



CONNECTING CULTURES
ENABLING ECONOMIES

6th to 10th October 2019

دائرة النقل
DEPARTMENT OF TRANSPORT



UNITED ARAB EMIRATES
MINISTRY OF INFRASTRUCTURE
DEVELOPMENT



الإمارات العربية المتحدة
وزارة تطوير البنية
البنية التحتية

ENHANCING INFRASTRUCTURE FOR SOCIAL COHESION AND TRADE IN AFRICA

KEYNOTE SPEAKER: 8 OCTOBER 2019

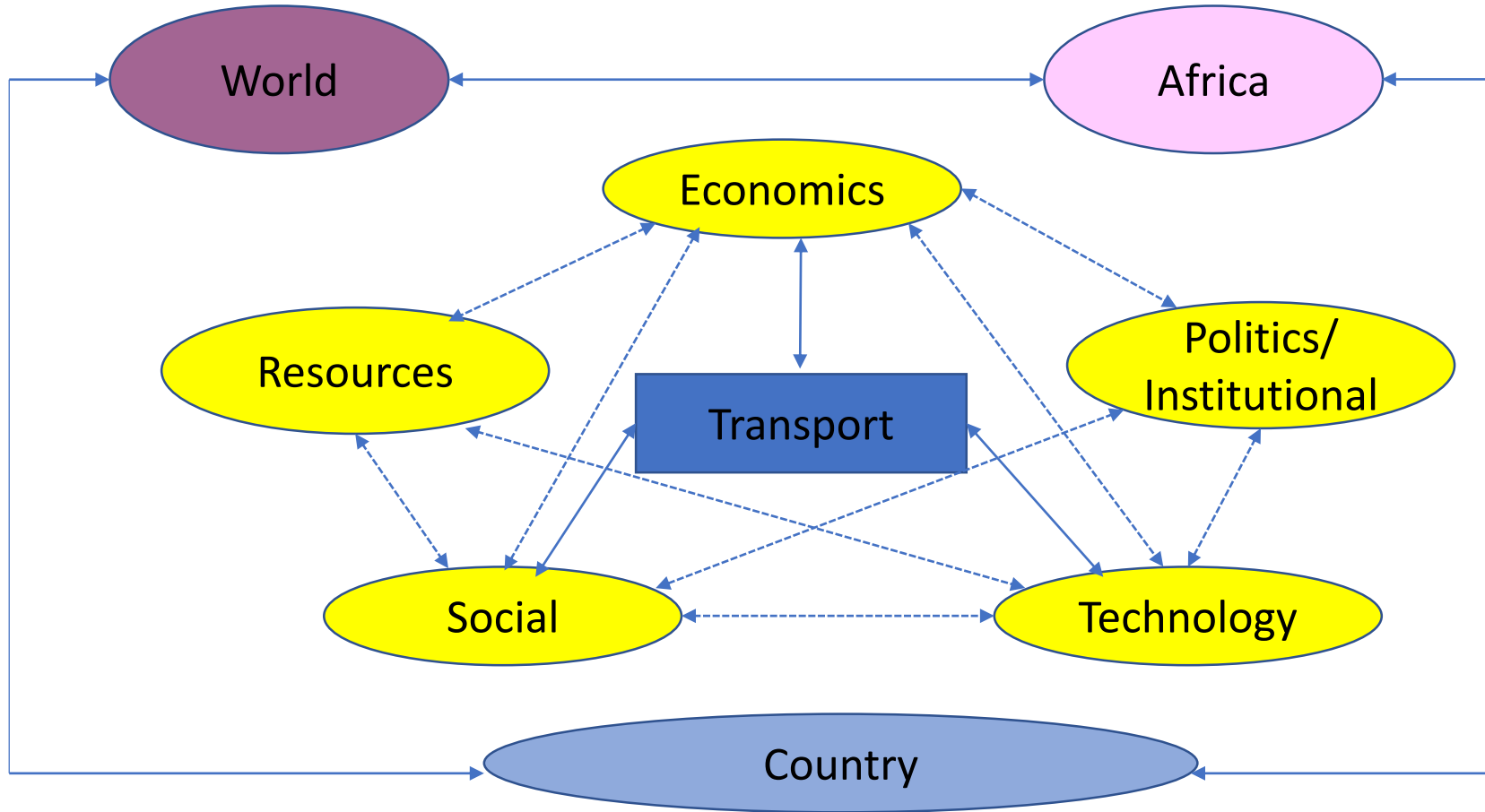
NAZIR ALLI

ADVISOR

THE WORLD IN AFRICA

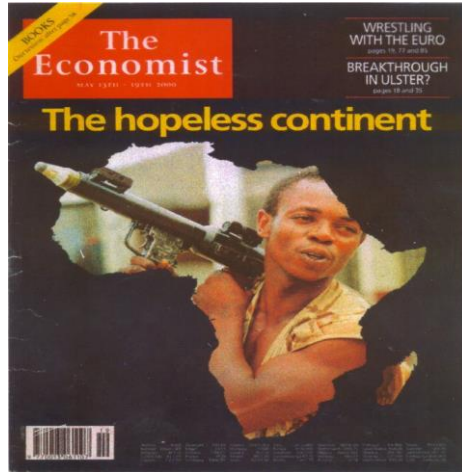


WORLD INTERDEPENDENCE



PERCEPTIONS OF AFRICA

2000



2013



2016



2019



AFRICA'S LEGACY

Colonial development

- trade routes → external flows
- internal routes → security
- restricted access



Underdevelopment

DEMOGRAPHICS

| Year | Location | population | Density (P/km ²) | Yearly Change | Median Age | Urban Population | Global population share |
|------|----------|--------------|------------------------------|---------------|------------|------------------|-------------------------|
| 2019 | World | 7,73 billion | 52 | 1,09% | 29,8 yrs | 56% | - |
| 2019 | Africa | 1,31 billion | 44 | 2,49% | 20, yrs | 43,4% | 17% |
| 2030 | World | 8,55 billion | 57 | 0,87% | 31 yrs | 60,4% | - |
| 2030 | Africa | 1,7 billion | 49 | 2,25% | 22,6 yrs | 48,4% | 20% |

- Population growth poses conundrum - how does infrastructure (already in deficit) grow?
- Africa's 'demographic dividend' – young working population is a positive
- How does Africa take advantage of this dividend?
- Governance
- Capable institutions
- Funding constraints

Source World meter, UNCEF

DEVELOPMENT PLANS

- Macro-Economic Targets
 - advance Africa's interest to foster intra-African trade
 - reduce poverty
 - increase productivity
 - achieve integration through infrastructure development
 - achieve social cohesion
 - promote sustainable use of natural resources
- 1979 Lagos Plan of Action (LPA)
 - 1st Continent wide attempt by Africans to restructure colonial-era infrastructure

DEVELOPMENT PLANS (CONT.)

- failed to take root due to internal, regional and global political instabilities
- 2001 New Partnership for Africa's Development (NEPD)
 - flagship socio-economic programme
- 2012 Programme for Infrastructure Development in Africa (PIDA)
 - assist member states to co-ordinate cross boundary infrastructure
 - increase intra-African trade and employment
 - achieve sustainable development

DEVELOPMENT PLANS (CONT.)

- De-politicize infrastructure development
- Enhance governance
- Transparency in procurement and business practices
- Enhance and increase skills within member states
- Innovative finance instruments

DRIVING FORCES

- Politics
 - budgetary pressures
 - social spending vs infrastructure
 - take bold steps to close infrastructure gaps
 - connect landlocked countries to seaports
- Public administration
 - institutional reform
 - alternative sources of funding: Public Private Partnerships
- Technology
 - use of technologies for providing effective and efficient infrastructure

DRIVING FORCES (CONT.)

- Deepen regional integration
 - infrastructure links increase trade and face-to-face interactions
- Human capital
 - take advantage of 'demographic dividend'
 - be cognizant of societal concerns
 - emphasis on skills development and education
 - encourage diaspora to play a meaningful role

POOR INFRASTRUCTURE

- Reduces Africa's GDP by 2% per annum
- Reduces productivity by 40%
- High transport costs adds **75%** to price of African goods
- Poor transport links explain intra-regional trade at 12% (Europe 60%)
- Reduces utilization rates
- Greater congestion and loss of time
- Encourages poor land usage: informal settlements (proximity to work opportunities)
- Higher fuel costs

QUALITY INFRASTRUCTURE

- Drives growth
- Enables trade and skills transfer
- Enables on demand services and goods
- Reduces carbon footprint
- Increase attractive investments
- Connects people with ideas and technology
- Reduces societal inequalities
- Transformative force on continent

TRANS AFRICAN HIGHWAYS



Source: African Development Bank, United Nations

- How effectively we manage our road infrastructure is key to the quality of the environment we live in
- Roads are taken for granted without acknowledging their vital contribution to security, safety, economic growth and social development
- Approximately **47%** of the network has been **paved**, though **maintenance remains a problem**. There are numerous missing links in the network where tracks are impassable after rain or hazardous due to rocks, sand, and sandstorms
- As a result of missing links, road travel is only relatively easy between East and Southern Africa, which still relies on a **single** paved road through southwestern Tanzania

AFRICA'S ROADS

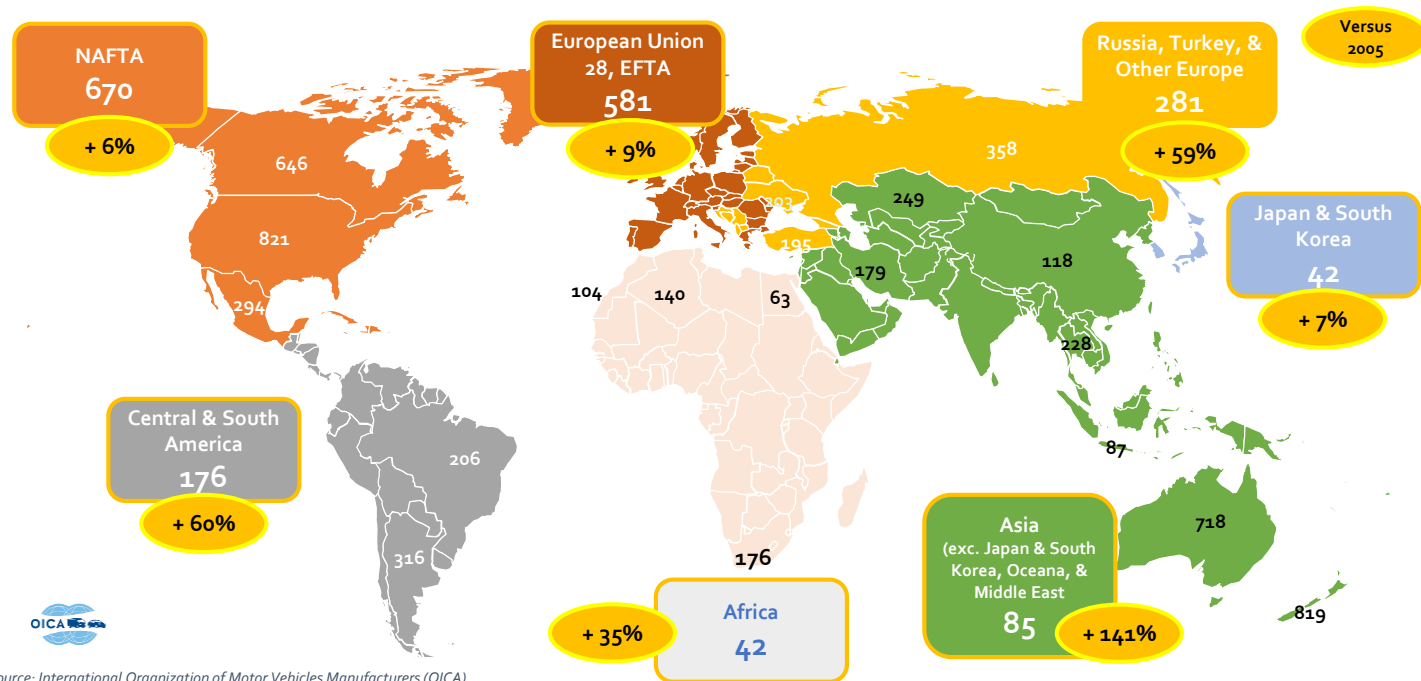
- Total length = 2 732 190 km
 - significant percentage not paved
 - hampers speedy transportation
 - access to road network uneven: rural areas mainly underserved
 - flow of goods to and from rural areas to markets difficult and expensive
 - maintenance is inadequate and/or inefficient

AFRICA'S ROADS (CONT.)

- Roads are main mode of transport
 - 80% freight moved on roads
 - 90% of passengers
 - less than 50% of Africa's rural population has access to all season roads
 - safety a major issue
 - fewer (than any other region) vehicles on its roads, underdevelopment of road network has resulted in severe traffic congestion

AFRICA HAS THE WORLD'S LOWEST MOTORIZATION RATE, WITH ONLY 42 VEHICLES PER 1,000 INHABITANT (77% BELOW THE WORLD AVERAGE)

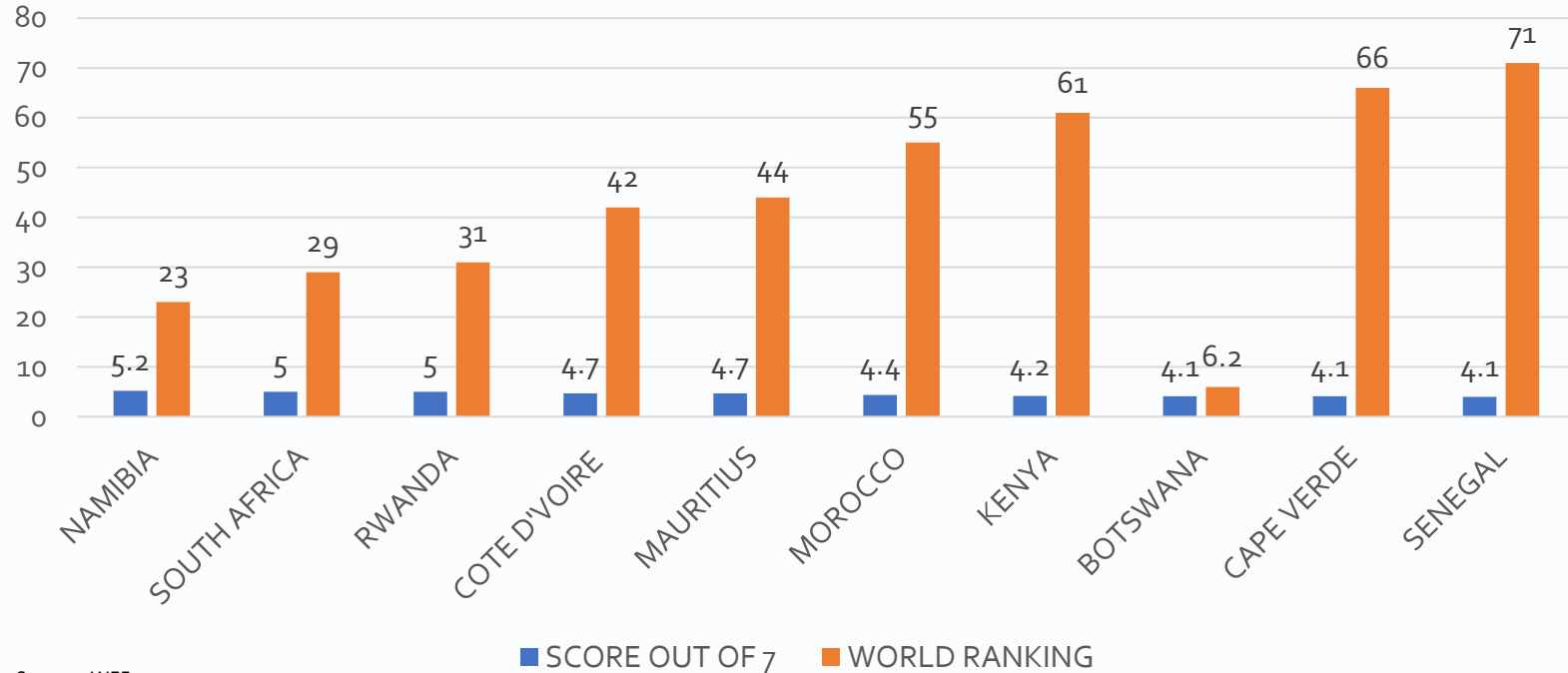
Motorization rate per 1,000 inhabitants, 2015



225 000 fatalities per annum i.e. one fifth of world total

TOP 10 AFRICAN COUNTRIES WITH QUALITY ROAD'S

Road quality index 2016 - 2017

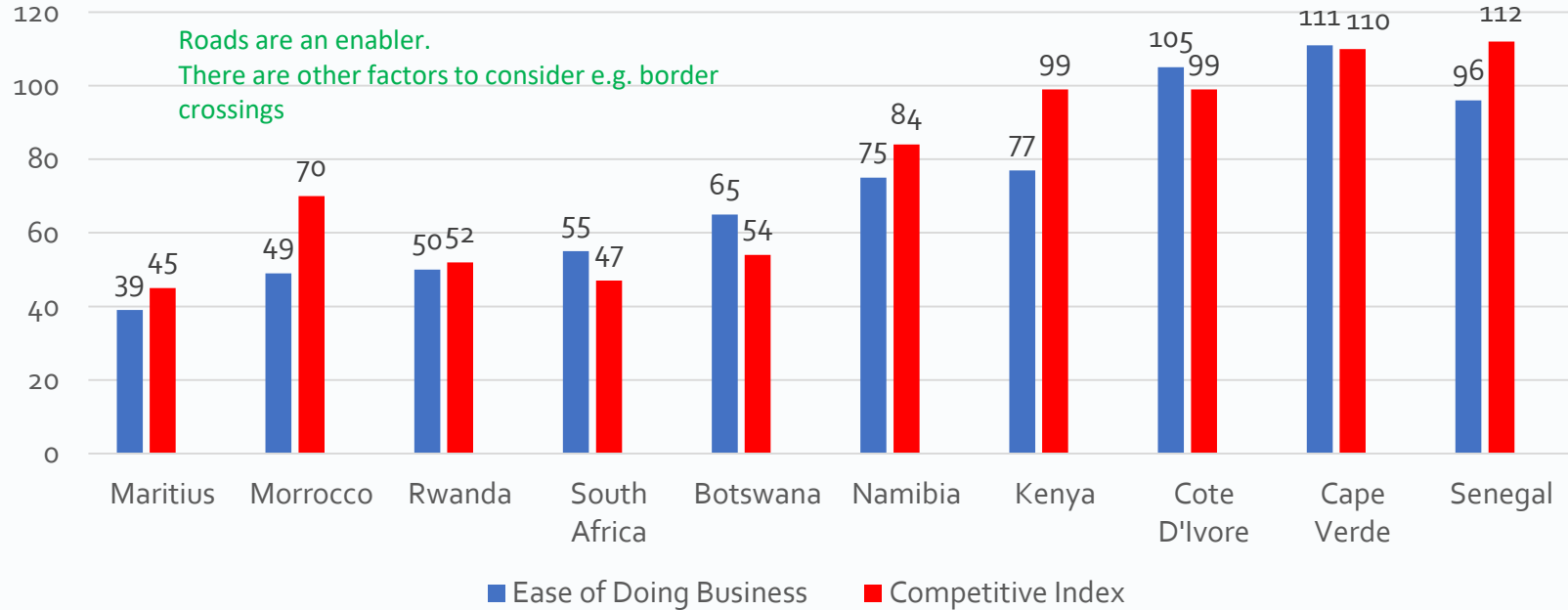


Source: WEF

ABU DHABI WORLD ROAD CONGRESS 2019

SELECTED AFRICAN COUNTRIES

EASE OF DOING BUSINESS RANKINGS AND COMPETITIVE INDEX



Source WEF 2017

NO PAVED ROADS

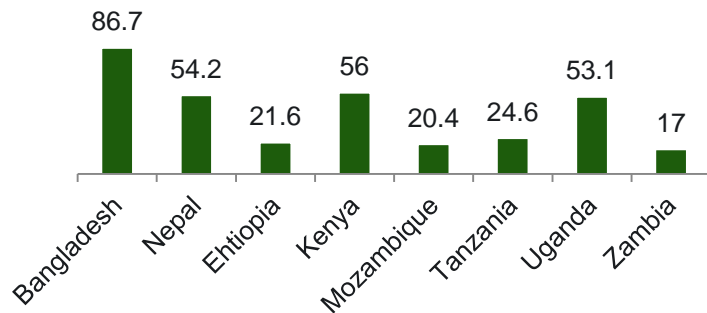
AFRICAN COUNTRIES STILL CAN'T RAISE ENOUGH CAPITAL TO REPLACE THEIR BAD ROADS



Source: QuartzAfrica, 2017

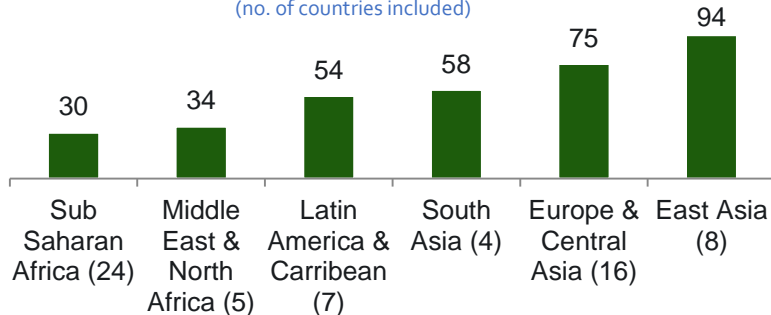
Significant resources are required for rehabilitating and expanding the road network in order to achieve universal access

Rural Access Index (RAI)



Rural Access: Regional Estimates

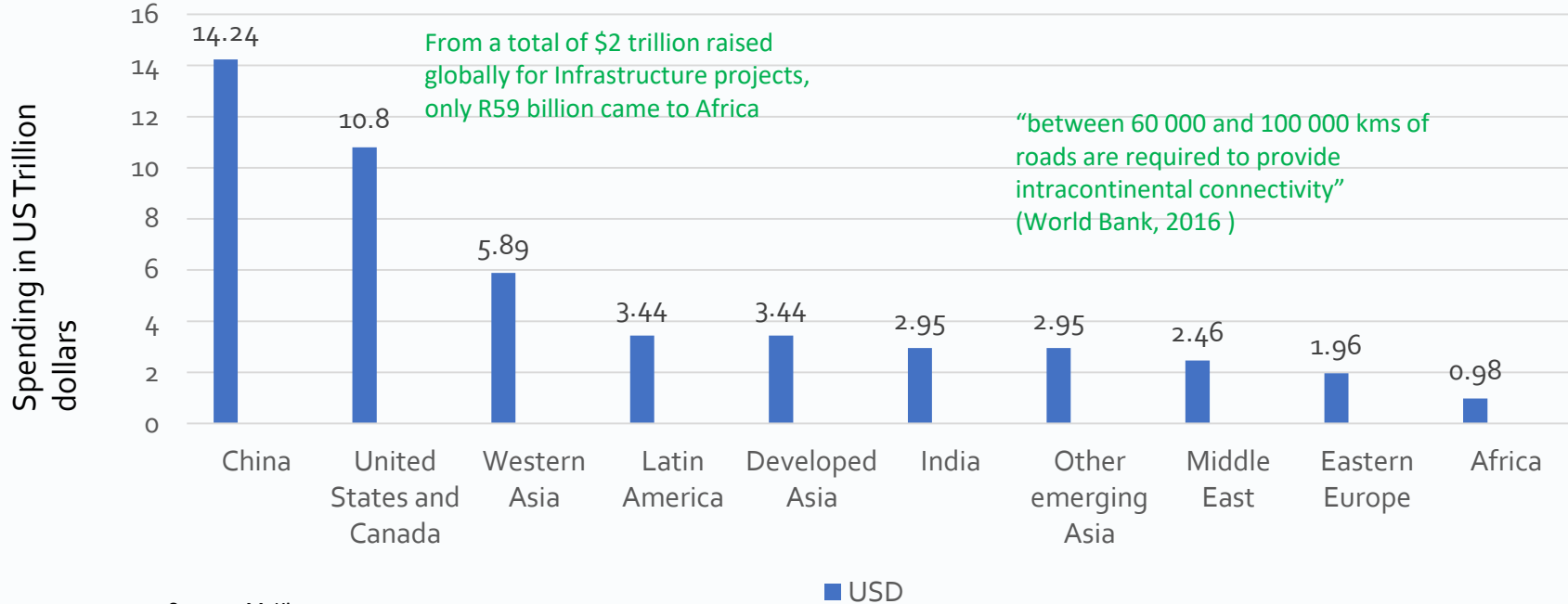
(no. of countries included)



- RAI (Rural Access Index) is among the most important global indicators for measuring people's transport accessibility in rural areas where the majority of the poor live
- in Africa, road density and road condition are important determinants of the Rural Access Index
- Change in rural access has differing impacts on various sections of the population. In particular, the socioeconomic impact of increased access differs by gender, by age groups, by different caste/ethnic groups, and by income

Source: World Bank

PROJECTED INFRASTRUCTURE SPENDING FROM 2016 TO 2030, BY REGION OR COUNTRY (IN TRILLION U.S. DOLLARS)



Source: McKinsey

CONCLUSIONS

- Get basics right
 - contextualized policies
 - capable workforce
 - must be apolitical
 - pursue smart strategies to direct external partners in the development of its infrastructure
 - address inequality

CONCLUSIONS (CONT.)

- Build institutions
 - be an informed client
- Fair regulations
 - incentivize entrepreneurship
- Innovative development financing instruments
- Transparent decision making and procurement

"Bad governance cannot be undone by technology"

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