THE LAUNCH OF THE 16 INFRASTRUCTURE PROJECTS FOR AFRICAN INTEGRATION

by

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- The Dakar Financing Summit on Infrastructure was convened by the President of Senegal, H.E. Macky Sally in 2014. The Summit resolved that ECA should develop a global advocacy tool which would enhance private sector investments in transboundary infrastructure in Africa.

- The Summit recognized that development and infrastructure go together, that understanding and good neighbourliness are promoted where movement of people, goods and services is enhanced. Transboundary transport infrastructure are not only crucial for regional integration, they are also a peace locomotive and growth catalyst. Indeed transport infrastructure can ignite growth, deliver on SDGs and drive climate action.

- The challenge for the African LLDCs is not only to secure the benefits from increased infrastructure investment but to also ensure that the transport infrastructure is sustainable and of the right type. Studies indicate that Africa has immense resources to respond to many of her transport needs. Africa collects $520bn as domestic taxes annually; minerals and fuels generates $168bn annually; international reserves amounts to $400bn; the stock market capitalization is estimated at $1.2 trillion and the illicit financial flow out of Africa is estimated at $60bn annually.

- However, the transport infrastructure picture in Africa is rather sordid, with only 19% of the roads outside North Africa paved. Further still, the transport costs are 100% higher than in other developing countries. Ironically, this sordid picture should be an incentive for aggressive investments. The natural question is then: If Africa has these vast resources, why has the continent been unable to generate adequate financial resources for her transport needs? Two possible major reasons:
  - The transboundary nature of transport projects. Investors are usually eager to invest in national projects where applicable policies, laws and regulations are simpler to deal with and navigate. The ECA is currently undertaking the harmonization of policies, laws and regulations pertaining to investment in transport infrastructure in Africa. The idea is
to have a single framework for investment in transboundary infrastructure, immediately expanding the investment space.

- Outright cancellations, currency devaluations and price controls in member States. For instance, the South Africa Rand lost value by 30% in 2015 and 2016 whereas the Zambian Kwacha lost value by 70% during the same period. The challenge is obvious where there is a transboundary project connecting the two countries.

The Global Advocacy Tool requested by The Dakar Financing Summit has been completed and is being launched at this event. Titled “Infrastructure Projects for African Integration”, the book is packaged to respond to your questions pertaining to how viable these projects are, their strategic importance, technical specifications, political support and sub-regional ownership. The book also deals with available resources within Africa and eight instruments through which they can be mobilized.

It is therefore, with a great sense of pride, that I launch the report on the 16 Projects for African Integration.