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World Bank Group - Australian Government Expert
Roundtable
Shared Mining Infrastructure: Too Good to Be True?



Resource Corridors

Delivering infrastructure for Africa

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Context



- Infrastructure bottlenecks significantly constrain economic and social development across Africa
- Development potential on catalytic investments and **not** (yet) domestic consumption-led growth
- Post-structural adjustment Africa has weak regional/ local government institutions – yet has a desperate need for fixed asset formation
- Accelerated development depends on the public sector securing development benefits beyond individual projects

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Is mining helping?



- Mining exacerbates the massive need for infrastructure in Africa, **but** hasn't yet helped bridge the equally massive investment gap
- Mining activity reinforces urbanisation, population concentration and thus infrastructure needs
- Quality urbanisation: key for successful poverty reduction



Solwezi

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The population timebomb

Resource corridors – the rationale

Anchor mineral projects or clusters
Underpin the financing of.....

Trunk infrastructure (rail/road, power, gas, water, ports) which opens up the....

Development of economic potential in other high impact sectors (eg agriculture, agri-processing)

Courtesy of Paul Jourdan

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Identifying related up- & downstream investment opportunities – project deepening

Identifying related upstream infrastructure investment opportunities – project deepening

“Densification” of the corridor through feeder infrastructure to service high development impact collateral investment potentials

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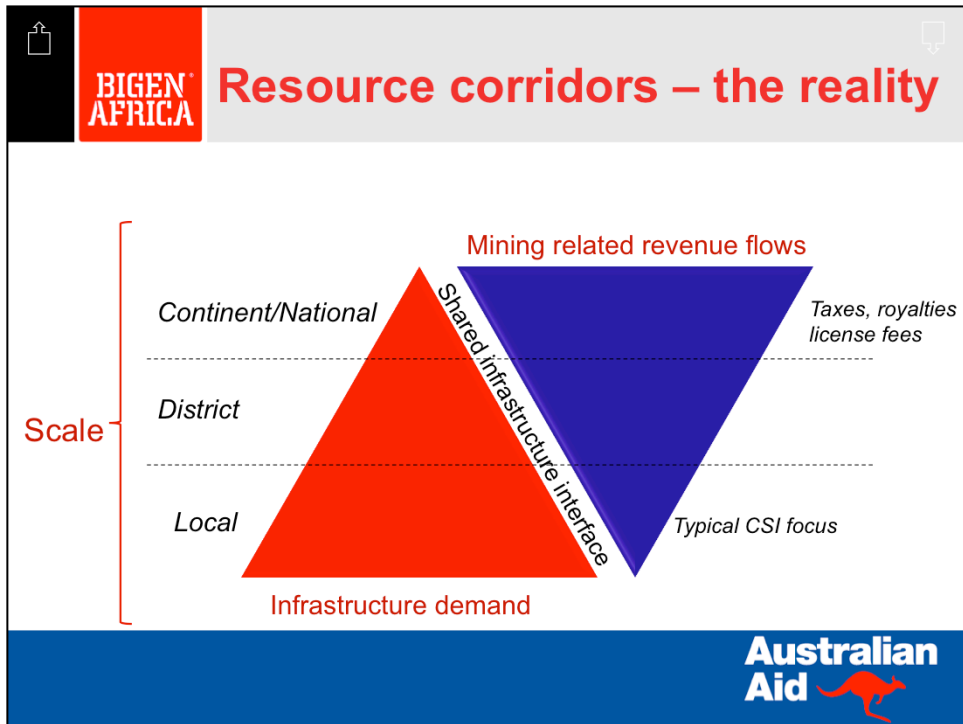
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“Densification” of the corridor through feeder infrastructure to service high development impact collateral investment potentials

Problem: Cross-sectoral and Multi-state coordination!

Courtesy of Paul Jourdan



The greatest demand is actually where the least opportunity for finance



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Trunk infrastructure projects



No lack of
development
finance

*Yet a lack of
bankable
projects*



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The key problem is lack of public sector capacity to design, prepare, implement and monitor effective projects

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Not technical skills which can be hired in – not just PPP, but for resource corridors, more importantly, public to public



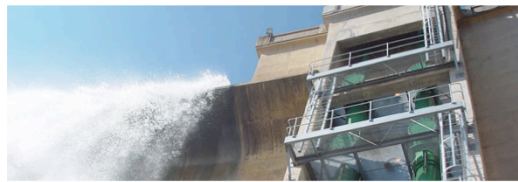
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Not just trunk infrastructure!



- African Mining Vision:
 - While large scale economic infrastructure (ports, rail, energy, ICT) critical
 - Community level networked infrastructure is also needed

*Safe water, sanitation,
transport, electricity
distribution and
housing!*



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Without community level infrastructure, the resource corridors won't address community needs and Africa risks major public health and community safety disasters. Population timebomb



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Australian Aid's PPP with Bigen Africa

To build institutional capacity in public infrastructure authorities so they could unlock development finance for identified infrastructure projects



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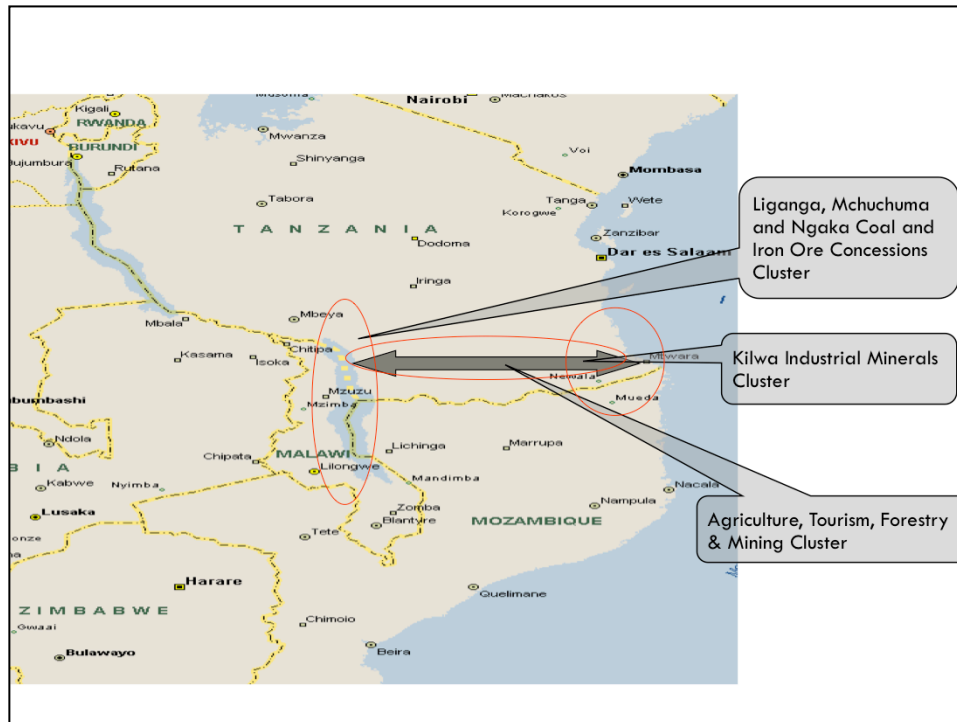
Australian Aid's PPP with Bigen Africa

Action Learning Process


- Learner-centred approach to provide participants with the competencies to prepare a (public-led) bankable feasibility study.
- Involved structured learning experiences, secondments and activities to meet individual needs.
- Establish peer-to-peer network to support continuing learning

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25 Participants from 6 countries: Ghana, Namibia, Zambia, Kenya, South Africa and Tanzania.




Example project: Tanzania Mtwara corridor - green fields/major expansion port facility south coast. expansion of the current freight handling facilities - corridor runs 850 km west from the port of Mtwara to Mbamba Bay on Lake Malawi. Depends on extensive road linkages and connection to the TAZARA leg of the Central Corridor to Zambia. Urbanisation likely to concentrate along lake shore and at Mtwara itself. What will happen if urban infrastructure gets ignored/externalised by the mines?

 **BIGEN AFRICA** **Action learning project results** 

- Informed project definition – a critical stumbling block
- Identified need to create an integrated institutional project structure to ensure optimised outcomes in raising resources
- Recognised the need to supplement government funding
- Adjusted the consultant's brief for conducting a feasibility study for the gas sector in the Mtwara Corridor



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PUP issue – NDC in Tanzania making decisions on demand for infrastructure without checking with Ministry of Energy and Minerals about projected mining developments which will be key users of infrastructure.



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Australian Aid's PPP with Bigen Africa



Findings



- Action learning is an effective way to build capacity in targeted public sector agencies – we want to take this to scale
- Colleagues of participants also learn
- Critical mass of engagement is important

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Interested in being involved? Love to hear from you



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Lessons



- Resource corridors need more than money – without capacity to design and structure sound PPP and PUP arrangements, they won't happen
- Don't neglect community level networked infrastructure - don't ignore the population timebomb



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Thank you



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