



**The Programme for Infrastructure Development in Africa:**  
*Transforming Africa through Modern Infrastructure*

**Closing the Infrastructure Gap Vital for Africa's Transformation**

*Closing the infrastructure deficit is vital for Africa's economic prosperity and sustainable development. Improved infrastructure would facilitate increased intra-regional and international trade, reduce the cost of doing business and enhance Africa's competitiveness within itself and in the global economy as well as act as a catalyst to Africa's economic transformation and diversification through industrialisation and value addition and sustainable and inclusive growth.*

**After decades of dismal growth, Africa is growing rapidly and is poised to transform itself into an economic success and a model for other regions of the world.** But the continent's large infrastructure deficit is holding it back. The road access rate in Africa is only 34%, compared with 50% in other parts of the developing world, while transport costs are 100% higher. Only 30% of Africa's population has access to electricity, compared to 70-90% in other parts of the developing world. Water resources are underused with only 5% of agriculture under irrigation. The Internet penetration rate is a mere 6%, compared to an average of 40% elsewhere in the developing world.<sup>12</sup>



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<sup>1</sup> *Infrastructure Deficit and Opportunities in Africa (September 2010) Economic Briefs, African Development Bank*

<sup>2</sup> *PIDA Study Synthesis*

**Closing the infrastructure deficit is vital for Africa's economic prosperity and sustainable development.** Improved infrastructure would facilitate domestic and international trade, reduce the cost of doing business and enhance Africa's competitiveness both as an exporter and a destination for investors. Economists estimate that, overall, deficient infrastructure costs Africa 2% in reduced output each year.<sup>3</sup>

**The costs of closing Africa's infrastructure gap are vast.** The Programme for Infrastructure Development in Africa (PIDA) will cost around \$360 billion between 2011 and 2040, with significant investments required by 2020. Such costs are beyond the financing capacities of governments or even donors. Attracting private sector participation through Public-Private Partnerships (PPPs) is therefore essential for the delivery of various infrastructure projects envisioned under PIDA.



**PIDA delivery will depend on effective public-private sector partnerships (PPPs) and not just on the public sector or donors.** A clear and transparent regulatory framework is the foundation for a conducive business environment.<sup>4</sup>

**For private investors to come on board, governments will need to create the right legislative, regulatory and institutional environment.** Demonstrating political commitment by the government is key to attracting investors.

### **PIDA Investments**

The total estimated cost of implementing all the projects identified in PIDA to address projected infrastructure needs by 2040 is US\$360 billion. The PIDA Priority Action Plan (PAP), which comprises 51 priority infrastructure back-bone projects and

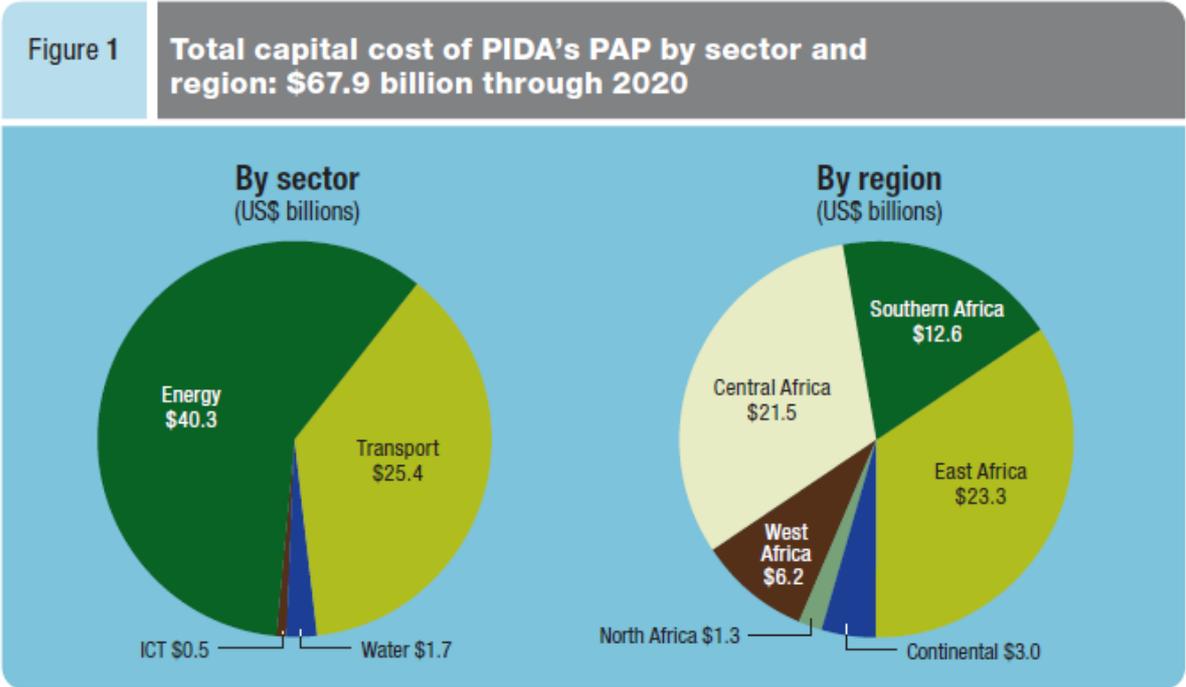
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<sup>3</sup> *PIDA Executive Summary*

<sup>4</sup> *How to Engage with the Private Sector in Public-Private Partnerships in Emerging Markets (2011).* World Bank

programmes in energy, water, transport and ICT requires investment of US\$68 billion to be realised by 2020.

Of this, the biggest demand for investment is for energy accounting for US\$40.3 bill or 60% of the PIDA PAP programme followed by transport at US\$25.4 bill or 37% and water at \$1.7 bill or 2.5% and ICT accounting for only \$0.5bill or less than 1% because the basic ICT infrastructure network in Africa is now largely in place.



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