



COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

# Infrastructure Summit African Strategic Infrastructure Initiative

Cape Town, South Africa 8-10 May 2013



© World Economic Forum

2013 - All rights reserved.

No part of this publication may be reproduced or transmitted in any form or by any means, including photocopying and recording, or by any information storage and retrieval system.

The views expressed are those of certain participants in the discussion and do not necessarily reflect the views of all participants or of the World Economic Forum.

REF180713

# Contents

---

- 4 Executive Summary
- 5 Infrastructure Summit
- 10 Session Description
- 11 Infrastructure Summit List of Participants
- 15 Private High-level Meeting on the African Strategic Infrastructure Initiative
- 18 Strategic Infrastructure Executive Meeting List of Participants
- 22 Contact Information

# Executive Summary



- On 8 and 10 May, over 150 participants gathered to deliberate transnational and cross-border solutions for infrastructure development in Africa in the context of the Programme for Infrastructure Development in Africa (PIDA) and to discuss the outcomes of the first phase of the African Strategic Infrastructure Initiative.
- The initiative is led by the World Economic Forum and coordinated with the African Development Bank (AfDB), with the support and guidance of the African Union Commission and the NEPAD Planning and Coordinating Agency as the overall coordinating agencies.
- The private meetings of the African Strategic Infrastructure Initiative in Cape Town included the participation of Goodluck Ebele Jonathan, President of Nigeria; Jakaya M. Kikwete, President of Tanzania; Jacob G. Zuma, President of South Africa; Amama Mbabazi, Prime Minister of Uganda; Nkosazana Clarice Dlamini-Zuma, Chairperson, African Union Commission; Donald Kaberuka, President, African Development Bank; and Ibrahim Assane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency.
- African governments and business leaders endorsed the efforts of the Business Working Group to develop a methodology and identify projects for immediate private sector acceleration. They further expressed their support to identify two pilots from shortlist.
- Funding for project preparation, organizational and operational models for multi-country infrastructure programme management and regulatory standardization have been identified as key areas that require immediate focus to accelerate implementation of the two pilots.
- The World Economic Forum, in partnership with the African Development Bank, African Union Commission and NEPAD Planning and Coordinating Agency, will continue to facilitate the activities of the Business Working Group to undertake the above.

# Infrastructure Summit

The Africa Strategic Infrastructure Summit, as part of the World Economic Forum on Africa, was a gathering for public and private sector parties engaged in infrastructure development in Africa.

The summit offered an opportunity to:

- Exchange ideas on priority topics to advance African infrastructure, including project preparation and financing, capacity building and ways to improve energy access
- Review the achievements of the African Strategic Infrastructure Initiative to date and deliberate on the next steps, including discussion on high-potential projects to be accelerated

The Summit was chaired by Elham M. A. Ibrahim, Commissioner for Infrastructure and Energy, African Union Commission; Donald Kaberuka, President, African Development Bank; and Ibrahim Assane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency.

President Goodluck Ebele Jonathan of Nigeria provided special remarks at the opening of the Summit.

## Key Points

### Capacity Building

- In the area of capacity building, the priorities are to find the right skills and the right investments. Much expertise will have to come from outside the continent, but the building process will hopefully ensure that Africans rapidly build up skills in requisite disciplines.
- Building capacity in Africa is essential to set up effective “project” vehicles, within or outside government but with extensive private sector participation and government oversight.
- The Square Kilometre Array giant telescope project in the Karoo provides an example of a proactive, inclusive approach that can benefit universities and scientific agencies across Africa in the long term, while Tanzania’s initiative to attract students in practical apprenticeships provides another beacon in the search for a higher skills level.



**01:** Goodluck Ebele Jonathan, President of Nigeria  
**02:** Elham M. A. Ibrahim, Commissioner for Infrastructure and Energy, African Union Commission, Addis Ababa

### Energy Access

- Delivering energy access at scale requires actors from across traditional industry boundaries to work together and partner with governments and financiers.
- Regional cooperation for delivering energy infrastructure will be essential to improving energy security and the overall performance of Sub-Saharan energy systems.

### PPP Best Practices

- The key public-private partnership (PPP) best practices for Africa include rigorous project prioritization, dedicated preparation facilities and implementation authorities, a standardized preparation process, balanced risk allocation, institutional capacity building and regulatory harmonization.
- While a legal and institutional framework with independent dispute resolution is essential, trust between the public and the private sector is equally important for long-term PPP contracts.

- In addition to its project delivery role, the private sector can support PPPs by partnering with the government in broader capacity building and by bringing in innovative ideas for project identification and preparation.

### Project Preparation and Financing

- Project preparation is a key area that could benefit from stronger private sector engagement to accelerate PIDA Priority Action Plan (PAP) implementation as it is currently suffering from fragmentation, underfunding or simply relying on donor funding and capacity gaps.
- Multiple options for private sector engagement should be assessed, including unsolicited bids and a joint public-private project preparation facility.
- Regarding infrastructure financing, it is important to distinguish between project funding and financing, with the latter requiring well prepared projects, fair risk sharing and a harmonization of procurement roles, and potentially the creation of special purpose vehicles to address the regional nature of the PIDA PAP.

## PIDA Priority Project Review

- To date, the Business Working Group has identified 16 projects with high potential for private sector-led acceleration within the PIDA PAP across all four sectors of the portfolio (energy, transport, ICT and water).
- In the session, the Beira-Nacala Corridor and Inga 3 were proposed as additional potential projects to consider. While the Beira-Nacala Corridor will be further investigated, it was agreed that Inga 3 will not be further pursued within the first wave of acceleration projects due to its size and complexity.
- In a next step, the projects under consideration will be further analysed; the Business Working Group will strive to identify two projects to pilot private sector acceleration by the end of September.

## Synopsis

The Infrastructure Summit presented the results of the first phase of the African Strategic Infrastructure Initiative and offered participants an opportunity to deliberate priority topics to advance African infrastructure. The Summit was chaired by Elham M. A. Ibrahim, Commissioner for Infrastructure and Energy, African Union Commission, Donald Kaberuka, President, African Development Bank, and Ibrahim Assane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency, as leaders of the three organizations managing the initiative in collaboration with the World Economic Forum. Goodluck Ebele Jonathan, President of Nigeria, provided special opening remarks. All chairs and President Jonathan underscored the importance of infrastructure for the economic development of Africa.

Infrastructure is a priority for many African countries and the initiative, focusing on the politically aligned portfolio of 51 programmes and projects contained in the Programme for Infrastructure Development in Africa Priority Action Plan, was welcomed by all participating public stakeholders.

Following a summary of the progress made to date, which is detailed in the report entitled Strategic Infrastructure in Africa: A Business Approach to Project Acceleration, participants took part in thematic sessions that focused on specific key areas required to support infrastructure development in Africa. The sessions were:

- Capacity Building
- Energy Access
- Public-Private Partnership Best Practices
- Project Preparation And Financing



01

**01:** Donald Kaberuka, President, African Development Bank (AfDB), Tunis  
**02:** Pravin Gordhan, Minister of Finance of South Africa; Elizabeth Dipuo Peters, Minister of Energy of South Africa; Trevor Manuel, Minister of the National Planning Commission (NPC) of South Africa; Donald Kaberuka, President, African Development Bank (AfDB), Tunis; Ibrahim Assane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency, South Africa; Chinedu Nebo, Minister of Power of Nigeria; Shamsuddeen Usman, Minister for National Planning of Nigeria; and Jay Ireland, Chief Executive Officer, GE Africa, GE, Kenya



02

After reconvening and reporting on these sessions, participants once again joined breakout groups by sector for the PIDA PAP Priority Projects for Private Sector Acceleration Review sessions.

### Capacity Building

Skills development is crucial for building Africa over the next 50 years and, by then, should no longer be one of the key issues constraining African development.

Regional integration provides benefits for job creation and greater trade.

The interconnectedness of countries is fundamental to their future growth; therefore finding skilled labour, providing training programmes and catalysing the right investments are top priorities to successfully develop ambitious cross-country programmes such as PIDA.

It is essential to highlight and learn from best practices of transnational skills development in Africa. The Square

Kilometre Array giant telescope project in the Karoo region provides an example of an approach that can benefit universities and scientific agencies across Africa in the long term. More than 70 institutes in 20 countries, together with industry partners, are participating in the scientific and technical design of this telescope. It is attracting the best scientists and engineers to work in Africa, and is providing unrivalled opportunities for scientists and engineers from African countries to work on cutting-edge research and collaborate in joint projects with the top universities in the world.

The promotion and development of practical apprenticeships aimed at boosting the skills of students was also highlighted as a key game changer in the capacity-building landscape. To promote these projects, it is important for member states to involve the private sector and to identify the right entities to facilitate these projects with extensive private sector participation and government oversight.



01

**01:** Working Session on Capacity Building  
**02:** Ibrahim Assane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency, South Africa  
**03:** Elizabeth Dipuo Peters, Minister of Energy of South Africa

## Energy Access

With only 8% access to electricity in rural areas and 53% in urban areas, it is clear that expanding energy access is a pressing issue for sustained development on the continent. A mix of technologies is needed to close the energy access gap.

Segments within the population are without energy access, and each segment requires a different approach and set of technological solutions. Substantial progress on energy access expansion will require a combination of large-scale projects, such as some of the PIDA infrastructure projects related to electricity, mini-grid solutions and efficient energy equipment like solar lamps reaching mass-market scale. Today, many countries in Africa have national grid capacity below 500 MW.

Participants stressed the need for understanding end-user needs (access to energy means not only electricity but, more broadly, modern energy services such as fuels, lighting and powering communication). Furthermore, the end user shows different stages of commercial viability: some are clearly commercially viable today, some are “quasi-commercial” and, for some, energy access will not be viable in the mid-term.

### *Planning is essential – South Africa’s success example*

South Africa has made significant progress on expanding access to energy, with a



02

national electrification master plan core to its success. Historically, South Africa’s electrification programme has been dominated by grid-based solutions.

Today, the Universal Access Roadmap foresees exploitation of all available technology options to provide energy solutions to all citizens, utilizing grid, distributed generation, solar home systems, modern thermal carriers (like liquefied natural gas, bio-ethanol, etc.) in an integrated manner. This roadmap departs from the tradition of extending long transmission and distribution wires into rural areas by using local and distributed generation to facilitate access.



03

The general need for clear and detailed national planning was highlighted, with Rwanda as another successful example. A national plan should include mapping of populations, their ability and willingness to pay, new urban centres and the technology solutions that are suitable given local circumstances. Such a plan should also identify which areas are best reached by grid and which can be served through mini-grids and other solutions.

*Concrete initiatives in the making*

A promising initiative is the private sector-driven alliance with support from various organizations to develop an electrification roadmap for selected African countries. The goal is to connect 500 million people

to modern energy services by 2025. The initiative focuses on the consolidation and acceleration of existing national electrification plans, and securing resources for implementation. If successful, this could make a significant difference.

One challenge this and other projects face is the need for practical and low-cost energy storage solutions for mini-grids to level out intermittency of renewable energy without using diesel generators as back-up.

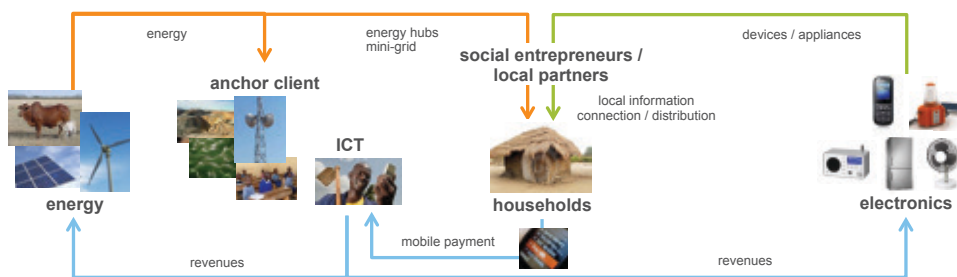
Nigeria is also taking new steps to tackle its access challenge, for instance through establishing an agency for rural access and creating space for the private sector to invest through its privatization programme in the electricity sector.

*A framework for cross-sector collaboration*  
The World Economic Forum has developed a framework within its Energy Access Initiative for cross-sector coalitions for development of mini-grid solutions (see graph). Scaling of energy access projects has often been restrained by upfront investments and high risk. The benefit of the framework presented is to de-risk investments by separating risks, responsibilities and skill sets across companies in a value chain approach. This framework is already being applied in Kenya by a cross-sector consortium of companies.

**01:** Patrick Khulekani Dlamini, Chief Executive Officer and Managing Director, Development Bank of Southern Africa, South Africa

Graph 1: Simplified cross-sector framework

Source: Energy Access Partnerships Project, World Economic Forum



Participants agreed that this can be a good model to apply in Sub-Saharan Africa, where affordability of energy is at the core of expanding access and where large-scale, on-grid projects are not foreseen in the mid-term. The Forum is open to convening coalitions of cross-sector companies interested in developing such a model in the Sub-Saharan region.

*Scaling up energy access initiatives*

Unlike mobile phones, to date no mass-market solution for energy equipment has been deployed in Africa. There are signs of progress, however. In the devices market, solar lamps can reach market at scale since cheap and high-quality products exist. While the lifetime cost is significantly lower than what many households spend on kerosene for lighting, major uptake requires distribution networks as well as educating customers.

Participants recognized the energy PIDA PAP projects as a central channel to expanding electricity supply overall. Therefore, collaboration within the Strategic Infrastructure Initiative was seen as an important contribution to overcoming some of the political problems that have prevented large-scale electricity infrastructure projects to move ahead.

Increasing energy literacy and ensuring local ownership of energy access solutions were highlighted by many participants as important. Literacy includes understanding the full benefits of modern energy equipment as well as adopting energy-efficient behaviours. It is also important that electricity is not “given away for free” to give consumers the right incentives from the start. Targeted subsidies for the poorest segments of customers could be envisaged.

**PPP Best Practices**

Any PPP in Africa needs to be structured in keeping with the established global best practices. Given the large number of competing projects, planners first need to prioritize projects both with regard to their economic impact, and with regard to their financial attractiveness for the private sector. Another critical success factor in the African context is to build the financial, technical and legal skills within the government, for example through centres of excellence or PPP units, in order to prepare bankable projects. Yet, in reality, the capacity gap often results in lengthy and low-quality project preparation. To overcome this challenge, it is critical to standardize certain elements of the preparation process (e.g. by using a stage gate process,

modelling concession contracts, and demanding forecasting guidelines) and to establish project preparation facilities and implementation authorities. In addition, careful risk allocation (e.g. by using an up- and down-side rate of return cap) and innovative guarantee schemes are essential to unlock private long-term finance.

For delivering cross-border PPPs, it is particularly important to nominate committed political champions and to establish one implementing authority with a properly skilled team to enable coordination among the various involved authorities. The multilateral and regional institutions also need to play an important facilitator role. Moreover, harmonized regulatory frameworks are essential to any cross-border PPP.

While well-crafted contracts and legal frameworks are essential for PPPs, both the public and the private sector need to recognize that trust is paramount. Both sides should enter a PPP contract in good faith and stay in continuous dialogue following prototype projects to foster an atmosphere of cooperation and partnership. Since interests may change over time, it needs to be ensured that the contracts are respected and that independent dispute resolution mechanisms are in place.





The African private sector can play a greater role in supporting the adoption of such best practices. First, businesses can assume a greater role in project identification and preparation through unsolicited bids (with thoughtful governance avoiding uncompetitive and rent-seeking conduct). Second, they can support building local talent in partnership with the government for technical jobs to deliver projects efficiently as well as for legal and commercial experts to enable smooth project preparations.

## Project Preparation and Financing

### *Project preparation needs*

Project preparation and financing are top of mind with PIDA PAP gathering momentum. The costs of the project preparation phase can be 3-10% of total project costs, and are arguably the most difficult to fund due to the high uncertainty in this stage.

The current project preparation landscape is scattered with many of the project preparation facilities (PPFs) suffering from a lack of funding and missing crucial capacity to fulfil their mission. Regarding PIDA PAP implementation, the regional nature of the projects and the resulting increased number of stakeholders that ideally should be involved early on pose an additional challenge. To address these hurdles, a stronger private sector involvement in the project preparation was proposed, also overcoming the PPFs' dependency on hard-to-foresee donor funding.

The concrete form of this involvement needs to be further investigated, taking into account examples of global best practices (e.g. Brazilian/Indian model) for project preparation.

Options include the stronger reliance of unsolicited bids, while making sure that the integrity of the procurement process is not touched, and collaboration in the form of a joint public-private PPF. Such a PPF should be set up within an existing entity to not further fragment the landscape and would require work to define the terms of collaboration (e.g. rules/implications for procurement process, ways to recoup private investments).

### *Infrastructure project financing*

The aforementioned preparation efforts aim at ensuring a continuous pipeline of high-quality bankable projects which can attract investors for the implementation phase. It was noted in the discussions that infrastructure funding and financing are not always clearly separated. Project funding typically relies on one or a mix of three sources, namely direct payments by infrastructure users (in the form of tolls/use charges), public sector funding sourced from taxation and official development assistance.

The financing of infrastructure is depended on this funding and the ability to fund; thus, the affordability of the project is a key criterion in evaluating the attractiveness of a project. Regarding financing, far more depth is needed in Africa's internal capital markets if it is to bear the infrastructure financing load. However, adequate financing is available in Africa – possibly through central bank foreign reserve holdings – and in the rest of world, which has much liquidity. For the participation of the private sector, the aforementioned pipeline of high-quality projects and fair risk sharing across parties is a key.

The regional nature of the PIDA PAP poses additional hurdles for the implementation in terms of financing as well. Here, the constraints are the misaligned policies of multilateral development banks and direct foreign investors that hamper their ability to invest and the lack of an empowered regional implementation unit that can interact with interested financiers. The group recommends considering the harmonization of procurement rules and the creation of regional special purpose vehicles to address these issues.

### PIDA PAP Priority Projects for Private Sector Acceleration Review

A review by the PIDA Business Working Group has selected eight energy and water projects and eight transportation/ ICT projects – from among the Initiative's list of 51 PAP projects – as having high potential for immediate acceleration. Successful implementation of such projects will demonstrate feasibility and examples for possible replication, a “walk-before-we-run” strategy working with a small number of projects.

This selection was made using a methodology that filtered according to the availability of project data a project's ability to attract different types of investors and its planning maturity, among other factors (refer to the report Strategic Infrastructure

in Africa – A Business Approach to Project Acceleration for a detailed description of the methodology). All Africa's regional economic communities (RECs) were invited to participate in the process.

In general, consensus was reached among the participants about the shortlist of projects. During the discussion, it was agreed to add the Beira/Nacala Multimodal Corridor project to the shortlist due to strong private sector interest. The second project subject to a debate was the Great Inga Dam. It was decided not to put this project on the shortlist for immediate acceleration because of its immense complexity and the insufficient maturity of project planning. Furthermore, Grand Inga was not identified as a PIDA PAP priority.

In the next steps, two pilot projects will be identified from the final shortlist of 16 projects. Technical follow-up meetings will be held with the RECs before a proposal is made to the Business Working Group and before a decision is taken. It is anticipated to close the process and nominate the two pilots at the third meeting of the Business Working Group in mid-August.

The selection of pilots will be guided by a number of quantitative and qualitative criteria, including the impact of the project, the capacity readiness of the affected countries, the regional links and cross-sector benefits of the project, and the existence of supporting infrastructure.

To foster successful implementation of the pilot projects, the public sector needs to provide a clear commitment to advance the projects, create a stable political environment, ensure efficient decision-making and reduce red tape. The private sector, on the other hand, is required to provide access to all relevant project-related information and challenge governments for concrete actions.



**01:** Working Session on Project Preparation and Financing

# Session Description

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

The overall programme was developed by the African Union Commission, NEPAD Planning and Coordinating Agency (NEPAD Agency) and African Development Bank (AfDB). Within PIDA, the Priority Action Plan (PAP) focuses on projects and programmes expected to be implemented by 2020. The PIDA PAP presents 51 immediately actionable projects and programmes across the energy, transportation, water and ICT sectors. These projects were selected based on their overall expected economic impact, affordability and regional integration potential. This programme has received strong political endorsement from all African heads of state and government. Following the sophisticated plan and roadmap for Africa's infrastructure laid out by PIDA, it is now time for action and execution.

## Co-Chairs

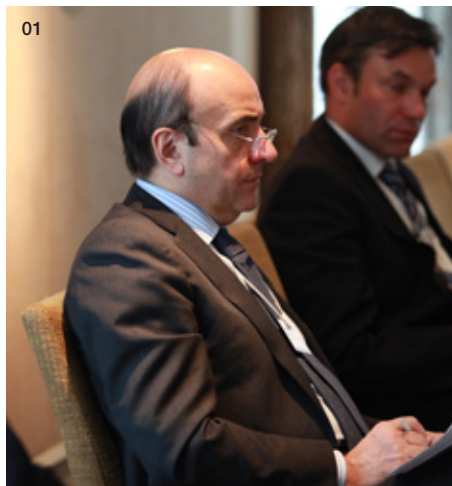
Elham M. A. Ibrahim, Commissioner for Infrastructure and Energy, African Union Commission, Addis Ababa

Donald Kaberuka, President, African Development Bank (AfDB), Tunis

Ibrahim Assane Mayaki, Chief Executive Officer, NEPAD Planning and Coordinating Agency, South Africa

## Special Remarks

Goodluck Ebele Jonathan, President of Nigeria



**01:** Rafael Mateo Alcalà, Chief Executive Officer, Acciona Energia

**02:** Nils Tcheyan, Head, Africa Policy, GE

**03:** Alexandre Gorito, Partner and Managing Director, The Boston Consulting Group; Hamish Tyrwhitt, Chief Executive Officer, Leighton Holdings; Carlos Poñe, Chief Executive Officer UAE / Head of Southern Gulf and Pakistan, ABB

# Infrastructure Summit List of Participants

## Industry Partners and Regional Partners

Lars Reno Jakobsen	Senior Vice-President, Africa Region	A.P. Møller-Maersk South Africa (Pty) Ltd	South Africa
Nthabiseng Dube	Director, Marketing and Communications	ABB South Africa (Pty) Ltd	South Africa
Salah A. Al-Qahtani	Deputy Chairman of the Board	Abdel Hadi Abdullah Al-Qahtani & Sons Group of Companies	Saudi Arabia
Rafael Mateo Alcalá	Chief Executive Officer	Acciona Energia	Spain
Jose Valen	International Business Development Director	Acciona Infrastructure	Spain
Duncan Sloan	Managing Executive, Mining, Sub-Saharan Africa	Accenture	South Africa
Imrhan Paruk	Executive, Corporate Development	African Rainbow Minerals Ltd (ARM)	South Africa
Zandie Mlambo	Government Relations Manager	AngloGold Ashanti Ltd	South Africa
Yedwa Simelane	Senior Vice-President, Corporate Affairs	AngloGold Ashanti Ltd	South Africa
Joanne Shields	Chief Financial Officer, BT Middle East and Africa Region	BT Group Plc	South Africa
Patrick Khulekani Dlamini	Chief Executive Officer and Managing Director	Development Bank of Southern Africa	South Africa
Rieaz (Moe) Shaik	Chief Executive Officer, International Division	Development Bank of Southern Africa	South Africa
Helena McLeod	Advisor	Development Bank of Southern Africa	South Africa
Bernard Fanaroff	Board Member	Eskom Holdings SOC Limited	South Africa
Ayanda Nakedi	General Manager, Renewables	Eskom Holdings SOC Limited	South Africa
Brian A. Dames	Chief Executive Officer	Eskom Holdings SOC Limited	South Africa
Zola Tsotsi	Chairman	Eskom Holdings SOC Limited	South Africa
Paul Gbededo	Group Managing Director and Chief Executive Officer	Flour Mills of Nigeria Plc	Nigeria
Jay Ireland	Chief Executive Officer, GE Africa	GE	Kenya
Nils Tcheyan	Head, Africa Policy	GE	Kenya
Timothy Schweikert	President and Chief Executive Officer, GE Transportation Africa and GE Southern Africa	GE	South Africa
Wes Williams	Vice-President and Chief Financial Officer	Gulf Alliance Company	USA
Shakeel Meer	Divisional Executive, Corporate Strategy, Industrial Development Corporation of South Africa	Industrial Development Corporation of South Africa Ltd (IDC)	South Africa
Katinka Schumann	Divisional Executive, Services Sectors and Regions	Industrial Development Corporation of South Africa Ltd (IDC)	South Africa
Mike Higgins	Regional Vice-President	International Air Transport Association (IATA)	South Africa
Mark Bradford	Managing Director, South Africa	Jones Lang LaSalle	South Africa
Christian Ulbrich	Chief Executive Officer, Europe, Middle East and Africa	Jones Lang LaSalle	Germany
Geoffrey Rothschild	Director, Government and International Division	JSE Ltd	South Africa
Darryl Murphy	Head of Infrastructure, Europe, Middle East and Africa	KPMG LLP	United Kingdom
Patrick Brothers	Executive General Manager, Corporate Strategy	Leighton Holdings Ltd	Australia
Hamish Tyrwhitt	Chief Executive Officer	Leighton Holdings Ltd	Australia
Milan Sharma	Regional Manager	Mahindra Satyam	South Africa
Tawia Esi Addo-Ashong	Director, Ghana Legal Affairs	Newmont Ghana Gold Ltd	Ghana

Jubril Adewale Tinubu	Group Chief Executive	Oando Plc	Nigeria
Olufemi Adeyemo	Group Chief Financial Officer	Oando Plc	Nigeria
Mobolaji Osunsanya	Managing Director	Oando Plc	Nigeria
Jurie Swart	Head, Infrastructure and Development Assets	Old Mutual	South Africa
Toumani Sidibe	Division Chief, Audit and General Controls	Orange	Mali
Suresh Chaturvedi	Group Chairman	Overseas Infrastructure Alliance (India) Pvt. Ltd (OIAPL)	India
Kaizer Nyatsumba	Head, Corporate Affairs and Shared Services	PetroSA	South Africa
Nosizwe Nokwe-Macamo	President and Chief Executive Officer	PetroSA	South Africa
Andre Dehmel	General Manager, Africa Hub	Philips Lighting	South Africa
Haiko Alfeld	Group General Manager, Stakeholder Relations and Community Affairs	Sasol Limited	South Africa
Bonang F. Mohale	Chairman and Vice-President, SOPAF South	Shell South Africa (Pty) Ltd	South Africa
Eddie Du Rand	Senior Vice-President, Global Mining and Metallurgy	SNC-Lavalin Pty Ltd	South Africa
Alan Sproule	Director, Project Finance Africa	Standard Chartered Bank	South Africa
Vaidyanathan Sivakumar	Executive Director	SUN Group	India
Sebastian F. Buechte	Senior Principal	The Boston Consulting Group	Germany
Philipp Gerbert	Senior Partner and Managing Director	The Boston Consulting Group	Germany
Rich Lesser	Global Chief Executive Officer and President	The Boston Consulting Group	USA
Edward Mathias	Managing Director and Member of the Board	The Carlyle Group	USA
Lillian Chege	Program Associate	The Rockefeller Foundation	Kenya
Neill Coleman	Vice-President, Global Communications	The Rockefeller Foundation	USA
Olivier Rwamasirabo	General Manager, Corporate Affairs - Africa & Middle East	Vale	South Africa
Wouter Verwey	Managing Director	Zimco Group (Pty) Limited	South Africa

## From Multilateral and International Organizations

Zakhele Mayisa	Principal Infrastructure Finance Officer	African Development Bank (AfDB)	Tunis
Shem Abraham Chalo Simuyemba	Chief Infrastructure Economist	African Development Bank (AfDB)	Tunis
Ralph Olaye	Division Manager, ONRI.1, Regional Integration and Trade Department	African Development Bank (AfDB)	Tunis
Baba Moussa Aboubakari	Director, Infrastructure and Energy	African Union Commission	Addis Ababa
Elham M. A. Ibrahim	Commissioner for Infrastructure and Energy	African Union Commission	Addis Ababa
Maurice Niaty-Mouamba	Consultant, Transport Engineering	African Union Commission	Addis Ababa
Symerre Grey-Johnson	Component Manager, Support to Pan-African Institutions	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	South Africa
Winfried Zarges	Sector Manager	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	Ethiopia
Kolapo Lawson	Chairman	Ecobank Transnational Inc.	Togo
Stephen Olabisi Onasanya	Group Managing Director and Chief Executive Officer	First Bank of Nigeria Plc	Nigeria

Pepukaye Bardouille	Senior Energy Specialist, Clean Energy/ Sustainable Business Advisory	International Finance Corporation (IFC)	Washington DC
Mahmoud Aboud	Capacity Development Coordinator, Frontline Maternal and Child Health Empowerment Project	Japan International Cooperation Agency (JICA)	Sudan
Akihiko Tanaka	President	Japan International Cooperation Agency (JICA)	Japan
Abiola Ajayi	Communications and Advocacy Officer	NEPAD Planning and Coordinating Agency	South Africa
Ibrahim Assane Mayaki	Chief Executive Officer	NEPAD Planning and Coordinating Agency	South Africa
Elsabeth T. Tedros	Senior Investment Officer, Programme Implementation and Coordination Directorate	NEPAD Planning and Coordinating Agency	South Africa
Tandeka Nkiwane	Technical Advisor on Inter-institutional Relations, Office of the Chief Executive Officer	The NEPAD e-Africa Commission	South Africa
Brian A. Statham	Chairman	The South African National Energy Association (SANEA)	South Africa
John Speakman	Lead Private Sector Development Specialist, Africa Financial and Private Sector Development	The World Bank	Washington DC
Ansgar Kiene	Director, Africa Liaison Office	The World Future Council (WFC)	South Africa
Stephen N. Karingi	Director, Regional Integration and Trade Division	United Nations Economic Commission for Africa	Addis Ababa

## Industry Guests

David Ofosu-Dorte	Managing Partner	AB & David Law	Ghana
Simon Bransfield-Garth	Chief Executive	Azuri Technologies	Kenya
Erik Elsmark	District Manager, Johannesburg District Office	Caterpillar Africa (Pty) Ltd	South Africa
Emmanuel de Seguin de Reynies	Chief Executive Officer	Concord Energy Suisse SA	Switzerland
Joseph Brandt	President and Chief Executive Officer	ContourGlobal	USA
Linda Mabhena-Olagunju	Managing Director	DLO Energy Resources	South Africa
Vivian Reddy	Chairman	Edison Corporation	South Africa
Glory Edozien	Executive, Project Development	Enviro Africa	Nigeria
Michael R. Upton	Chief Executive Officer	Group Five Ltd	South Africa
Russ Vanos	Senior Vice-President, Strategy and Business Development	Itron Inc.	USA
Zodwa Dlamini	Chief Executive Officer	Lesotho Highlands Water Project	Lesotho
Kristine Pearson	Chief Executive	Lifeline Energy	South Africa
Felix Hallwachs	Managing Director	LittleSun	Germany
Koos Bekker	Chief Executive Officer	Naspers Limited	South Africa
Sameer Hajee	Chief Executive Officer	Nuru Energy Group	Mauritius
Percy Sechemane	Chief Executive Officer	Rand Water	South Africa
Tewodros Ashenafi	Chairman and Chief Executive Officer	SouthWest Energy (HK) Ltd	Ethiopia
Sean M. Cleary	Chairman	Strategic Concepts (Pty) Ltd	South Africa
Kiyoshi Sato	Vice-Chairman of the Board	Tokyo Electron Ltd	Japan
James Ndlovu	Chief Executive Officer	Trans Caledon Tunnel Authority (TCTA)	South Africa
Phillips Oduoza	Group Managing Director and Chief Executive Officer	UBA Group	Nigeria
Cyril Gamede	Chief Executive	Umgeni Water	South Africa

## Experts

Edward Paice	Director	Africa Research Institute	United Kingdom
Frannie Léautier	Executive Secretary	The African Capacity Building Foundation	Zimbabwe
Perrine Toledano	Lead Economics and Policy Researcher	Vale Columbia Center on Sustainable International Investment	USA

## From Government

Chinedu Nebo	Minister of Power of Nigeria
Elizabeth Dipuo Peters	Minister of Energy of South Africa
Pravin Gordhan	Minister of Finance of South Africa
Dorcas Makgato-Malesu	Minister of Trade and Industry of Botswana
Welshman Ncube	Minister of Industry and Trade of Zimbabwe
Phindile Nzimande	Chief Executive Officer, National Energy Regulator of South Africa (NERSA), South Africa
Arthur G. Mutambara	Deputy Prime Minister of Zimbabwe
Goodluck Ebele Jonathan	President of Nigeria
Trevor Manuel	Minister of the National Planning Commission (NPC) South Africa



# Private High-level Meeting on the African Strategic Infrastructure Initiative

## Key Points

- Infrastructure is a key priority to foster regional integration in Africa and to promote development and cooperation on the continent. African leaders have come together to form the Programme for Infrastructure Development in Africa Priority Action Plan.
- Within the PIDA PAP of 51 projects, the Business Working Group has already identified 15 priority infrastructure projects across Africa that are suitable for private sector acceleration.
- The discussions reconfirmed four key areas for accelerating the implementation of selected infrastructure projects: strengthen project preparation; unlock private funding/financing potential; harmonize cross-border regulation; and build private/public sector capacity.

## Synopsis

Infrastructure is an essential catalyst for growth. At the World Economic Forum on Africa, participants from governments, multilateral development banks, NGOs and companies as well as regional experts met to agree on the next actions to implement pan-African infrastructure projects. The process to date has included the creation of the Business Working Group and the selection of 15 priority infrastructure projects (US\$ 18 billion) for acceleration out of the Programme for Infrastructure Development in Africa.

The infrastructure strategy is ambitious for many reasons. Not least as it is regional and multi-government and therefore cuts across regulatory boundaries, making project execution a challenge. It was acknowledged that there has never been a better opportunity to advance these infrastructure projects, given the surging interest from private investors in Africa in general and in infrastructure in particular. Since there are many projects underway on the continent, the challenge is how to bring these to scale.

While the interest of the private sector is growing, governments can still play a powerful role as facilitators of global investment, given the scale of the infrastructure projects to be implemented combined with the vast majority of capital lying outside of development finance institutions. This is particularly true as Africa has to compete for funds with other emerging markets. The first step to attract private investment flows is to convey a credible commitment to political stability



and to reduce red tape. Additional means to boost investor interest are public-private partnerships and funding of project planning and feasibility studies. Further activities encompass risk mitigation by credit or purchase guarantees as well as to present and promote projects to the market effectively by conducting professional road shows.

Participants from the private sector argued that progress in African integration is too slow due to a lack of political will. However, the leaders of the public sector stressed unanimously that there is more than enough political support to implement the infrastructure projects.

**01:** Gordon Brown, UN Special Envoy for Global Education; Prime Minister of the United Kingdom (2007-2010), The Office of Gordon and Sarah Brown, United Kingdom; and Nkosazana Clarice Dlamini-Zuma, Chairperson, African Union Commission, Addis Ababa

**02:** Jacob G. Zuma, President of South Africa; Jakaya M. Kikwete, President of Tanzania; and Amama Mbabazi, Prime Minister of Uganda



To implement the selected infrastructure projects, participants committed to four key actions:

1. The Business Working Group will select two pilots out of the identified set of projects to strengthen project preparation. For these projects, the specific acceleration potential will be assessed and a concept to overcome roadblocks will be developed.
2. An analysis of organizational and operational models for multi-country infrastructure programme management will be provided by the Business Working Group under the leadership of the African Union, African Development Bank, NEPAD Planning and Coordinating Agency and World Economic Forum.
3. Regional funding mechanisms will be sought for the planning and feasibility phases in collaboration with the private sector, the International Finance Corporation and other key development finance agencies.
4. Harmonization of regulation will be examined across countries and according to private sector needs to create a supportive environment for regional infrastructure projects.

### Session Description and Programme

During discussions at the 2012 World Economic Forum in Africa (Addis Ababa, May 2012), international and African business leaders endorsed the launch of an African-focused, business-driven initiative to accelerate the implementation of the Programme for Infrastructure Development in Africa Priority Action Plan.

The African Strategic Infrastructure Initiative was formally launched at a meeting in Johannesburg on 9 July 2012. The objective of this initiative is to add the private sector perspective to the process of accelerating the implementation of the programmes in the PIDA Priority Action Plan.

The initiative is led by the World Economic Forum and coordinated with the African Development Bank, with the support and guidance of the African Union Commission and the NEPAD Planning and Coordinating Agency as the overall coordinating agencies. It has been recognized by the African Union Commission as a key driver to increasing private sector involvement while accelerating the project preparation process to deliver strategic infrastructure assets.

One year after the launch of the initiative, leaders from government, business and multilateral organizations discussed the outcomes of the first phase of the initiative and deliberated the next steps.

**01:** Frannie Léautier, Executive Secretary, The African Capacity Building Foundation, Zimbabwe; Andries Jacobus Wilkens, Executive Director, Growth and Strategic Development, African Rainbow Minerals Ltd (ARM), South Africa; Ricardo Saad, Global Director, Capital Projects, Africa, Asia and Australia, Vale Mozambique, Mozambique; Patrick Khulekani Dlamini, Chief Executive Officer and Managing Director, Development Bank of Southern Africa, South Africa; Frans van Houten, Chief Executive Officer and Chairman, Royal Philips, Netherlands; Alex Wong, Senior Director, Head of Business Engagement and Head of Basic Industries, World Economic Forum; and Gordon Brown, UN Special Envoy for Global Education; Prime Minister of the United Kingdom (2007-2010), The Office of Gordon and Sarah Brown, United Kingdom





Specific discussion topics were:

1. Report on the past year's activities, including outcomes from the Infrastructure Summit on 8 May during the World Economic Forum on Africa
2. Exchange ideas on priority topics to advance African infrastructure, including project preparation, capacity building and project financing
3. Agree on the next steps of the initiative

Private High-level Meeting on the African Strategic Infrastructure Initiative

Westin Hotel, Schapen & Prince Edward Islands room, Mezzanine level

#### Co-Chairs

Nkosazana Clarice Dlamini-Zuma, Chairperson, African Union Commission, Addis Ababa  
 Donald Kaberuka, President, African Development Bank (AfDB), Tunis

#### Special Guests

Jacob G. Zuma, President of South Africa  
 Jakaya M. Kikwete, President of Tanzania  
 Amama Mbabazi, Prime Minister of Uganda

#### Welcoming Remarks by

Trevor Manuel, Minister of the National Planning Commission (NPC) of South Africa  
 Robert Greenhill, Managing Director and Chief Business Officer, World Economic Forum

Alex Wong, Senior Director, Head of Business Engagement and Head of Basics and Infrastructure Industries, World Economic Forum

#### Discussion Leaders

Jay Ireland, Chief Executive Officer, GE Africa, GE, Kenya  
 Patrick Khulekani Dlamini, Chief Executive Officer and Managing Director, Development Bank of Southern Africa, South Africa

#### Moderated by

Gordon Brown, UN Special Envoy for Global Education; Prime Minister of the United Kingdom (2007-2010), The Office of Gordon and Sarah Brown, United Kingdom

#### 01: Launch of the African

Strategic Infrastructure Report: Alex Wong, Senior Director, World Economic Forum; Pravin Gordhan, Minister of Finance of South Africa; Donald Kaberuka, President, African Development Bank (AfDB), Tunis; Jay Ireland, Chief Executive Officer, GE Africa, GE, Kenya; Hamish Tyrwhitt, Chief Executive Officer, Leighton Holdings, Australia; and Carlos Lopes, Executive Secretary, United Nations Economic Commission for Africa (UNECA), Addis Ababa



# Private High Level Meeting on the African Strategic Infrastructure Initiative

## Industry Partners and Regional Partners

Carlos Poñe	Chief Executive Officer	ABB	United Arab Emirates
Andries Jacobus Wilkens	Executive Director, Growth and Strategic Development	African Rainbow Minerals (ARM)	South Africa
Keith Matthews	General Manager, Sub-Saharan Africa	BT Group Plc	South Africa
Patrick Khulekani Dlamini	Chief Executive Officer and Managing Director	Development Bank of Southern Africa	South Africa
Zola Tsotsi	Chairman	Eskom Holdings SOC Limited	South Africa
Jay Ireland	Chief Executive Officer, GE Africa	GE	Kenya
Andrew Dell	Chief Executive Officer, Africa	HSBC Bank Plc	South Africa
Geoffrey Qhena	Chief Executive Officer	Industrial Development Corporation of South Africa Ltd (IDC)	South Africa
Hamish Tyrwhitt	Chief Executive Officer	Leighton Holdings Ltd	Australia
Nosizwe Nokwe-Macamo	President and Chief Executive Officer	PetroSA	South Africa
Frans van Houten	Chief Executive Officer and Chairman	Royal Philips Electronics	Netherlands
Lars H. Thunell	Senior Adviser	The Blackstone Group	United Kingdom
Sean Bennett	Head, UBS Sub-Saharan Africa; Chief Executive Officer	UBS AG	South Africa
Jaidev R. Shroff	Chief Executive Officer	United Phosphorus Ltd (UPL)	India
Ricardo Saad	Global Director, Capital Projects, Africa, Asia and Australia	Vale Mozambique	Mozambique
Wouter Verwey	Managing Director	Zimco Group	South Africa

## From Government

Dorcas Makgato-Malesu	Minister of Trade and Industry of Botswana
Trevor Manuel	Minister of the National Planning Commission (NPC) of South Africa
Jacob G. Zuma	President of South Africa
Pravin Gordhan	Minister of Finance of South Africa
Xavier-Luc Duval	Vice-Prime Minister and Minister of Finance and Economic Development of Mauritius
Ebrahim Patel	Minister of Economic Development of South Africa
Edna Molewa	Minister of Water and Environmental Affairs of South Africa
Jakaya M. Kikwete	President of Tanzania
Amama Mbabazi	Prime Minister of Uganda

## From Multilateral Development Banks and International Organizations

Donald Kaberuka	President	African Development Bank (AfDB)	Tunis
Anne Kabagambe	Chief of Staff and Director of Cabinet, Office of the President	African Development Bank (AfDB)	Tunis
Ralph Olaye	Manager of the NEPAD Regional Integration and Trade Department	African Development Bank (AfDB)	Tunis
Nkosazana Clarice Dlamini-Zuma	Chairperson	African Union Commission	Addis Ababa
Richard Sezibera	Secretary-General	East African Community (EAC)	Arusha
Rashad R. Kaldany	Vice-President and Chief Operating Officer	International Finance Corporation (IFC)	Washington DC
Lynette Chen	Chief Executive Officer	NEPAD Business Foundation	South Africa
Elsabeth T. Tedros (Alternate to Ibrahim Assane Mayaki)	Senior Investment Officer, Programme Implementation and Coordination Directorate	NEPAD Planning and Coordinating Agency	South Africa
Tomaz Augusto Salomão	Executive Secretary	Southern African Development Community (SADC)	Botswana

## Experts

Mo Ibrahim	Chairman	Mo Ibrahim Foundation	United Kingdom
Frannie Léautier	Executive Secretary	The African Capacity Building Foundation	Zimbabwe
Gordon Brown	UN Special Envoy for Global Education; Prime Minister of the United Kingdom (2007-2010)	The Office of Gordon and Sarah Brown	United Kingdom

## Project Advisers

Philipp Gerbert	Senior Partner and Managing Director	The Boston Consulting Group	Germany
Alexandre Gorito	Partner and Managing Director	The Boston Consulting Group	Portugal



**01:** Private High Level Meeting on the African Strategic Infrastructure Initiative





# Contact Information

## Alex Wong

Senior Director  
Head, Centre for Business Engagement  
World Economic Forum  
Tel.: +41 (0)22 869 1460  
Fax: +41 (0)22 786 2744  
E-mail: alex.wong@weforum.org

## Pedro Rodrigues de Almeida

Director  
Head, Infrastructure & Urban Development  
Industries  
World Economic Forum  
Tel.: +41 (0)22 869 3613  
Fax: +41 (0)22 786 2744  
E-mail:  
pedro.rodriguesdealmeida@weforum.org

## Guido Battaglia

Senior Project Manager, African Strategic  
Infrastructure Initiative  
World Economic Forum  
Tel.: +41 (0)22 869 1368  
Fax: +41 (0)22 786 2744  
E-mail: guido.battaglia@weforum.org

## Henrik Emmert

Project Manager, African Strategic  
Infrastructure Initiative  
World Economic Forum  
Tel.: +41 (0)22 869 3859  
Fax: +41 (0)22 786 2744  
E-mail: henrik.emmert@weforum.org

## Christoph Rothballer

Project Manager, Strategic Infrastructure  
Initiative  
World Economic Forum  
Tel.: +41 (0)22 869 1206  
Fax: +41 (0)22 786 2744  
E-mail: christoph.rothballer@weforum.org

## Fabian Barthel

Project Manager, African Strategic  
Infrastructure Initiative  
World Economic Forum  
Tel.: +41 (0)22 869 1346  
Fax: +41 (0)22 786 2744  
E-mail: fabian.barthel@weforum.org

## Sandra Combet

Senior Team Coordinator  
Basics Industries  
World Economic Forum  
Tel.: +41 (0)22 869 3508  
Fax: +41 (0)22 786 2744  
E-mail: sandra.combet@weforum.org





---

COMMITTED TO  
IMPROVING THE STATE  
OF THE WORLD

---

The World Economic Forum is an independent international organization committed to improving the state of the world by engaging business, political, academic and other leaders of society to shape global, regional and industry agendas.

Incorporated as a not-for-profit foundation in 1971 and headquartered in Geneva, Switzerland, the Forum is tied to no political, partisan or national interests.

---

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](mailto:contact@weforum.org)  
[www.weforum.org](http://www.weforum.org)