



# NEPAD NEWS

A monthly publication of the New Partnership for Africa's Development Agency

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## **B**ridging Africa's \$68 billion infrastructure finance gap: NEPAD Agency's 5% Agenda Initiative

**New York, September 18, 2017** - The NEPAD Agency Continental Business Network gathered international investors and CEO-level business leaders at the New York Stock Exchange on 18 September, for the launch of its 5% Agenda Initiative. The launch took place five years after a January 2012 African Union Summit adopted the *Programme for Infrastructure Development in Africa (PIDA)* which sets out 51 cross-border infrastructure programmes and more than 400 actionable projects in four sectors.

According to the World Bank, the continent needs to spend \$93 billion annually (44% for energy; 23% for water and sanitation; 20% for transport; 10% for ICTs; and 3% for irrigation) until 2020 to bridge its infrastructure gap, which is currently removing an estimated 2% of GDP growth every year. On the other hand, Africa only managed to close 158 project finance deals with debt totalling \$59 billion over the decade 2004- 2013, which represents only 5 percent of infrastructure investment needs and 12 percent of the actual financial flows.<sup>[1]</sup> The 5% Agenda campaign highlights that only a collaborative public-private approach can efficiently tackle these issues and calls for allocations of institutional investors to African infrastructure to be increased to the declared 5% mark.

Representing the African Union Commission Chair, H.E Mr Moussa Faki Mahmat, the AUC Commissioner for Political Affairs, H.E Minata Samate Cessouma, pointed out that the 5% Agenda initiative is important for the development of a concrete and realistic roadmap for increasing the participation of African institutional investors in Infrastructure development. She was speaking at the launch event in New York.

"The AUC commits to take into account, during its decision making processes, the relevant recommendations that emerge from this consultative dialogue, including those related to policies to remove obstacles to investment in Africa and increase institutional investment. We, AUC, will ensure the promotion of the 5 % Agenda initiative is a source of hope. This is an exercise that must succeed if Africa is to emerge from its infrastructural precariousness and if its industrialisation is to be fostered," H.E Minata Samate Cessouma said.

Also speaking at the launch, Dr Ibrahim Assane Mayaki, CEO of the NEPAD Agency, indicated that for pension and sovereign wealth funds to invest in large-scale infrastructure projects in Africa, a variety of issues need to be addressed to facilitate long-term allocations. Chief amongst these matters is the need to reform national and regional regulatory frameworks that guide institutional investment in Africa.

"The private and public sector are joining forces in Africa to create conducive environments to attract these investments, which are vital for the continent's growth. As the NEPAD Agency, we believe that Africa must take leadership in financing its infrastructure projects" he said. - *continues on page 2*

*We will ensure the promotion of the 5% Agenda initiative is a source of hope. This is an exercise that must succeed if Africa is to emerge from its infrastructural precariousness and if its industrialisation is to be fostered"*

- H.E Minata Samate Cessouma

Commissioner for Political Affairs at the African Union Commission

### In this Issue

- NEPAD Agency collaboration with GIZ
- NEPAD-PIDA training on Public Private Partnerships
- Niger hosts AFR100: Paving the way for implementing Forest and Landscape Restoration
- Harnessing skills for rural transformation: What needs to be done?
- Tourism: A key sector for inclusive growth in Africa



- continued from previous page

The launch of the campaign gathered high-level international investors and business leaders, including members of the *PIDA Continental Business Network (CBN)* which is spearheaded by NEPAD Agency and constitutes a CEO-level private sector infrastructure leaders dialogue platform on PIDA. Representing the African Union Commission Chair, H.E Mr Moussa Faki Mahmat, the AUC Commissioner for Political Affairs, H.E Minata Samate Cessouma, highlighted that the 5 % Agenda initiative is important for the development of a concrete and realistic roadmap for increasing the participation of African institutional investors in Infrastructure development.

“The African Union Commission will ensure the promotion of the 5% Agenda Initiative which is a source of hope. This is an exercise that must succeed if Africa is to emerge from its infrastructural precariousness and if its industrialisation is to be fostered,” she said.

According to a 2016 McKinsey report, institutional investors and banks have \$120 trillion in assets that could partially support infrastructure projects.<sup>[2]</sup> Now more than ever, Africa needs to tap into this available. As banks face additional regulatory challenges and as governments have limited fiscal space, it is becoming increasingly urgent to unlock additional flows from long-term institutional investors such as insurers, pension funds, and sovereign wealth funds. For pension and sovereign wealth funds to be able to invest in large-scale infrastructure projects in Africa, a variety of issues need to be addressed to strategically and intentionally facilitate long-term allocations. Chief amongst these matters is the need to reform national and regional regulatory frameworks that guide institutional investment in Africa. Likewise, new capital market products need to be developed that can effectively de-risk credit and hence, allow these African asset owners to allocate finance to African infrastructure as an investable asset class to their portfolio.

All these issues are at the heart of the 5% Agenda roadmap which is the backbone of NEPAD’s campaign and is foreseen to have the following impact:

1. Unlocking notable and measurable pools of needed capital to implement regional and domestic infrastructure projects on the continent.
2. Broadening and deepening the currently very shallow African capital markets, whilst at the same time contributing significantly to regional integration and job creation.
3. Promoting the development of innovative capital market products that are specific to the continent’s challenges and potential in regards to infrastructure development.
4. Raising the investment interest of other institutional and non-institutional financiers that so far have been hesitant to include African infrastructure projects as an asset to their investment portfolio based on specific, concrete next steps and project suggestions.



## **N**EPAD Agency collaboration with GIZ

**Midrand, September 27, 2017** – The NEPAD Agency CEO, Dr Ibrahim Mayaki, met with Mr Martin Weiss, Head of Division GIZ, Dr Inge Baumgarten, the new GIZ AU Director and Dr Dorothy Nett, Programme Manager, together with technical teams from the two organisations for a briefing meeting at the NEPAD Agency Offices in South Africa.

The bilateral meeting with the Office of the NEPAD CEO focussed on a mutual debriefing on the German Presidency G20 outcomes with regards GIZ and NEPAD Agency collaboration, as well as the ongoing African Union reforms. In this light, the most relevant topics for the continent’s development from a NEPAD perspective were also discussed.

The collaboration between the NEPAD Agency and GIZ includes: Implementation of the Agriculture Technical and Vocational Education and Training (ATVET) project. This is a model for Agriculture Education and Skills Improvement in Africa within the context of Agenda 2063 and the Comprehensive Africa Agriculture Development Program (CAADP) in six countries (Ghana, Kenya, Malawi, Togo, Benin and Burkina Faso). The project is supported by GIZ through the GIZ CAADP Support Programme commissioned by Federal Ministry for Economic Cooperation and Development (BMZ) of Germany. An additional module called Women in ATVET was included at the beginning of 2017 to focus on delivery of specific training measures for women in the countries. Both CAADP-ATVET projects focus on capacity development of youth, women and farmers to access labour-market oriented and income-enhancing (entrepreneurial) opportunities in the agri-food sector.

The delegation to the NEPAD Agency was also briefed on the Regional Integration, Infrastructure (Energy, Water, ICT, Transport) and Trade programme; the progress within implementation of the Skills For Africa Initiative (SIFA); the NEPAD Land Governance project, and; AFR100, the Africa land scale initiative in Africa – through which African countries committed to restore land management in the continent.

<sup>[1]</sup> Source: The G-20 Compact with Africa – A Joint AfDB, IMF and WBG Report; CBN De-Risking Report

<sup>[2]</sup> <http://www.un.org/pga/71/wp-content/uploads/sites/40/2017/06/Bridging-Global->



Mr Symerre Grey-Johnson, Head of Regional Integration, Infrastructure and Trade, officially opened the first round of NEPAD-Programme for Infrastructure Development in Africa (PIDA) training on Public Private Partnerships

## **N** EPAD-PIDA training on Public Private Partnerships

**Dakar, September 26, 2017** - Mr Symerre Grey-Johnson, Head of Regional Integration, Infrastructure and Trade, officially opened the first round of NEPAD-Programme for Infrastructure Development in Africa (PIDA) training on Public Private Partnerships (PPP), co-funded by the African Union Commission and GIZ in Dakar Senegal, from 26 - 30 September.

A total of 110 potential participants were recommended from all the regional economic communities in Africa and 34 PIDA projects. From these, 74 applied, which culminated into the first training of 42 participants. On average, US\$8000 has been invested per candidate for the training.

The training was conducted by a specialised PPP training institute, the Institute of Public Private Partnerships (IP3).

Attendees included representatives from NEPAD Agency, African Union Commission, GIZ, and all the regional economic communities. They also included project teams from 9 PIDA projects which include the Batoka Gorge, Inga III, Ruzizi III, Kinshasa-Brazzaville Rail Road Project and the Abidjan – Lagos Highway Development Corridor and Central and North Corridors. Participants were trained on how to plan, structure, negotiate, implement, manage and monitor PPP projects, in line with the recommendations of the Dakar Finance Summit (DFS).

The training programme compliments the many interventions that NEPAD Agency and the AUC (with the support of development partners) have developed to address the challenges of implementing PIDA projects identified during the DFS. It will also help to create a pipeline of bankable projects for the 5% pensions initiative, that was launched by the NEPAD Agency Continental Business Network, on the side-lines of the 72<sup>nd</sup> Session of the UN General Assembly.



# Niger hosts AFR100

## *Paving the way for implementing Forest and Landscape Restoration*

**Niamey, September 27, 2017** - Africa's population is expected to double by 2050 with about 25% of it's citizen depending directly on forests for their livelihoods. A rapidly growing arid Sahel city without forests is perhaps the perfect place for a meeting on Forest and Landscape Restoration (FLR) to take place. Niamey is a city of warm hues: red, cracked, sandy soils are the basis for the red bricks that form most of the infrastructure of Niger's capital. It's a city where only the hardiest of plants can manage to set down roots, but a Mecca for rural-to-urban migration.

Niger is a unique success story in implementing FLR on the ground, having already restored at least 5 million hectares using Farmer-Managed Natural Regeneration (FMNR), pledging 3.2 million hectares under the auspices of Africa Forest Landscape Restoration Initiative (AFR100). Conference participants witnessed these various modalities of restoration during a field visit to Tchida and Sargadj villages on the outskirts of Niamey.

On September 26 to 27, 2017, 24 African countries, as well as several technical partners, congregated in Niamey, Niger for the Second Annual AFR100 Partnership Meeting. This initiative, launched at the Global Landscapes Forum in Paris in 2015 has an ambitious aim to restore 100 million hectares of deforested and degraded land in the continent by 2030.

The pledges have rolled in with unprecedented speed in the field of FLR — an approach to restoration that looks at the challenge of land degradation in a comprehensive way, considering economic, social, and physical environments — with most commitments being initiated and driven by the ministers in countries themselves. This is the emergent formula that has made AFR100 the most staggering continental restoration commitments on the globe: it is Africa-owned and country-led, with the New Partnership for Africa's Development Agency (NEPAD Agency) acting as the secretariat.

### *How many hectares?*

Of the aspirational 100 million hectares to be restored, 80.3 million have already been pledged by 24 countries and counting. AFR100 isn't alone in setting lofty restoration goals: rather, it works in concert with a number of other international ambitions.

The Bonn Challenge was launched in 2011: it aims to restore 150 million hectares by 2020. AFR100 represents the implementation of the Bonn Challenge in Africa by the signatory African countries. In turn, all of these pledges relate to the 2014 New York Declaration on Forests (NYDF), which calls upon to world to halve deforestation by 2020, stop it entirely by 2030 and restore hundreds of millions of hectares of degraded lands globally — a cumulative area roughly corresponding to the size of India. Other regional initiatives — such as the African Resilient Landscapes Initiative (ARLI), the African Landscapes Action Plan (ALAP) and the Great Green Wall Initiative (GGWI) — also have synergies with AFR100.

### *From pledges to implementation*

While the pledges underlying AFR100 are certainly ambitious, this partnership meeting focused on how this ambition will be realised on the ground.

“Even if we cannot reach the targets by 2020 or 2030 I think we have started — and by we I mean governments, countries, people — we have started a process of being aware of this restoration opportunity.” said Horst Freiberg, from The Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).

Whether this is by developing plans or blueprint for restoration, or allocating domestic funds to the task, he sees the creative processes that are already underway as a form of success in and of itself. “The process is what will lead to the scaling-up — to the implementation and amplification — of Forest and Landscape Restoration.”

So, while the discourse surrounding FLR that has unfurled in the wake of AFR100 is a success in and of itself, the countries presenting at this year's partnership meeting wanted to get down and dirty in implementation. Representatives from several signatory countries — Burundi, Cameroon, Chad, Ethiopia, Ghana, Guinea, Ivory Coast, Kenya, Madagascar, Malawi, Mozambique, Niger, Nigeria, Senegal, South Africa, Swaziland, Sudan and Togo — parsed progress, challenges, local contexts and more. Though these participating countries have very diverse landscapes and geography, and encounter different challenges in implementation, they are united in their commitment to the AFR100 initiative and Forest and Landscape Restoration.

### *People-centered restoration*

Implementing restoration projects isn't just about tree-planting and mapping hectares. However, it's also about the lives and livelihoods of the people living on or adjacent to degraded lands. The most vulnerable among them — women, youth, migrants and indigenous peoples — are the hardest-hit by a changing climate and an encroaching desert.

“We don't want to inherit degraded land,” was the rallying cry of the current Miss Earth Rwanda, Honorine Uwase Hirwa, who is using her platform as a youth ambassador for Forest and Landscape Restoration with the International Union for Conservation of Nature (IUCN).

### *Pushing for the private sector*

While putting people and livelihoods at the center of the conversation is a step forward, the second day of the event veered towards the eminently pragmatic: How will Forest and Landscape Restoration be financed in Africa? A presentation by Faustine Zoveda from the FAO detailed a successful Forest and Landscape Investment Forum (FLIF). According to Zoveda one of the main problems in mobilizing funds - public or private - is, “a lack of awareness and understanding, as well as a lack of connection between these sectors.” The FLIF event, “provided a marketplace for these partnerships in FLR to be made.” 4

Source: AFR100 with support by Global Landscapes Forum



Solutions include increasing investment in rural areas to spur development and economic transformation; Making capacity development a priority to enable and empower rural farm youth to engage in upstream economic opportunities; Adoption of policies that encourage the value chain approach to enable engagement of private sector and attract young people through pro-poor investments; Policy reforms to improve labour market conditions, and; Expanding entrepreneurship to create more jobs

## **H**arnessing skills for rural transformation: What needs to be done?

**New York, September 20, 2017** - Africa continues to experience unstable unemployment and vulnerability amongst the working population in the face of slow rate of job creation. In particular, evidence shows that rural spaces are experiencing high incidences of multi-dimensional poverty and yet in the context of a positive continental economic growth trajectory. Agriculture generates at least 24% of GDP and agri-business activities contribute at least 20%; 65% of African youth work in the agriculture sector (estimated at 12million young people); and yet rural areas are failing to provide opportunities to provide decent livelihoods and long term economic opportunities for young people.

This loss of labour is resulting in major consequences at local, national and continental level (IFAD Rural Report 2016). Relatedly, Africa continues to experience high levels of malnutrition (234 Million) which has been the greatest increase compared to other regions (at least 23% increase in SSA) which is more than double the rest of the world - highest in East Africa at 33%; and most prevalent in rural areas and amongst artisan fishers and small holder communities (2016 SOFI Report – collaboration of FAO, IFAD, WFP, UNICEF and WHO).

Whilst the agricultural sector continues to be the mainstay economic activity in rural areas, efforts to modernise and introduce new technologies to intensify production on farms and aquaculture activities are proving to be not sufficient to attract rural youth. Opportunities lie in upstream activities along the value chain and these can help to significantly more and decent jobs that are attractive to young people including in secondary sectors such as financial, logistics, tourism and other non-food sectors.

By 2030, incoming generations will be at their most productive and thus require the skills and know-how to be gainfully absorbed into the mainstream economic growth.

It was in this context that the High Level Meeting held on 20 September 2017 brought together key decision makers and stakeholders to respond to the question “What can be done?” Issues raised therefore facilitated sharing and reflection on experiences and best practise on how to ensure inclusive and sustainable development in rural areas in a manner that utilises African youth skills and competences to transform rural economies.

Key speakers included Minister of Employment and Vocational Training of the Republic of Cameroon, Mr Zacharie Perevet; Director General of FAO Dr José Graziano da Silva; President of IFAD Mr Gilbert Hougbo; including panellists representing the OECD, ILO, an entrepreneur and the NEPAD Agency’s Goodwill Ambassador, Mr Eddie Bergman.

The meeting was very engaging with possible solutions proposed and clear clarion call for leadership to put in place appropriate governance systems and mechanisms that enable bottom up engagement to allow for good ideas to emerge from the youth themselves. Entrepreneurship will be a key driver to open up economic opportunities for rural youth.

Practical solutions include increasing investment in rural areas to spur development and economic transformation that provides infrastructure and generates economic benefits; Making capacity development a priority to enable and empower rural farm youth to engage in upstream economic opportunities; Adoption of policies that encourage the value chain approach to enable engagement of private sector and attract young people through pro-poor investments; Policy reforms to improve labour market conditions that respond to the high work force participation but also high working poor and lack of decent working opportunities, and; expanding entrepreneurship to create more jobs. 5



Just like other sectors of the African economy, tourism on the continent could benefit from the digital revolution. A new generation of entrepreneurs wants to show another side of Africa (more authentic), by showing other things than the classics of African tourism.

## **T**ourism: A key sector for inclusive growth in Africa

*Dr Ibrahim Mayaki, CEO, NEPAD Agency*

One of the consequences of globalisation is that “the world has become flat” if I were to appropriate the expression of the American columnist Thomas Friedman. Indeed, the development of transport, in particular air transport, and the consecutive decline in prices, have led, among other things, to a sharp increase in tourist flows. This not counting the window opened on the world by internet making us want to go to discover the world beyond our garden.

Africa also benefits from the increase in tourism flows. According to the World Tourism Organisation (UNWTO), the continent welcomed 57.8 million tourists in 2016, 4.4 million more than in 2015. According to UNWTO projections, tourism in Africa could reach 134 million by 2030. In its 2017 report on African economic development, UNCTAD draws our attention to the economic importance of tourism on the African continent: tourism accounts for 6.8% African GNP and represents more than 21 million jobs (about one in fourteen jobs). In total, tourism is the continent’s second largest sector.

One of the interesting points highlighted in the UNCTAD report is the fact that it is the Africans themselves who are increasingly driving tourism demand in Africa. Indeed, four out of ten international tourists are Africans. Tourism is a sector especially interesting to study because it reflects the stakes of our continent: the weight of Africans in international tourism in Africa underlines the emergence of an African middle class, while the obstacles to its development are the same as for the economy in general: lack of infrastructure, energy deficit, hindrances to the movement of people...

Africa has such an untapped potential. Indeed, these figures must be put into perspective as tourism accounts about 10% of GDP elsewhere in the world. If the total number of tourists is reported to the continent’s population (about 1.2 billion), the figure of 57.8 million tourists is low. Let us recall that a country like France welcomes more tourists (about 83 million) than it has inhabitants (about 66 million) ...

However, like other sectors of the African economy, tourism in Africa could benefit from the digital revolution. A new generation of entrepreneurs wants to show another side of Africa, more authentic, by showing other things than the classics of African tourism. Three innovative projects (Tastemakers Africa, Hip Africa, Visit Africa) led by diaspora entrepreneurs participate to the change of the image of the continent. The use of social networks is a powerful marketing tool for these websites, notably with Instagram.

NEPAD Agency also addressed this issue through the NEPAD Tourism Action Plan (TAP) on the recommendation of the African Conference of Tourism Ministers. The TAP will serve as a roadmap for sustainable tourism for the African continent. The plan focuses on six key points: the political and legislative environment of tourism; its institutional capacity; tourism marketing; R & D; investment in infrastructure and tourism products; human resources and quality control. NEPAD Agency considers tourism as a powerful tool for both regional integration and socio-economic development that supports poverty reduction.

I spoke on this theme of improving the engine of growth in Africa through sustainable tourism during a round table that we organised on September 21 at the 72nd session of the United Nations General Assembly (UNGA). According to me, tourism is a real opportunity as it can be used for transformative and inclusive growth, in particular by facilitating the inclusion of vulnerable communities and by participating in the preservation of our environment.

## Upcoming Events

- 16 - 20 Oct 2017:** *Africa Week, New York, USA*
- 30 Oct - 1 Nov 2017:** *Continental Dialogue on the Triad of Youth Skills Development, Education and Employment*
- 18 Nov 2017:** *Commemoration of the 8<sup>th</sup> Africa Day for Food and Nutrition Security with Continental Symposium on Food Systems, Abidjan, Ivory Coast*
- 27 - 29 Nov 2017:** *3<sup>rd</sup> Biennial Scientific Conference on Medical Products Regulation in Africa, Accra, Ghana*
- 28 - 30 Nov 2017:** *4<sup>th</sup> Global Science Conference on Climate Smart Agriculture, Johannesburg, South Africa*
- 27 - 29 Nov 2017:** *Third ICAO Aviation Forum (IWAF/3), Abuja, Nigeria*
- 5 - 7 Dec 2017:** *Women in Agribusiness Conference, Durban, South Africa*
- 10 - 14 Dec 2017:** *PIDA Week, Walvis Bay, Namibia*

For more events visit: [www.nepad.org/events](http://www.nepad.org/events)

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## Africa Week: 16 - 20 October 2017

# Africa Week

United Nations, New York, 16-20 October 2017

Integrated, prosperous, people-centred, peaceful

Towards the implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development

#AskNEPAD #TheAfricaWeWant

- Monday, 16 October 2017, (10:00am – 01:00pm):** High-Level Inaugural Event - Supporting an Integrated, Prosperous, People-Centred and Peaceful Africa: Towards the Implementation of Agenda 2063 and the 2030 Agenda for Sustainable Development
- Tuesday, 17 October 2017, (10:00am – 01:00pm):** High-Level Event - Financing Africa's infrastructure and agricultural development: inclusive growth for economic transformation
- Wednesday, 18 October 2017, (09:00am – 11:30am):** MoveAfrica - Role of development community and private sector investment for easy movement of humanitarian goods. To RSVP, send an email to Kisa Nkhoma: [Kisan@nepad.org](mailto:Kisan@nepad.org)
- Tuesday, 17 October 2017, (02:45pm – 05:30pm):** Building public health delivery systems that support Africa's industrialization, with two main themes, namely, "Transforming Africa's blossoming pharmaceutical Industry" and "Fighting Tuberculosis and other Occupational Lung Diseases in the Mining Industry"
- Wednesday, 18 October 2017, (03:00pm – 06:00pm):** Briefing by Africa's Regional Economic Communities to UN Member States and UN system entities - Regional and economic integration in Africa: how to effectively involve Africa's youth across national borders
- Thursday, 19 October 2017, (10:00am – 01:00pm):** High-Level Event - Addressing the climate change - migration nexus and its implications for peace and security in Africa
- Thursday, 19 October 2017, (03:00pm – 04:30pm):** Launch of NEPAD Agency publications - The Africa We Want: showcasing NEPAD publications to the media and presentation to the UN Library. Media are invited to attend this event for a briefing with Dr Ibrahim Mayaki, CEO of the NEPAD Agency. To RSVP, send an email to Mwanja Ng'anjo: [Mwanjan@nepad.org](mailto:Mwanjan@nepad.org)

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