Context: PIDA as 'mega plan' for Africa and starting point of ASII

Problem: Infrastructure deficit in Africa limiting economic growth and prosperity

Severe infrastructure gap in Africa
• Infra gap costing the continent ~ 2% GDP growth p.a.
• Significant economic and population growth by 2040
• Low Inter regional trade; only about 10 to 12 per cent of African trade takes place among African countries

PIDA created as a mega plan to address issue
• Continent-wide, aligned platform for priority regional infrastructure programs to be realized by 2040
• Four key sectors: Energy, Transportation, Water, ICT
• Priority Action Plan (PAP): Subset of 51 infra programs to be implemented by 2020, with > $US 67B of capex

African Strategic Infrastructure Initiative: Accelerate PIDA with Private Partnerships

Core Public Partners
• African Union Commission (AUC)
• NEPAD Agency
• African Development Bank (AfDB) as core partners for ASII of the World Economic Forum
• Development Bank of Southern Africa and General Electric Africa acts as Co-Chairs to the initiative

Business Working Group for private sector input (40+ companies, experts, and DFIs)

<table>
<thead>
<tr>
<th>Businesses</th>
<th>Energy</th>
<th>Chemicals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure/Mobility</td>
<td>— Acciona</td>
<td>— ABB</td>
</tr>
<tr>
<td></td>
<td>— Agility Africa</td>
<td>— Eskom</td>
</tr>
<tr>
<td></td>
<td>— Arup</td>
<td>— General Electric (GE)</td>
</tr>
<tr>
<td></td>
<td>— A.P. Møller-Maersk AS</td>
<td>— Oando Plc</td>
</tr>
<tr>
<td></td>
<td>— Construction Products Holding Company (CPC)</td>
<td>— Sasol Limited</td>
</tr>
<tr>
<td></td>
<td>— International Container Terminal Services Inc</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— SNC-Lavalin</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Transnet</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Overseas Infrastructure Alliance (OIA)</td>
<td></td>
</tr>
<tr>
<td>Mining &amp; Metals</td>
<td>— Absa Capital</td>
<td>— United Phosphorus Ltd</td>
</tr>
<tr>
<td></td>
<td>— African Rainbow Minerals Ltd</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— ArcelorMittal</td>
<td></td>
</tr>
<tr>
<td>Investors &amp; Fin. services</td>
<td>— Dev. Bank of Southern Africa</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— First Bank Nigeria</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— HSBC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Investec Asset Management</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Old Mutual</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Prudential Plc</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Standard Chartered</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Standard Bank</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— UBS</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>— Philips</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Diageo Plc</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Etisalat Group</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— BT</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Yara</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Flour Mills of Nigeria</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Telkom SA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— Orrick</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— IDC of S. Africa</td>
<td></td>
</tr>
<tr>
<td></td>
<td>— SAP</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Multilateral Organizations, Development Banks and Experts</th>
<th>DFI's and institutions</th>
<th>Experts</th>
</tr>
</thead>
<tbody>
<tr>
<td>— African Union Commission</td>
<td>— African Union Commission</td>
<td>— Harith Partners</td>
</tr>
<tr>
<td>— African Development Bank (Incl. ICA)</td>
<td>— African Development Bank (Incl. ICA)</td>
<td>— NEPAD Business Foundation</td>
</tr>
<tr>
<td>— IFC</td>
<td>— IFC</td>
<td>— Strategic Infrastructure Foundation</td>
</tr>
<tr>
<td>— NEPAD Planning &amp; Coordinating Agency</td>
<td>— NEPAD Planning &amp; Coordinating Agency</td>
<td>— The Boston Consulting Group (BCG)</td>
</tr>
<tr>
<td>— World Bank</td>
<td>— World Bank</td>
<td>— The Office of Gordon &amp; Sarah Brown</td>
</tr>
</tbody>
</table>
Knowledge contributions served as foundation for acceleration of a PIDA pilot

Knowledge contribution: Three key reports developed

On-the-ground impact: One pilot accelerated

Project prioritization
- A business approach to project acceleration: PIDA prioritisation

Transnational Project Mgmt.
- Managing Transnational Infrastructure Programmes in Africa – Challenges and Best Practices

Early Stage Project Finance
- A Principled Approach to Infrastructure Project Preparation Facilities

Replicable Project Acceleration with Public-Private collaboration

Enablement and Capacity Building

Pilot selection from 51 PIDA programs
- Developed methodology to identify projects of PIDA with high potential for acceleration
- Further assessed Public and BWG support
- Central corridor shortlisted for pilot acceleration

Pilot acceleration
- Central Corridor reviewed into its ‘sum of parts’, multi-stakeholder sessions as foundation
- Central Corridor underwent intensive timeline with scoping and prioritisation
- Mobilised technical support and delivered technical report on 23 prioritized projects
Selection of a pilot project: Followed the well defined methodology with 3 shortlisted for consideration in January 2014

<table>
<thead>
<tr>
<th>Phase</th>
<th># of programmes</th>
<th>Decision criteria</th>
</tr>
</thead>
</table>
| I     | 51              | Application of Step 1-3 of the methodology
|       |                 | - Threshold based grouping
|       |                 | - Two-lense clustering
|       |                 | - Regional/sectoral split
| IIa   | 16              | Fine-tune short list
|       |                 | - Second private sector survey on a more granular level
|       |                 | - Application of additional identification criteria:
|       |                 |   - Low sequential dependence with other programmes
|       |                 |   - Clear acceleration levers
| IIb   | 3               | Central Corridor, Beira Corridor and West Africa Hub and Port programme as third for geographical diversity

1. BWG Private Sector Interest Survey July 2013; Programmes are classified as 'high private sector interest' if at least two companies expressed their willingness to play a core role in the acceleration of the specific programme and at least two companies indicated to play a supporting role.
3 programmes shortlisted from the 51: Central Corridor served as the first pilot

Central Corridor

- Modernise the third priority ARTIN corridor in East Africa
- Rail, Port and Roads for landlocked countries and development of Fisheries, cotton, coffee and nickel industries
- Tanzania, Uganda, Rwanda, Burundi and DRC
- US$18bn in total

Beira-Nacala Multimodal Corridors

- Rehabilitate/ reconstruct railway and road links, including OSBPs1 along the corridors
- Natural resources development, incl. Moatize Coal Field in the Zambezi Valley will use the ports as main export gateways
- Estimated at US1.8Bn*

West Africa Hub Port & Rail Programme

- Respond to the future capacity problems in West African ports
- A regional hub port and rail linkage master plan and Port expansion for Dakar, Abidjan, Tema, Lome, Cotonou, including: Ile Boulay (Abidjan) new port/container terminal construction
- Estimated at US$2.1Bn

*to be validated
Note: ARTIN = African Regional Transport Infrastructure Network; 1. One-stop border post
Source: PIDA
The Central Corridor as Pilot for Acceleration: Delivered substantial progress against an aggressive timeline

<table>
<thead>
<tr>
<th>Activity</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Corridor Scoping workshop (Dar - 3 Jun 2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Proposed governance structure of the CC acceleration process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Defined the resourcing requirements for the process and high level timeline</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Corridor Working Session (Dar - 1 &amp; 2 Jul 2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Defined project and programme scoping criteria &amp; high level fiches</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Agreed on phased approach, i.e. shortlist cornerstone projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project finance in Africa: A commercial perspective on rail (JHB, 19 Aug 2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Open dialogue with banks financing infrastructure in Africa to share</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Expectations, lessons learnt, innovative instruments and requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Corridor Planning Workshop (Kigali, 21 Aug 2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Technical alignment - Five country political alignment on tech requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— 27 projects selected from 121 longlist, 18 further shortlisted by taskforce</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Working Group input (JHB – 30 October) 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Present progress and gage private expert input to process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Identify additional work required and resource requirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical Taskforce meeting (Dar, 15 Dec 2014)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Align on technical support mobilised and next steps toward PRT and Investor Forum</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Davos AM2015 report back and highest level of support (Jan 2015, Davos)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Packaging Alignment Workshop -Taskforce meeting (Dar, Feb 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Review outcomes and findings of expert and analysis from WEF BWG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Validate project reports prior to printing of catalogue for investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Finance Roundtable (JHB, 9 Mar 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Gage private sector interest and recommendations for 23 shortlisted project pre CCII</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ministerial meeting (Dar, 13 Mar 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Alignment to shortlisted projects and technical review outcomes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Finance Roundtable (JHB, 16 Mar 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Secure development and prep financing for some shortlisted project pre CCII</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presidential Roundtable (Dar, 25 Mar 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Status of phase 1 projects by taskforce presented to presidents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Mobilise public sector support and grants etc</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Corridor Industry and Investor Forum (Dar, 26 Mar 2015)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— Initial presentation/roadshow of 23 phase 1 cornerstone packages to public</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 23 projects identified as high potential from portfolio of 121 projects

<table>
<thead>
<tr>
<th>Group</th>
<th>Number of projects</th>
<th>( \sum \text{Est Value ($m)} )</th>
<th>Project names</th>
</tr>
</thead>
</table>
| **Private finance opportunities** | 4                  | 6,732                            | — Dar Port Berths Development (Tanz)  
— Dar-Isaka-Keza-Kigali-Musongati Railway Line (Multi)  
— Isaka-Mwanza Rail Line (Tanzania)  
— Dar-Chalinze Toll Road (Tanzania) |
| **Private finance opportunities (under development)** | 4*                 | 225\(^1\)                        | — Navigability of the Akagera River (Rwanda)  
— Port Bell & Jinja Pier Upgrading (Uganda)  
— Kigoma Port  
— Mwanza South Port |
| **Development finance opportunities** | 6                  | 1,128                            | — Nyahua - Chaya Road (Tanzania)  
— Malagarasi-Uvinza Road (Tanzania)  
— Kyotera-Mutukula Road (Uganda)  
— Ruhwago-Bujumbura-Rumonge-Mugina Road (Burundi)  
— Ngoma-Bugesera-Nyanza Road (Rwanda)  
— Port Kalundu-Uvira-Bukavu-Goma-Rutshuru-Bunagana Road (DRC) |
| **Other finance opportunities** | 9*                 | 1,705\(^2\)                      | — Refer group D projects in Excel |

\(^*\) Port Bell and Jinja combined. 1. Kigoma estimated value not included. 2. Four projects estimates not available.
Achievements for the Central Corridor: Strong impact delivered across all relevant dimensions

**Acceleration Strategy and Roadmap Defined**
- Developed implementation strategy
- Created phased approach
  - Phase 1 for marketing of corridor, industrial development plan and showcasing of key cornerstone projects
  - Phase 2 focusing on detailed project preparation and securing finance for implementing

**Projects Decomposed, Understood and Prioritized**
- Clarifying the scope of the corridor ($18bn)
- Decomposed Programme into 121 sub projects
- Consolidated and standardised data into xls-based, automated project fiche tool and template
- Prioritised cornerstone projects for phase 1 (23 selected from 121 - $9.7bn) rep. 5 countries, 3 sectors

**Technical Support & Funding Mobilized**
- Mobilised and managed independent technical experts to package 23 projects for market sounding
- Through the BWG, DBSA sponsored ~$400K
- 23 projects grouped into 4 groups —depending on type of finance
- World Bank indicated $450M in support to lakes and inland waterways

**Stakeholders Aligned and Engaged**
- 10+ workshops in 8 months
- 4 private sector roundtables hosted to elicit private sector suggestions for project packaging
- Visibility and interest from industry created - Industry and Investors Forum held on 26 March in Dar (200+ participants, all countries represented)
- Extensive press coverage

**Political Support and Pressure Secured**
- Interest from highest levels of government and private leaders assured ownership and delivery to tight timeline
- Davos 2015 and Presidential Round Table in Dar es Salaam-4 presidents attended and 10+ ministers
- Quarterly presidential roundtable institutionalised focusing on corridor development

**Public Agencies Enabled and Trained**
- CCTTFA enabled to understand what is required for projects to be ‘bankable’
- Trainings on financial modelling & project development to be offered to CCTTFA
- Methodologies and enabling processes developed
- Repository of tools created for replication
To summarize

- Lack of interest or lack of finances is not the challenge

- A neutral platform that brings together the public and private sector at the highest levels AND conducts preliminary project analysis in a non-competitive environment was an essential success factor

- Work remains on developing the human capacity skills required; and more systemic risk mitigation instruments to attract the large pools of international capital
Contact information: World Economic Forum

Alex Wong
Senior Director
World Economic Forum
Tel.: +41 (0)22 869 1460
Fax: +41 (0)22 786 2744
Email: alex.wong@weforum.org
Appendix

i. Link Library (Report links)
ii. Transnational Infrastructure Programme Management
iii. Early Stage Project Finance
iv. Capacity Building
Link library : Africa Strategic Infrastructure Initiative

Reports/ documents:

**Africa Infrastructure Brief Overview (2 pager)**

**Project Overview: Accelerating Development of Africa Infrastructure (15 page, 3 year summary)**
http://www3.weforum.org/docs/WEF_AFSII_Project_Overview_Accelerating_Infrastructure_Development_in_Africa.pdf

**Transnational Program Management for Infrastructure**

**A Business Approach to Project Acceleration**
http://www3.weforum.org/docs/AF13/WEF_AF13_African_Strategic_Infrastructure.pdf

**A Principled Approach to Infrastructure Project Preparation Facilities**
http://reports.weforum.org/africa-strategic-infrastructure-initiative/?code=OR005

Events :

**Africa Infrastructure Breakfast: Annual Meeting 2015 Summary (Davos)**

**African Strategic Infrastructure World Economic Forum 4th Business Working Group Meeting 2014 (Sandton)**

**African Strategic Infrastructure World Economic Forum in Africa 2014 (Abuja)**

**African Strategic Infrastructure World Economic Forum in Africa 2013 (Cape Town)**
The TIPM paper describes challenges and best practices for the management of transnational programmes

**Target audience and objectives**

**Target audience**
- Programme and project responsibles in the public and private sector
- Policy makers in the position to influence the programme environment

**Objectives**
- Provide an overview on the key challenges in the management of transnational infrastructure programmes in Africa
- Outline potential best practices to address these challenges

**Key findings**
- Transnational infrastructure programmes classified into three groups according to their transnational specifics
- Key challenges identified with special relevance for Africa
- A best practice framework developed for the management of transnational infrastructure programmes
- Three possible approaches to harmonisation of regulations identified
ESPF report outlines a Principled Approach to Infrastructure Project Preparation Facilities

Target audience and objectives

Target audience
— Programme and project responsibles in the public and private sector who seek to finance the preparation of projects

Objectives
— Develop a new approach and potential model for project preparation financing based on public-private collaboration
— Outline potential sources for project preparation financing with a special emphasis on private sector contribution

Key findings
— Existing models evaluated against a set of key success factors
— A new model for an Infrastructure Project Preparation Facility (IPPF) with public-private collaboration
— Project preparation costs should be covered by the project organisation as part of the project lifecycle costs
— Potential private sector sources are institutional and private investors, commercial banks and project beneficiaries
Capacity building: Easy to use tools are being created for replication within a repository

**PIDA PAP Program Custom Assessment Tool**

- Used for programme shortlisting (7)
- Excel based tool including the PIDA PAP programme information
- Methodology codified
- Evaluation of programmes
  - Project realization readiness/capacity
  - Project value/impact

**Central Corridor Project Reporting Tool**

- Used information gathering on Central Corridor
- 121 projects listed
- Pre-populates template project fiches as defined
- Centralised data source for reporting