mismatch*: http://www.africaneconomicoutlook.org/theme/youth_employment/education-skills-mismatch/. Additionally, Africa lacks people with artisan skills, driven by missing capacity and low quality vocational training. For example, in Senegal, of 400,000 people completing apprenticeships every year, only 7,000 receive formal vocational training. Refer to SA Commercial Prop News, 8 May 2013, *SA running short of Artisan Skills*: <http://www.sacommercialpropnews.co.za/business-specialties/property-construction-development/5944-sa-running-short-of-artisan-skills.html>.
10. GE agreed to cover \$2 million to upgrade and equip the Government Technical College in Nigeria’s Cross River State. The school will supply technicians for GE’s multi-billion dollar factory in Calabar that manufactures generator turbines, coaches for trains, aircraft engines, as well as hospital equipment. More at: <http://afkinsider.com/61131/closing-africas-skill-gap-offers-private-sector-opportunities/#sthash.nyqVDnMq.dpuf>.
11. Research by Portland Cement Association, with smart concrete able to fix itself with dormant bacteria, a road project with a lifetime of 15 years could be extended to 30 years. By utilizing sector-specific project preparation templates, the project preparation cycle of a road project could be reduced and non-value adding costs avoided.
12. The private sector can also benefit from localization and stronger local partnerships.
13. ECOWAS Tender commission: <http://ecowstc.org/>.
14. African projects taking between 7 and 10 years from identification to financial closure and financing of early stages can cost between 10% and 12% of the total project cost, depending on the type and size of the project (African Development Bank, 2014).
15. The “Valley of Death” describes the financing gap that covers both equity and debt finance, in which neither is available or adequate to develop projects through the early stages. This also includes the facilities that are no longer operational due to depletion of funds (Global Infrastructure Basel 2014).
16. Utilizing innovative tools that standardize and harmonize the requirements for project preparation would improve the efficiency of funds applied. Examples of such tools include project preparation platforms such as the Sustainable Infrastructure Foundation’s International Infrastructure Support System, an online project development tool facilitating project delivery. This tool uses standardized project fiche templates to collect sector specific information for projects. Tools like this can either be used as an input into the project selection process or throughout the preparation process to provide visibility to potential investors.
17. Case studies completed on BNDES (Brazilian Development Bank), Africa50, InfraCo Africa, Progeny and DBSA (Development Bank of Southern Africa) project preparation related facilities.



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World Economic Forum
91–93 route de la Capite
CH-1223 Cologny/Geneva
Switzerland

Tel.: +41 (0) 22 869 1212
Fax: +41 (0) 22 786 2744

contact@weforum.org
www.weforum.org