

Study to assess the potential for enhanced private participation in the maritime and air transport sectors in Africa

*ICA Member's Meeting
Tunis, 22nd November, 2011*

*Presented by Alistair Wray
Senior Infrastructure Specialist, European Investment Bank (EIB)*

*Supported by Steer Davies Gleave
28-32 Upper Ground, London, SE1 9PD
Tel +44(0) 20 7910 5000
www.steerdaviesgleave.com*

Study to assess the potential for enhanced private participation in the maritime and air transport sectors in Africa

- **Objective:** identify targeted interventions to facilitate private participation in key ports and airports across the African continent
 - The study forms part of the activities foreseen under the ICA Transport Sector Platform
- **Deliverable:** report including a short list of 5-10 port or airport-related developments and other details including next steps towards advancing these to maturity
- **Measure of success:** around 3 projects are identified for further support and in the longer term perhaps two projects may benefit from new private sector participation

Tasks and duration

I **Tasks:**

- Extensive literature review
- Stakeholder engagement
- Development of criteria for assessing suitable projects for investment
- Assessment of investment climate in different countries
- Selection of long and short-list of projects

I **Duration:** 6 month contract from 8 November 2011

- Draft report due after 4 months: 8 March 2012
- Final report due within 6 months: 8 May 2012

I **Study workshop:** to be held in Tunis following submission of the draft report and organised by the ICA Secretariat.

The Study Team



ICA Secretariat c/o African Development Bank

- Ms Momoko Wada, Institutional/Financial Expert, Responsible for ICA Transport Sector Platform
- Mr Mohamed Hassan, Coordinator, ICA

European Investment Bank

- Mr Alistair Wray
- Ms Karine Measson
- Mr Stephen O'Driscoll

Appointed consultant: Steer Davies Gleave

- An independent transport consultancy with head offices in London
 - Peter Wiener (project manager, air transport expert)
 - Stephen Wainwright (project director, project finance expert)
 - Sheila Farrell (maritime expert)

Stakeholder engagement and literature review

Selected stakeholders (not exhaustive)

- Agency banks
 - World Bank
 - IFC
- Private banks
 - BNP Paribas
 - Standard Chartered Bank
- Regional associations
 - TRADE MARK East Africa
 - TRADE MARK Southern Africa
- Sponsors/users
 - APMT
 - Kenya Airways
 - Port authorities

Literature review

- Sources for literature review:
 - ICA Secretariat
 - ICA Members
 - Sourced by the study team
- Includes reports and presentations by:
 - Agency banks
 - Consultants
 - Academics
 - Government departments/organisations
 - Regional/operational experts
 - External docs and internal working documents included

Preliminary criteria for project assessment

- Political climate - political stability & government predictability
- Investment climate (history of success)
- Readiness for implementation
- Enabling implementation agencies / administrative capability
- Enabling legislation
- Institutional reform (credible and apolitical regulatory bodies) - regional regulatory frameworks
- Mechanism for recovering charges from users of the infrastructure
- Mechanism for enabling maintenance of infrastructure assets
- Maturity of current landlord/owner
- Greenfield vs brownfield (incl state of current infrastructure, if any)
- Current operational levels and growth rates
- Profitability and future opportunities

Next steps

- Inception report due 8 December 2011. It will include:
 - Full annotated bibliography, including any further requests for data
 - List of stakeholders to be approached and contact details
 - Question lists to be used in interviews with stakeholders
 - Selection criteria and project assessment framework
 - Impacts on the project from recent developments
 - Detailed methodology and work programme for remainder of the study