



United Nations
Economic Commission for Africa

Public-private partnerships to catalyse infrastructure development and innovative financing for industrialisation in Africa

Capacity-building workshop on PPPs in Zambia

Monga Mehlwana

12-16 Feb 2024



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Current state of infrastructure in Africa

Infrastructure in Africa, particularly in the transport and energy sectors, faces significant challenges related to limitations and insufficient resources. This gap has implications for economic development and the population's quality of life.

Limited Accessibility

Many African regions lack basic infrastructure, including roads, electricity, and water supply, impacting the quality of life and economic productivity.

Development Disparities

There are disparities in infrastructure development between urban and rural areas, leading to unequal access to essential services.

Growth Impediments

Inadequate infrastructure hampers trade, investment, and industrialization, hindering the region's economic growth.

- 770 million Africans have no access to electricity and unreliability installed capacity
- Only ±31 km/100 km² of land of Africa's roads are paved vs. 134 km in other low-income regions. Roads in cities are also in a poor state
- only 36% connected to the internet vs the global average of 62.5%.



Reasons for funding gap

Africa still requires **\$68b -- \$108b** annually to build better infrastructure.

1 Lack of / Insufficient Investment

Inadequate investment from both public and private sectors contributes to the infrastructure funding gap.

2 Policy and Governance Challenges

Regulatory frameworks and governance issues hinder the successful implementation of infrastructure projects.

3 Complex Financing Structures

The complexity of financing large-scale infrastructure projects often leads to funding gaps and delays.

Private sector investment into Africa's infrastructure rose to \$19 billion in 2020, representing 23%, the highest since 2016 (AfDB 2022)

1

Collaborative efforts with international organizations for financial and technical assistance for infrastructure projects.

2

Adopt innovative technologies to optimize costs and improve the efficiency of infrastructure development

3

Reforms in public sector institutions can streamline project approvals and attract private investment.



Public-private partnerships as a solution



Linking Up: Public-Private Partnerships in Infrastructure Transmission in

Shared Risk

PPPs allow for sharing financial and operational risks between the public and private sectors.

Innovative Financing

Private investment brings innovative financing solutions to large-scale infrastructure projects.

Efficiency and Expertise

Utilizing the expertise of private partners can lead to more efficient and timely project delivery.

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Case studies of successful infrastructure projects in Africa



1

Solar Energy Initiatives

Innovative solar energy projects provide electricity to remote areas, improving the standard of living.

2

Road Infrastructure Development

Major road construction and rehabilitation projects are enhancing connectivity and trade opportunities.

3

Urban Renewal Programs

Urban renewal initiatives are transforming cities, promoting sustainable development and economic growth.

Collaborative Efforts Regulatory Reforms Strategic Reforms

Diverse Financing Capacity Building Transparent gov.

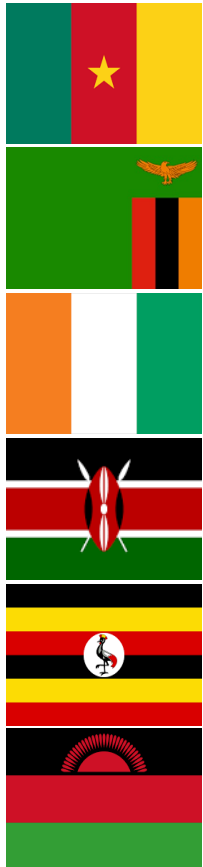
A concerted effort involving diverse stakeholders is imperative to address the infrastructure funding gap in Africa and pave the way for sustainable development across the continent



Project Summary



UNITED NATIONS
SUSTAINABLE
DEVELOPMENT
GROUP



Strengthen capacities of stakeholders to utilise PPPs as means for innovative financing and infrastructure development in support of industrialisation in selected African countries



- AG01. Transformed economies
- AG10. World class infrastructure crisscrosses Africa
- AG19. Africa as a major partner in global affairs and peaceful co-existence
- AG20. Africa takes full responsibility for financing her development

OC1: Strengthened capacity of policymakers to formulate PPP frameworks in line with PPP laws in selected countries

OC2: Enhanced technical capacities of PPP units to ID & structure projects (incl. People-First PPP models)



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Expectations and major activities



Countries adopt NAPs to implement PPPs in infrastructure projects

PPPs frameworks are harmonised in line with countries PPP laws

Countries adopt international tools and stds in PPP implementation

ID of pipeline PPP-ready projects as result of this project's intervention

Private sector showing interest in PPPs

N-S & S-S cooperation agreements for project development & TT

PPP Scoping study

6 PPP diagnostic studies

6 national action plans

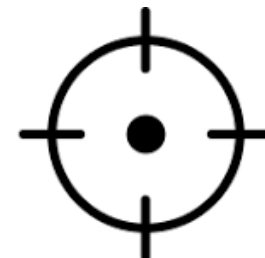
Technical assistance

Capacity development





Scoping Study on Infrastructure PPPs in Africa



Risks and opportunities

01

02

03

04

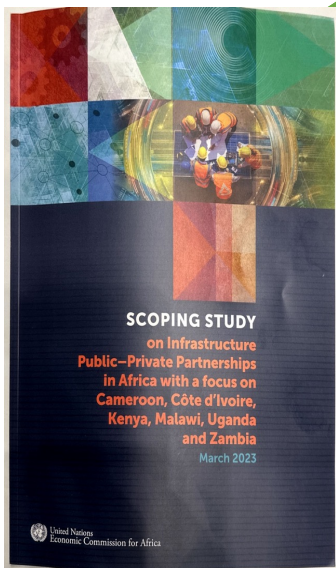
Resource mobilisation and PPP financing

PPP project pipelines, resource mobilisation strategies, identification of international partners, and availability of local financing for PPPs

PPP-friendly policies and institutions

viz regulations, PPP frameworks and guidelines, legal and institutional arrangements and conducive environments

PPP Readiness Scorecard

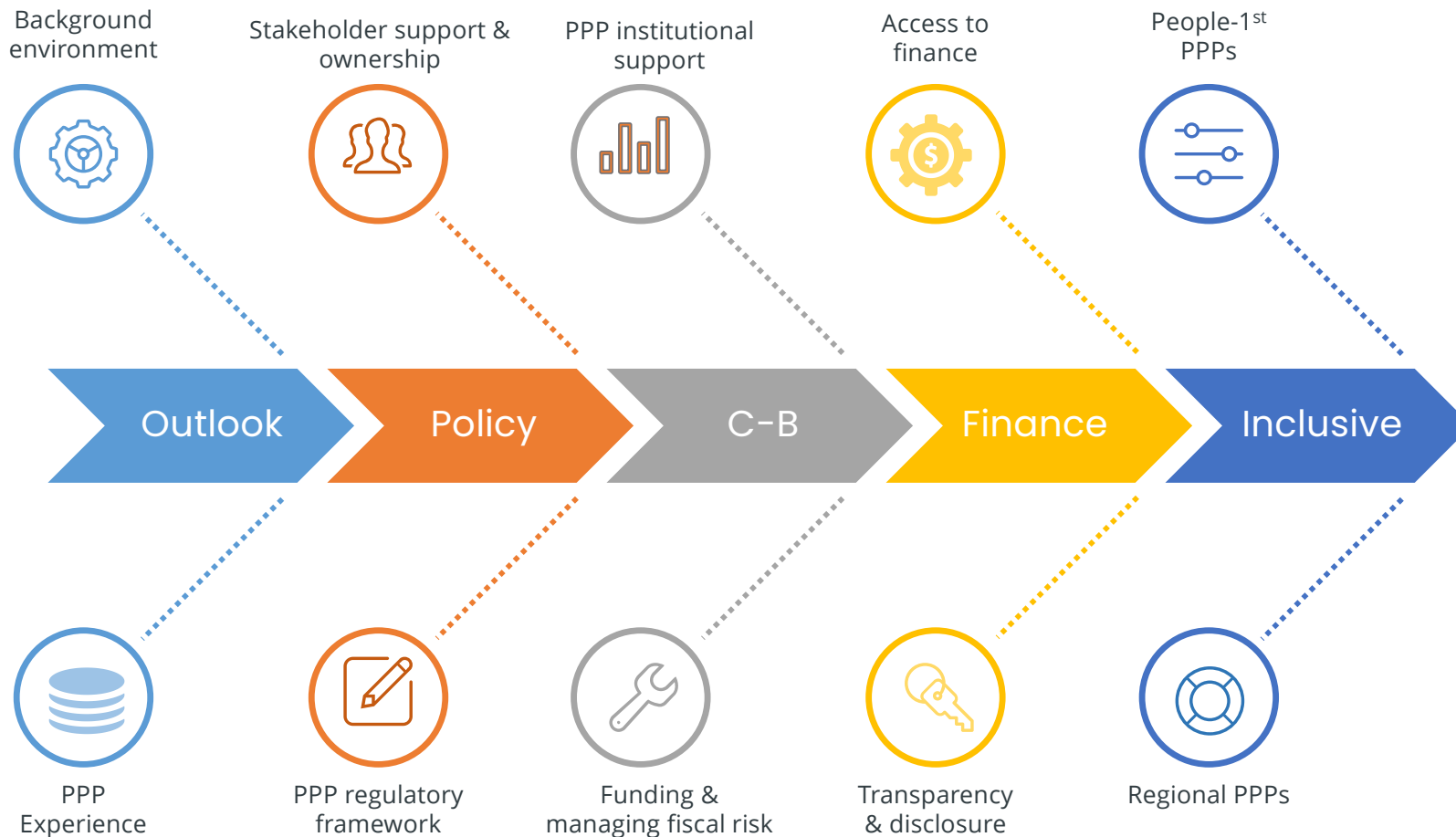


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Infrastructure PPP Diagnostic Reports





National Action Plans to enhance PPPs

Capacity Building

Technical Assistance

Resource Mobilisation

Plans that can be implemented immediately (SMART) assisted by the ECA & partners' interventions

Multi-stakeholder, inclusive but led by PPP Unit and responsible ministry – as an entry point



Action plans based on the national priorities as per Diagnostic Report recommendations

Concrete actions with a roadmap of implementation

Develop monitoring & evaluation to ensure impact wonderful serenity has taken possession of my entire soul



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Technical Assistance and resource mobilisation



Consultancy

6 national consultants & 1 international consultant
Balance scorecard development



High-level meetings

PPP dialogue in Addis Ababa
March-April 2023
Pledges of support from partners



Partner support

PPPs and energy infrastructure
(Beijing September 2023)
World Investment (Abu Dhabi,
October 2023) on Partnerships



Advocacy

Support beyond the current
tranche
One of the flagship of support
for ECA





Roadmap – looking ahead

01 **PP Dialogue**
Advocacy, mobilisation & mainstreaming (March 2023)

02 **Network of PPP Units in Africa**
Institutional architecture of PPP network to play a coordinating validated role (April-May 2023)

03 **PPP modules development**
Development of specific training modules on PPPs (Dec 2023)

04 **PPP capacity enhancement**
Training for PPP units and PPP contracting authorities (Feb-May 2024)

05 **TA and resource mobilisation**
On-demand TA with partners
Up to May 2024 – and beyond)



Looking ahead