

Infrastructure Deficit In The West African Sub-region

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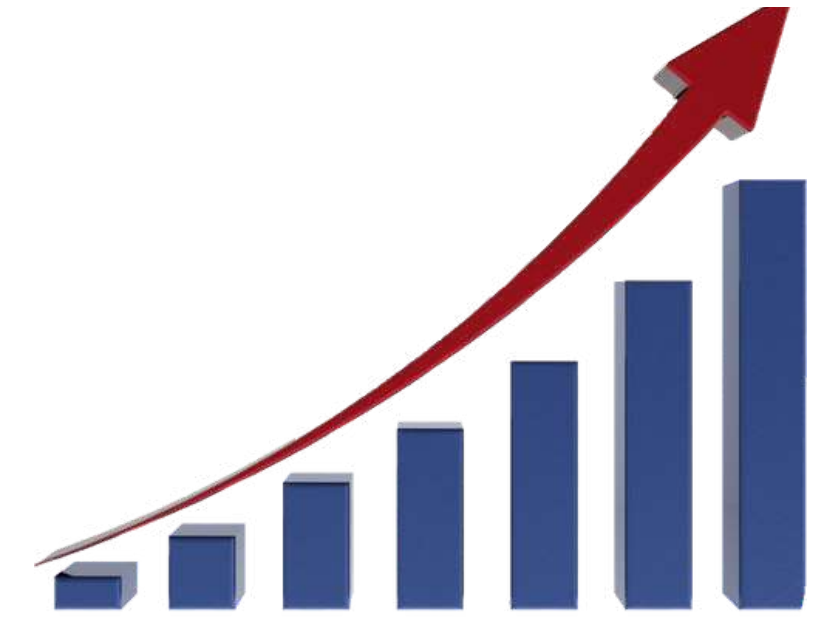
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Presentation Outline

- ✓ Introduction
- ✓ Need for Infrastructure in West African
- ✓ Status of West Africa Infrastructure Development
- ✓ Infrastructure Financing Needs
- ✓ Summary



Introduction



01

Infrastructure includes investments in physical structures, systems, and facilities.

02

These are key drivers for progress and a critical enabler for productivity and sustainable economic growth.

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For example, physical infrastructures covering transportation, power, and communication through their backward and forward linkages facilitate growth.

04

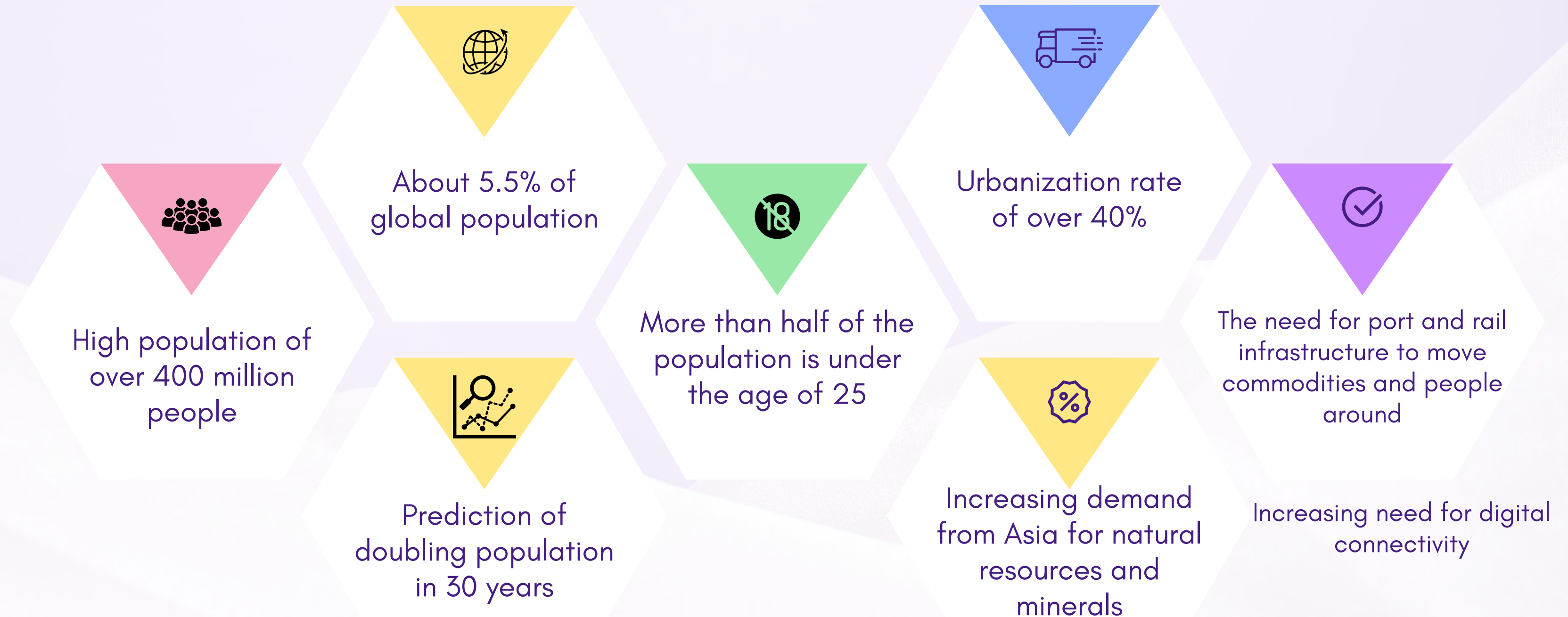
Social infrastructure, including water supply, sanitation, sewage disposal, education, and health, directly impact citizens' quality of life.

05

Therefore, infrastructure planning and investment are critical for realizing huge economic and developmental potentials in West Africa.

The Need For Infrastructure in West Africa

The huge demographic and trade shifts require a robust infrastructure development, necessitated by:



Africa Infrastructure Development Index (AIDI), 2022 - Average

	Africa Infrastructure Development Index (AIDI) index	I. Transport Composite Index	II. Electricity Composite Index	III. ICT Composite Index	IV. Water & Sanitation Composite Index
Central Africa	17.71	4.28	6.72	11.94	57.14
East Africa	23.54	9.56	8.89	15.90	65.29
North Africa	65.61	23.19	35.47	30.99	92.78
Southern Africa	33.54	12.81	17.49	19.87	70.76
West Africa	22.56	7.27	3.84	16.84	66.80
<i>Africa Average</i>	<i>29.39</i>	<i>10.43</i>	<i>11.98</i>	<i>18.22</i>	<i>68.95</i>



Access to Electricity (% of population)

Country/Group	Performance
Cabo Verde	95.52
Ghana	86.30
Cote d'Ivoire	71.14
Senegal	67.98
Gambia, The	63.70
Nigeria	59.50
Togo	55.74
Mali	53.38
Mauritania	47.70
Guinea	46.81
Benin	41.97
Guinea-Bissau	35.76
Liberia	29.85
Sierra Leone	27.49
Burkina Faso	18.95
Niger	18.60

Country/Group	Performance
Euro area	100.00
North America	100.00
OECD members	100.00
South Asia	98.77
Latin America & Caribbean	98.26
East Asia & Pacific	98.16
Middle East & North Africa	97.29
World	91.41
Africa Western and Central	54.22
Sub-Saharan Africa	50.58
Africa Eastern and Southern	48.10



Air Transport, Freight (million ton-km)

Country/Group	Performance
World	219,227.33
OECD members	130,953.84
East Asia & Pacific	65,329.56
North America	49,244.65
Middle East & North Africa	34,622.19
Euro area	33,883.82
Latin America & Caribbean	5,783.08
Sub-Saharan Africa	4,294.64
Africa Eastern and Southern	4,266.48
South Asia	1,511.18
Africa Western and Central	28.16

Country/Group	Performance
Togo	18.54
Cote d'Ivoire	4.05
Senegal	4.05
Nigeria	5.51
Niger	0.76
Burkina Faso	0.12
Cape Verde	0.02



Air Transport (Passengers Carried)

Country/Group	Performance
Nigeria	4.49
Togo	0.67
Cote d'Ivoire	0.57
Ghana	0.56
Senegal	0.36
Mauritania	0.21
Burkina Faso	0.11
Cabo Verde	0.08
Niger	0.02

Country/Group	Performance
World	2,279.97
OECD members	1,302.10
North America	691.10
East Asia & Pacific	632.63
Euro area	251.69
Latin America & Caribbean	187.70
Middle East & North Africa	116.03
South Asia	96.66
Sub-Saharan Africa	31.48
Africa Eastern and Southern	24.06
Africa Western and Central	7.43



Air Fixed Broadband Subscription (Per 100 People)

Country/Group	Performance
Cape Verde	5.75
Senegal	1.43
Cote d'Ivoire	1.35
Togo	1.10
Mali	0.79
Ghana	0.62
Mauritania	0.29
Liberia	0.25
Gambia, The	0.19
Guinea-Bissau	0.16
Benin	0.16
Burkina Faso	0.07
Niger	0.05
Nigeria	0.04
Guinea	0.01
Sierra Leone	0.00

Country/Group	Performance
Euro Area	41.05
North America	38.14
OECD Members	34.88
East Asia & Pacific	31.76
World	18.43
Latin America & Caribbean	18.09
Middle East & North Africa	14.67
Sourth Asia	2.75
Africa Eastern and Southern	0.85
Sub-Saharan Africa	0.72
Africa Western and Central	0.49



Individuals Using the Internet (% of Population)

Country/Group	Performance
Cape Verde	69.76
Ghana	68.20
Mauritania	58.76
Senegal	58.05
Nigeria	55.36
Cote d'Ivoire	35.48
Guinea-Bissau	35.15
Togo	34.98
Guinea	34.68
Mali	34.49
Benin	33.97
Liberia	33.63
Gambia, The	32.96
Niger	22.39
Burkina Faso	21.58

Country/Group	Performance
North America	91.86
Euro Area	89.30
OECD Members	87.39
Middle East & North Africa	77.37
Latin America & Caribbean	76.16
East Asia & Pacific	76.14
World	63.07
Africa Western and Central	46.99
South Asia	42.59
Sub-Saharan Africa	35.86
Africa Eastern and Southern	27.66



Logistics performance index:

Quality of trade and transport-related infrastructure
(1=low to 5=high)

Country/Group	Performance
Benin	2.50
Ghana	2.40
Guinea	2.40
Guinea-Bissau	2.40
Liberia	2.40
Nigeria	2.40
Burkina Faso	2.30
Gambia, The	2.30
Togo	2.30
Mali	2.00
Mauritania	2.00

Country/Group	Performance
North America	4.10
Euro Area	3.69
OECD Members	3.68
EAsT Asia & Pacific	3.32
Middle East & North Africa	2.94
World	2.92
latin America & Carriibbean	2.55
Africa Eastern and Southern	2.52
Sub-Saharan Africa	2.39
South Asia	2.36
Africa Western and Central	2.29

Infrastructure Financing Needs

The huge demographic and trade shifts require a robust infrastructure development, necessitated by:

- High population of over 400 million people
- About 5.5% of global population
- Prediction of doubling population in 30 years
- More than half of the population is under the age of 25
- Urbanization rate of over 40%
- Increasing demand from Asia for natural resources and minerals
- The need for port and rail infrastructure to move commodities and people around
- Increasing need for digital connectivity



Infrastructure Financing Needs Contd

- Traditionally, most of the countries have relied on their annual budgets to finance infrastructure needs
- Many also relied on international development assistance and loans from multilateral financial institutions
- But these are now constrained by limited domestic resources and high levels of debt, amongst others.
- It is projected that infrastructure development in West Africa will require an investment of around US\$180 billion annually by 2025
- To bridge the financing gap, African governments have increasingly turned to alternative sources of funding.
- Public-private partnerships (PPPs) have gained popularity, allowing private investors to finance and manage infrastructure projects in energy, transport, and water sectors.



Infrastructure Financing Needs (Cont'd)

- China is now helping many of the countries to close their infrastructure gap
- China's investments in Africa have grown at an average annual rate of 10 percent
- According to the Center for Global Development, between 2007 and 2020 Chinese development banks provided \$23 billion for African infrastructure, compared with \$9.1 billion from all other development banks.
- The China's Belt and Road initiative is set to finance ports, roads, rail and other infrastructure in the regions of Africa
- Likewise, the AfDB is investing \$11.5 billion in implementing an infrastructure project in West Africa
- There are many other private funds and capital that are now investing in the sub-region's infrastructure



Summary

- West African countries have huge infrastructure deficit that need to be met for them to realise their potential, and financing is critical
- Gladly, there are many institutions, both local and global, with the adequate resources to help close this deficit.
- We can attract such funding through the capital market, by creating new asset classes and portfolio diversification.
- To further ensure success, we need to remove constraints such as:
 - limited pipeline of deals or selection of low-impact projects;
 - weak feasibility studies and business plans;
 - delays in obtaining licenses, approvals, and permits;
 - inability to agree on risk allocations;
 - inability to secure offtake agreements and guarantees; and
 - poor program delivery
- The region needs infrastructure and with adequate planning and financing, this can be achieved.

Thank You

For Listening