

# Diagnostic Study and Project Development/Investment Pipeline for Urban Transport in Sub-Saharan Africa

Joint Africa-EU Strategy Reference  
Group Meeting on Infrastructure

***“Managing urban areas has become  
one of the most important  
developmental challenges of the 21<sup>st</sup>  
century.”***

*- John Wilmoth, Director of Population Division, United Nations*

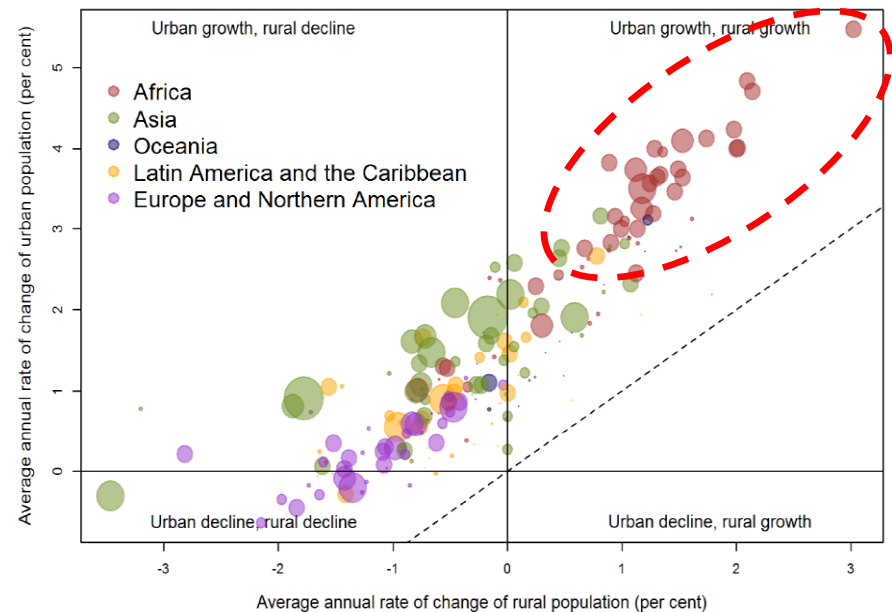


# Project Overview

# Introduction

## *Africa is rapidly transforming into a predominantly urban continent, driving economic growth*

- Africa's urban population is set to grow from 40% to over 56% by 2050, the fastest rate of increase globally
- Several cities will increase in size by close to double over the space of three decades
- Properly harnessed, such urban proliferation can drive significant and inclusive economic growth in cities, countries, and regions



Source: UN Population Division: World Urbanisation Prospects 2014



# What's the Issue?

***African cities are facing critical challenges supporting rapid population increase and preparing for sustainable and inclusive development***

- Improved urban accessibility is one of the most important contributing factors to sustainable and inclusive urban development
  - Major economic, social, and environmental benefits
- Must be a key consideration for policy and decision-makers, but most African cities are ill-equipped to provide adequate accessibility opportunities to current and future populations

**“Cities are faced with poor urban planning, inefficient basic service delivery, poor infrastructure provision, inadequate transport services, unregulated traffic, increasing congestion and pollution, and inadequate technical, institutional and financial capacities”**

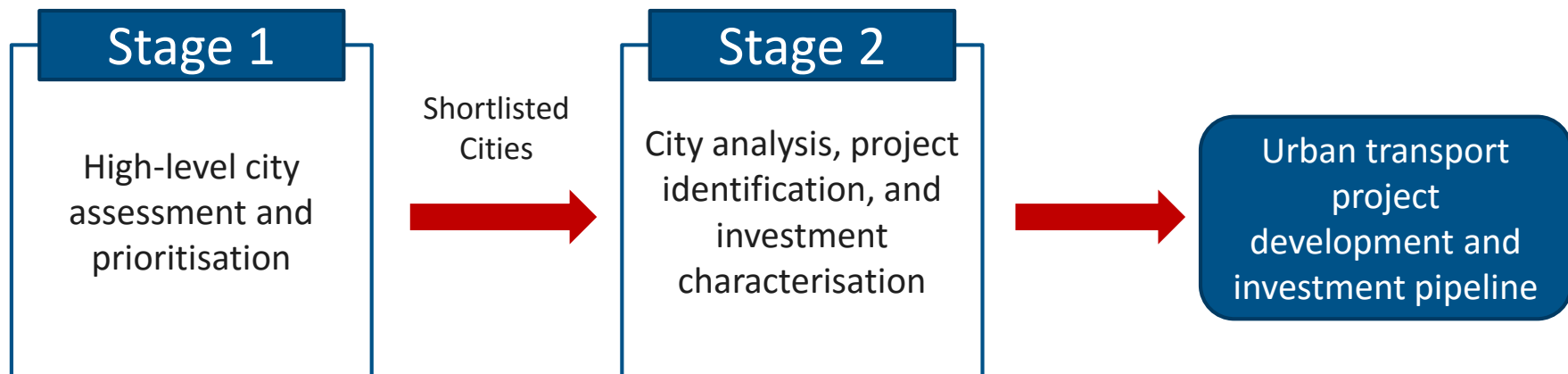
*- SSATP “Policies for Sustainable Accessibility and Mobility in Urban Areas of Africa”*



# An Opportunity?

***Are there opportunities to support and assist cities in overcoming these urban accessibility challenges?***

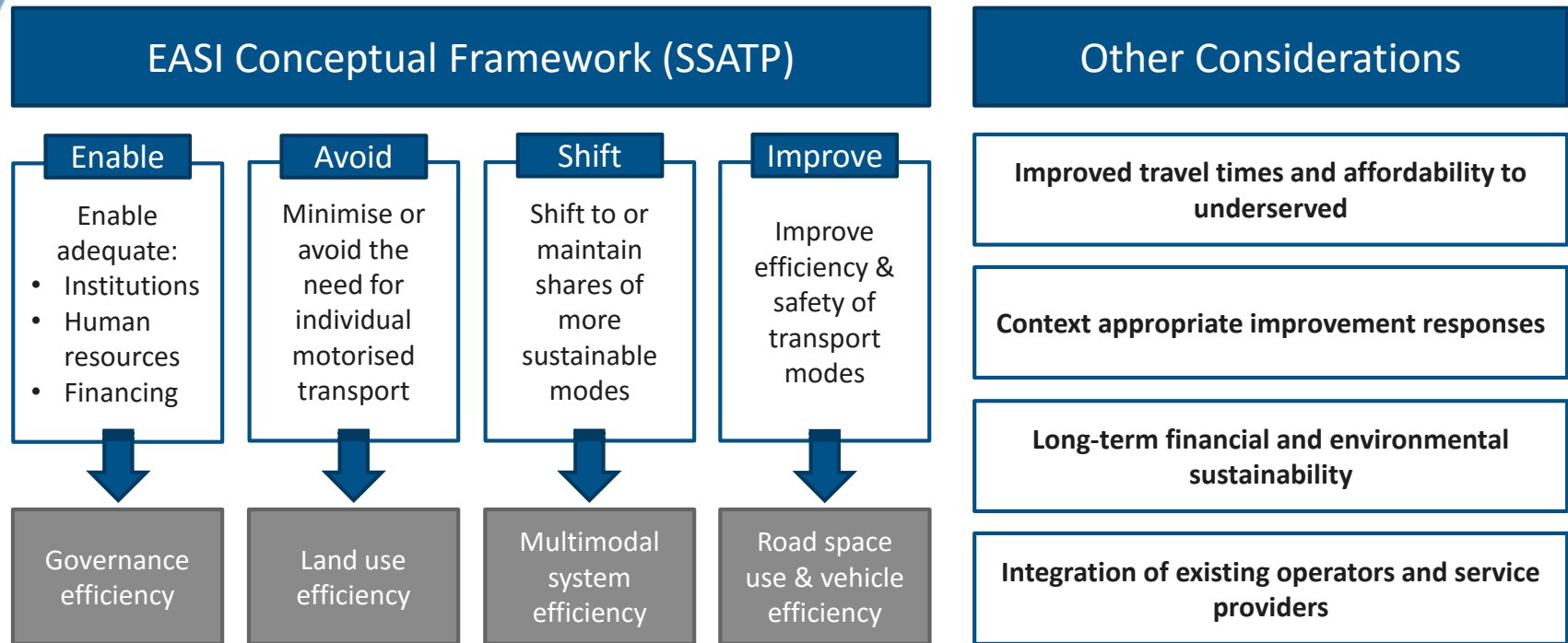
- This study is a diagnosis and assessment of a number of the fastest growing cities in Africa
- The objective is the identification of opportunities for investment and support in improving sustainable urban transport and mobility



# Stage One

# Stage 1 – Considerations

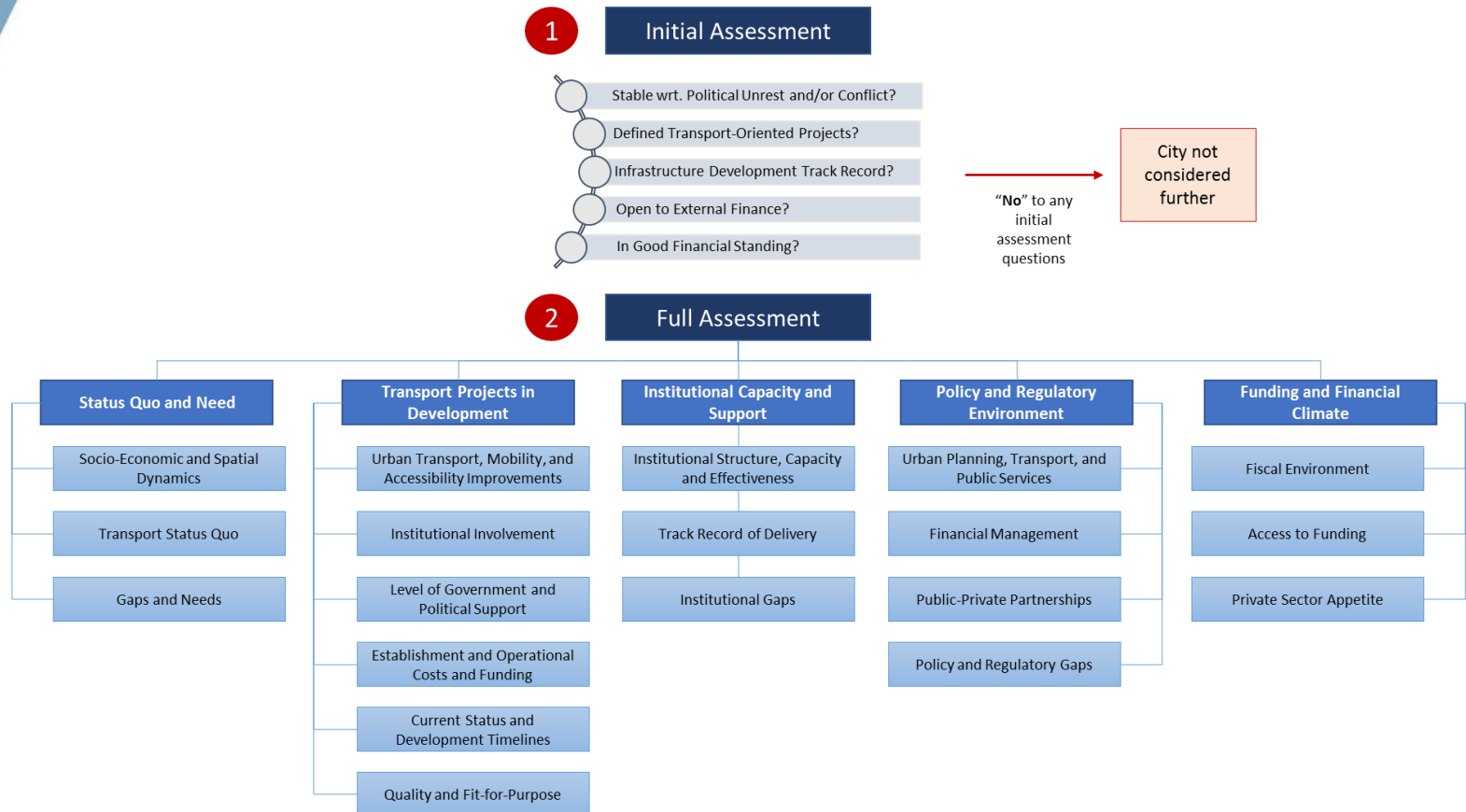
*City evaluation was partially informed by critical considerations around urban accessibility improvement*





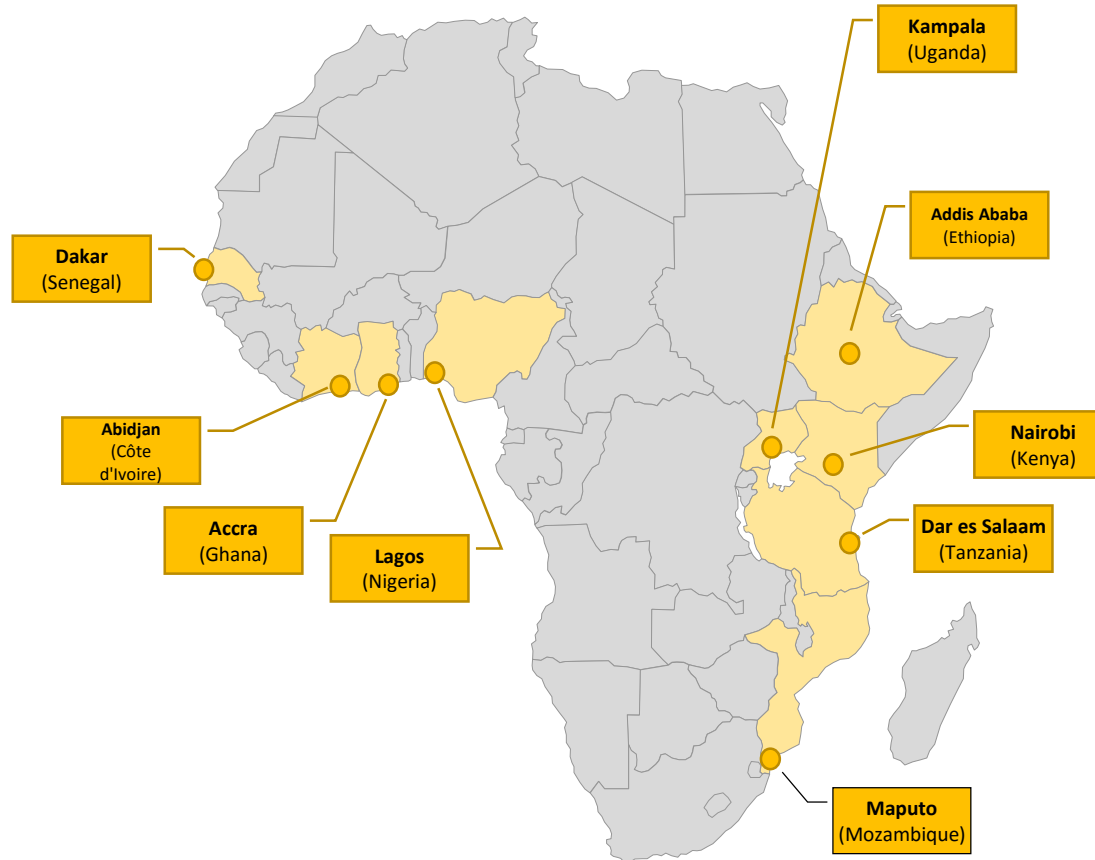
# Stage 1 – Considerations

*City evaluation was conducted utilising a comprehensive framework*



# Stage 1 – The Outcomes

*Cities shortlisted for Stage 2, based on relative need and level of preparedness to implement sustainable, high-impact urban transport projects*



# Stage Two

# Stage 2 – Opportunity Scoping

***Subjecting the prioritised cities to a more in-depth review, characterising viable financing and investment opportunities***

Site visits and field surveys in each of the cities are testing and refining the technical, financial, institutional, legal, organisational, and regulatory description around potential projects

## Key Stage 2 Questions

What does project look like, and how does it address the need?

What is the required enabling environment for the project?

What is the project cost, and how can it be funded?

What steps are required for preparation to bankability?



## Stage 2 - City Overviews

***The cities share many common traits which create significant urban mobility challenges***

- Significant urbanisation and population growth, with most doubling in size over next 15 years
  - Unstructured urban sprawl
  - Substantial congestion - intra-urban commutes taking up to 5 hours
- A majority of motorised transport provided by a large number of informal, private paratransit operators
- In all except Accra, close to half of all commutes are non-motorised, predominantly walking
- Inadequate and aging infrastructure, antiquated and inefficient, vehicles, and limited enforcement and management capacity



# Stage 2 - City Overviews

## *Smog*





## Stage 2 - City Overviews

*Congestion and informal operators*





## Stage 2 - City Overviews

*Aging and inadequate infrastructure*





## Stage 2 - City Overviews



*Poor NMT Facilitation*



# Dakar

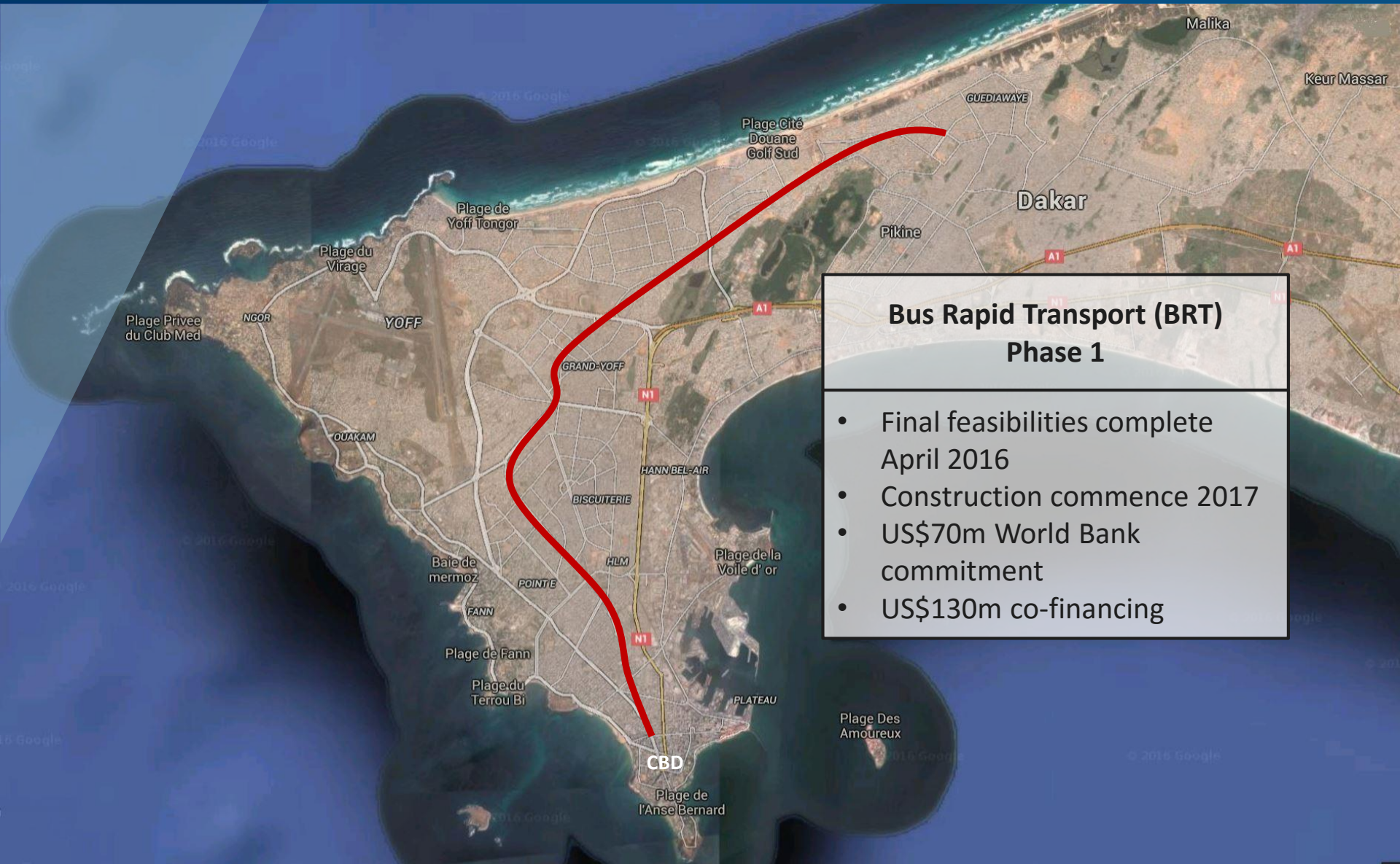


# Dakar (Senegal) - Opportunities





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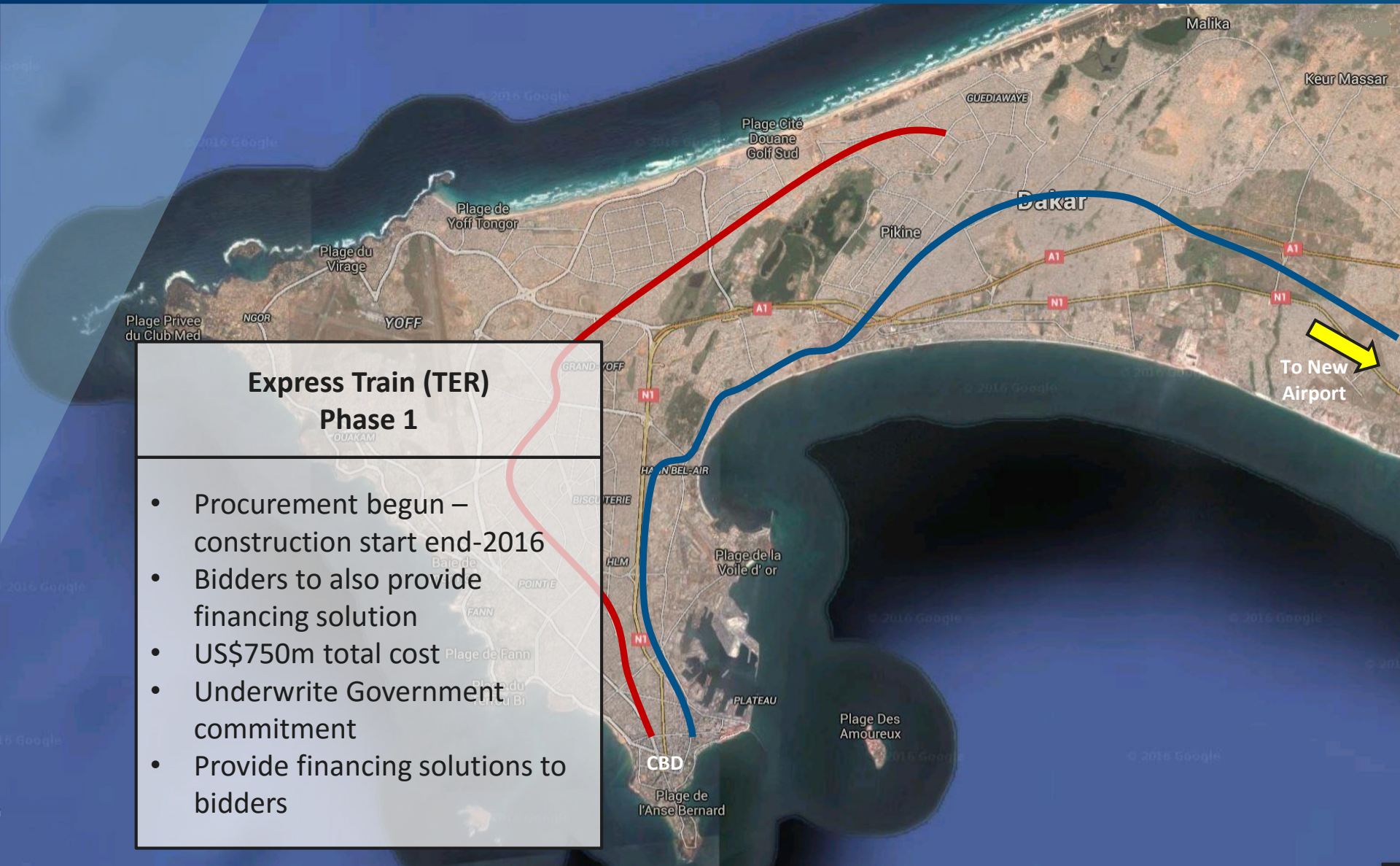
## Bus Rapid Transport (BRT) Phase 1

- Final feasibilities complete April 2016
- Construction commence 2017
- US\$70m World Bank commitment
- US\$130m co-financing





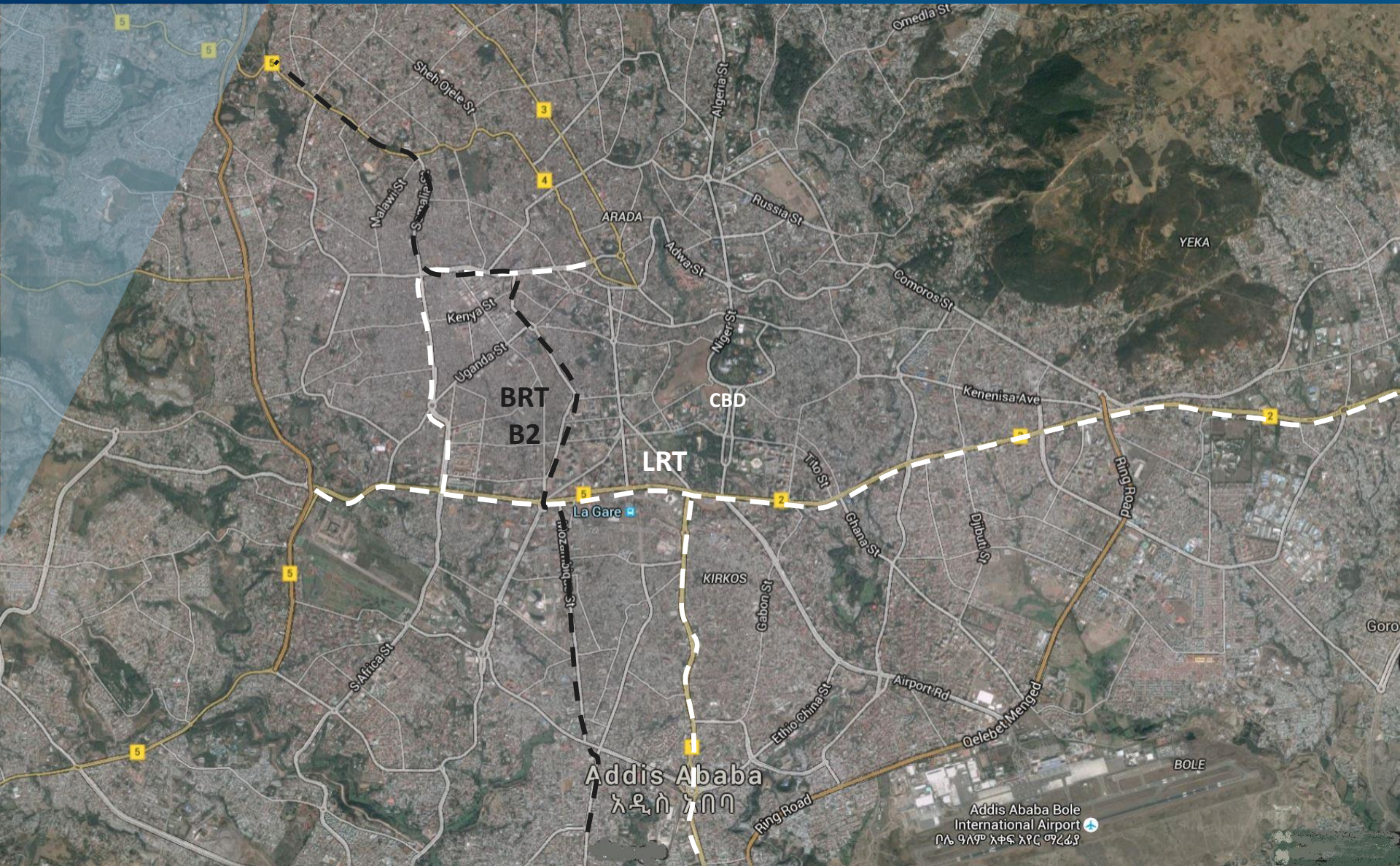
# Dakar (Senegal) - Opportunities



# Addis Ababa



# Addis Ababa (Ethiopia) - Opportunities

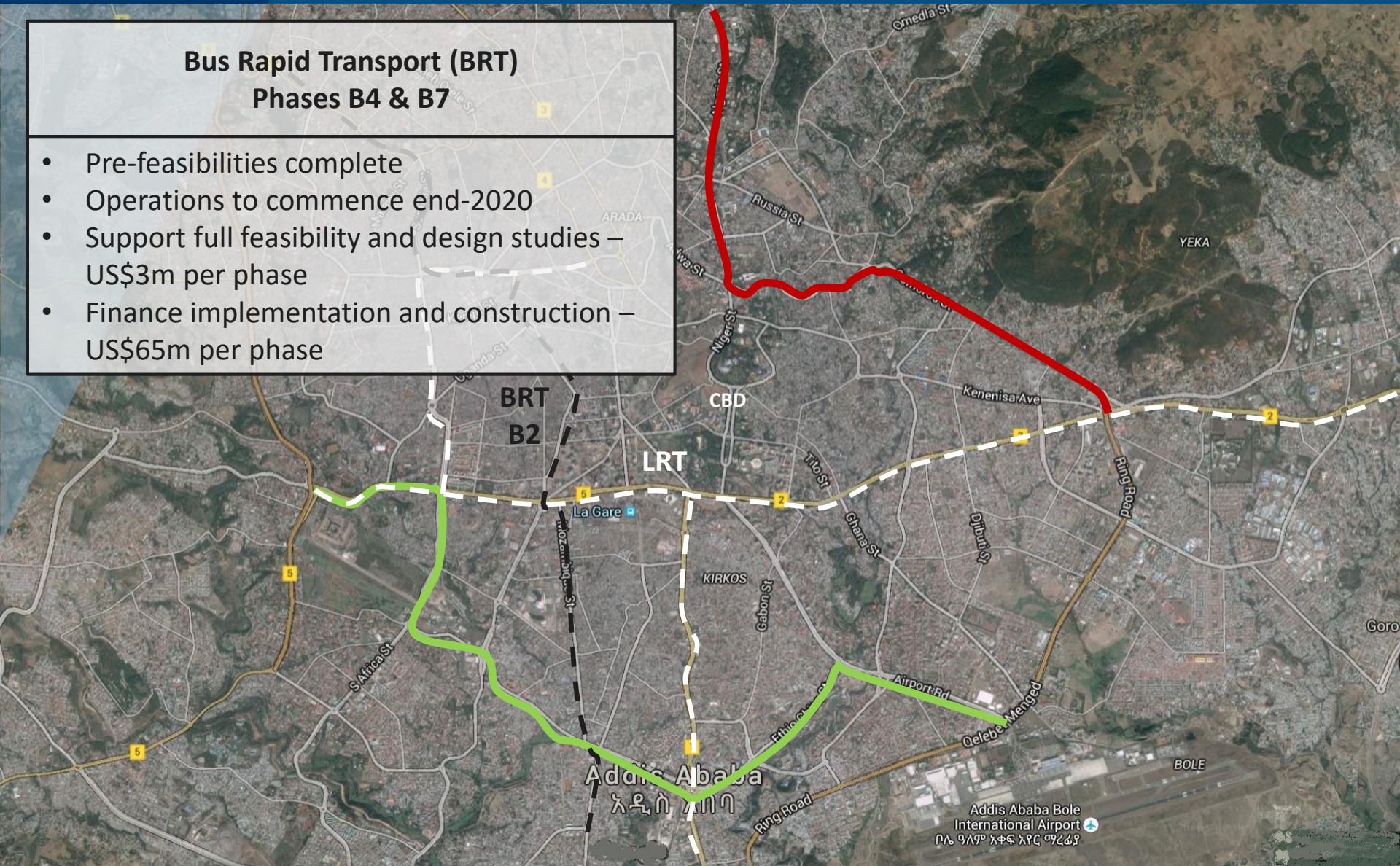




# Addis Ababa (Ethiopia) - Opportunities

## Bus Rapid Transport (BRT) Phases B4 & B7

- Pre-feasibilities complete
- Operations to commence end-2020
- Support full feasibility and design studies – US\$3m per phase
- Finance implementation and construction – US\$65m per phase

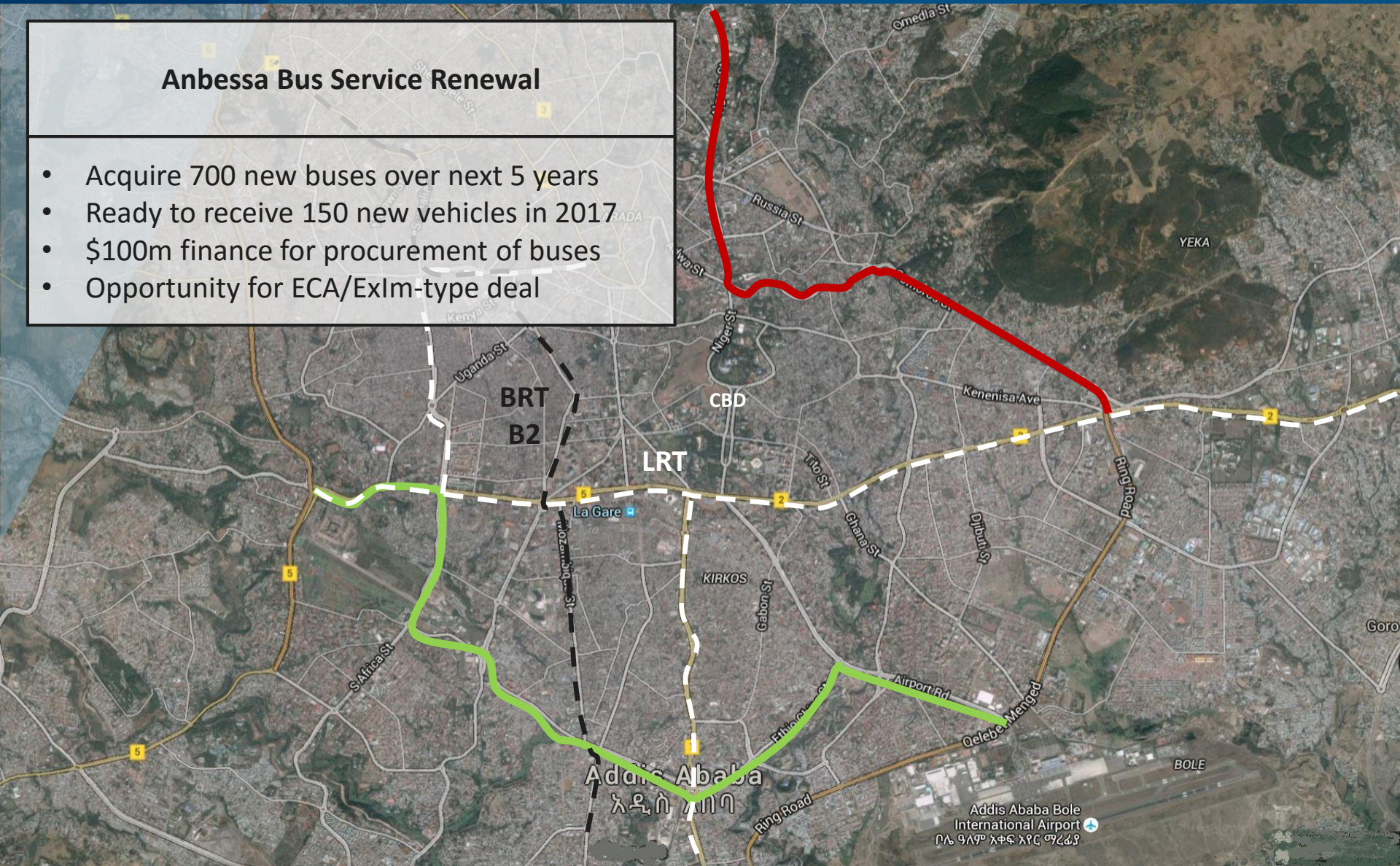




# Addis Ababa (Ethiopia) - Opportunities

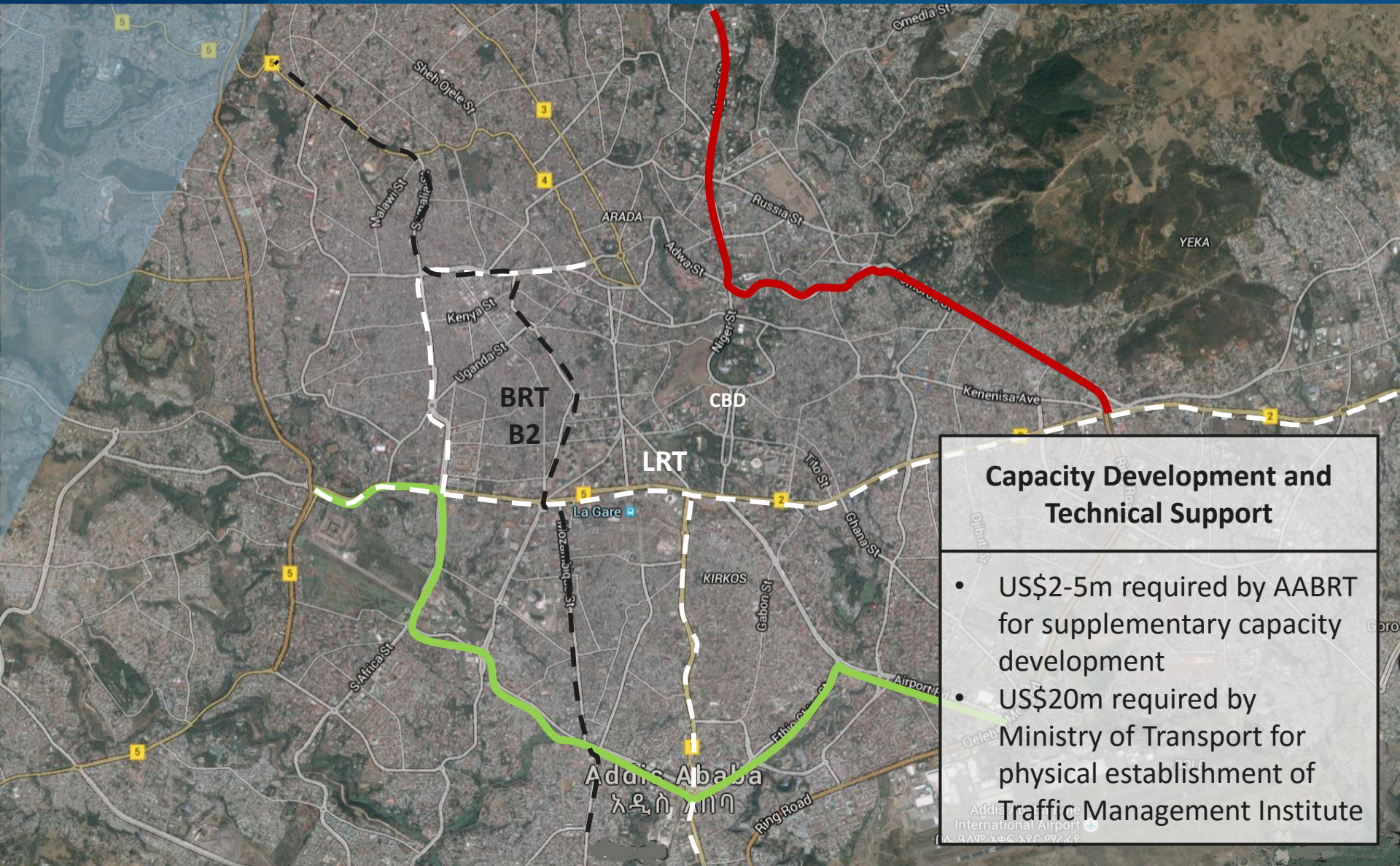
## Anbessa Bus Service Renewal

- Acquire 700 new buses over next 5 years
- Ready to receive 150 new vehicles in 2017
- \$100m finance for procurement of buses
- Opportunity for ECA/ExIm-type deal





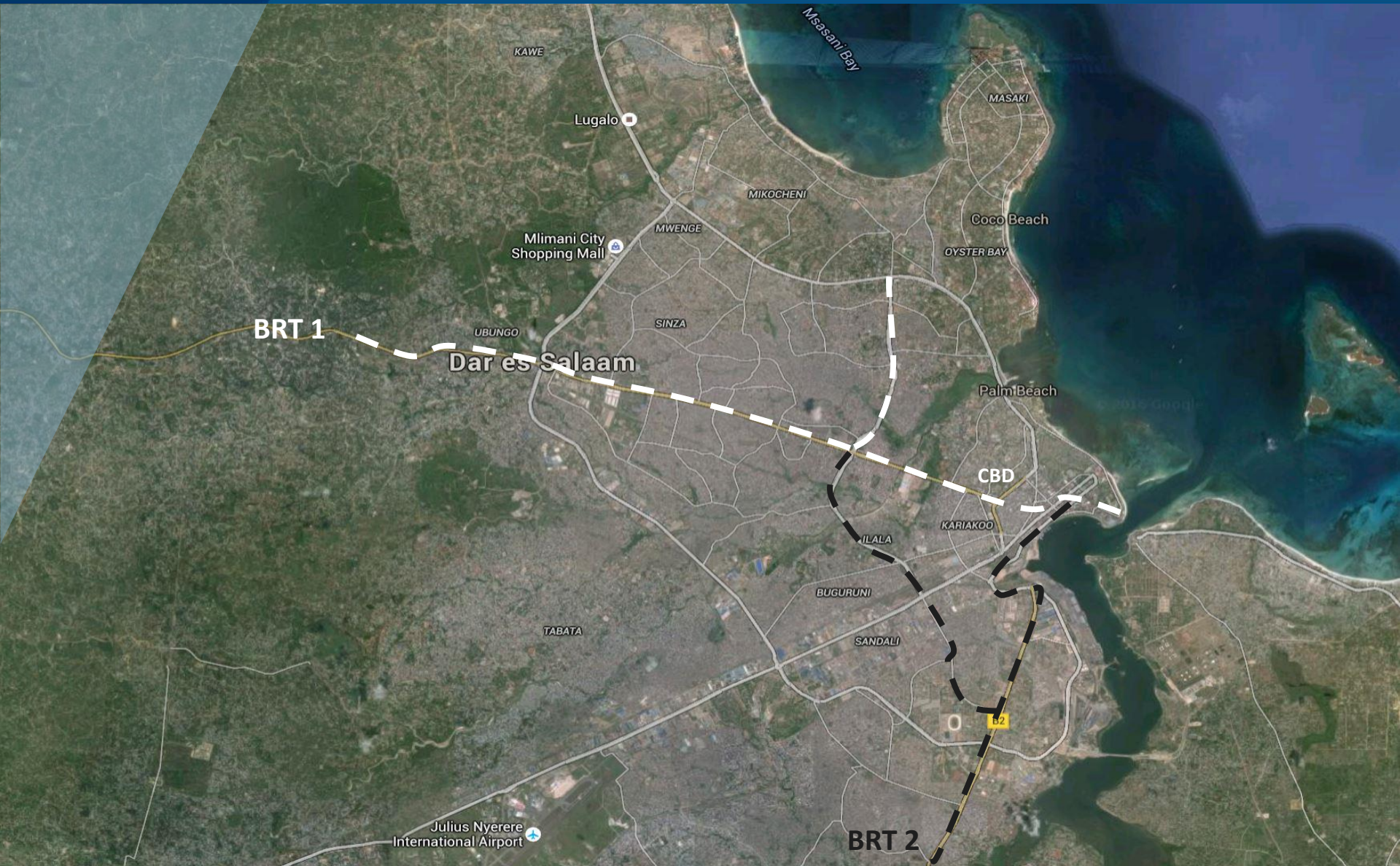
# Addis Ababa (Ethiopia) - Opportunities



# Dar es Salaam

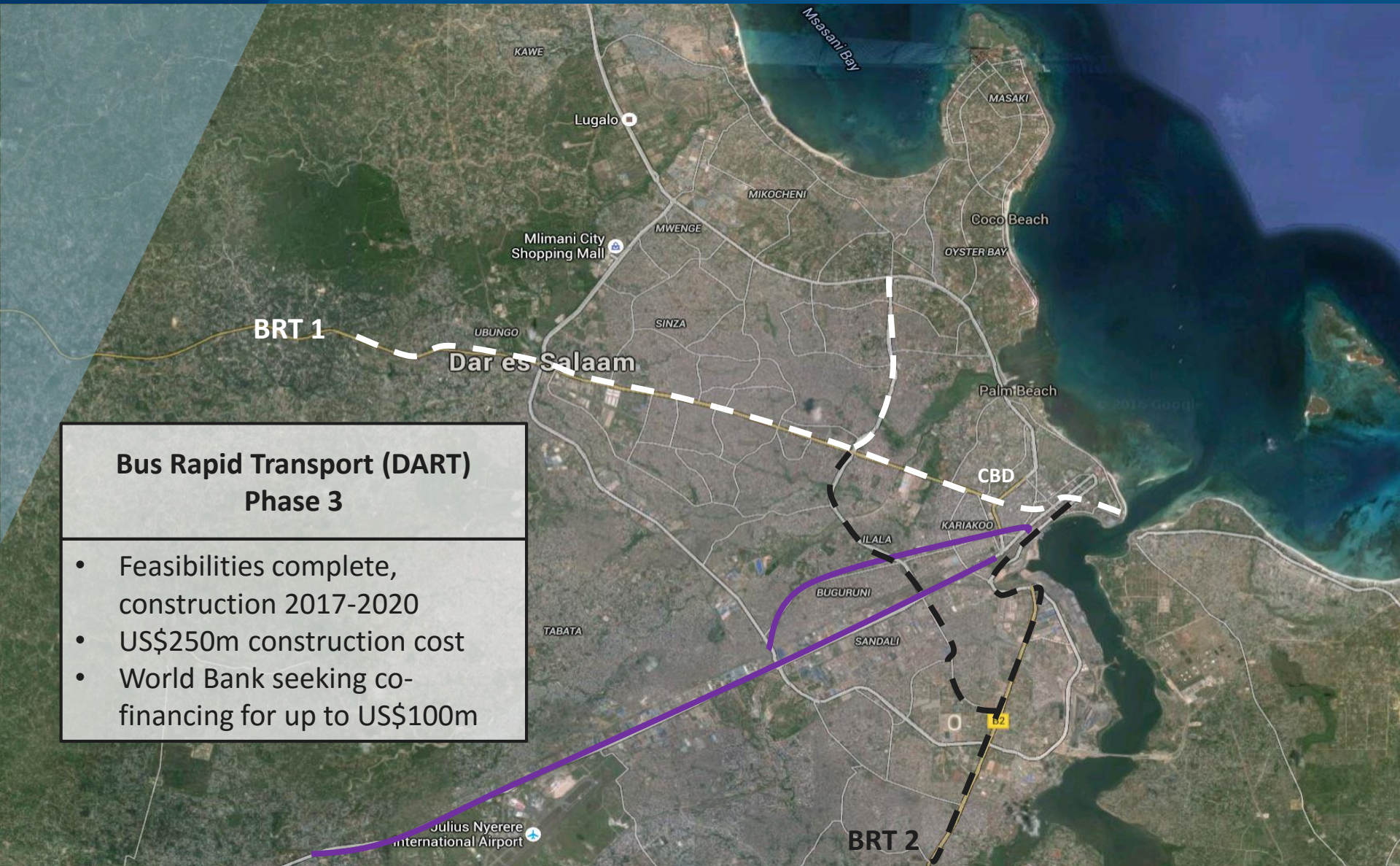


# Dar es Salaam (Tanzania) - Opportunities



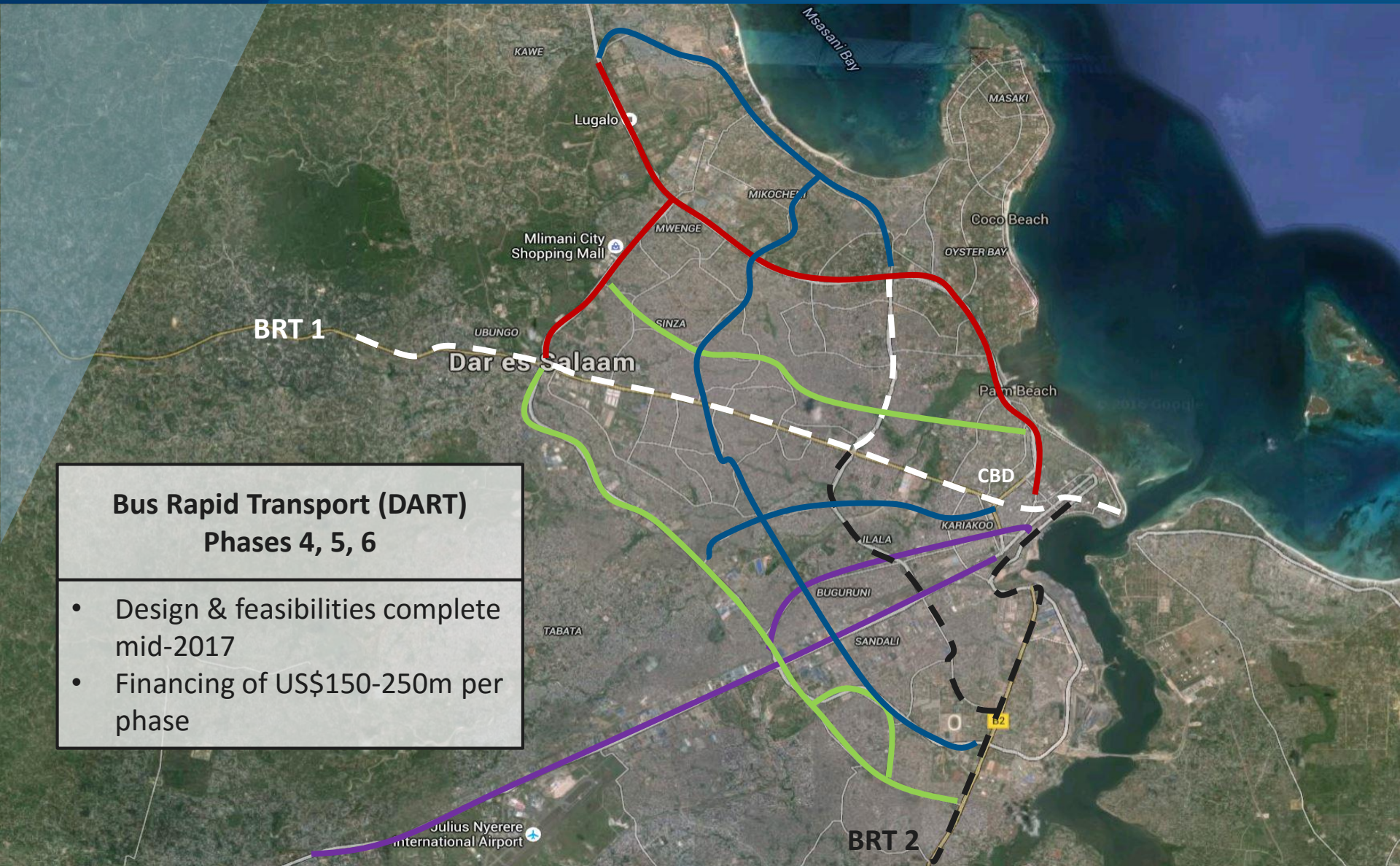


# Dar es Salaam (Tanzania) - Opportunities



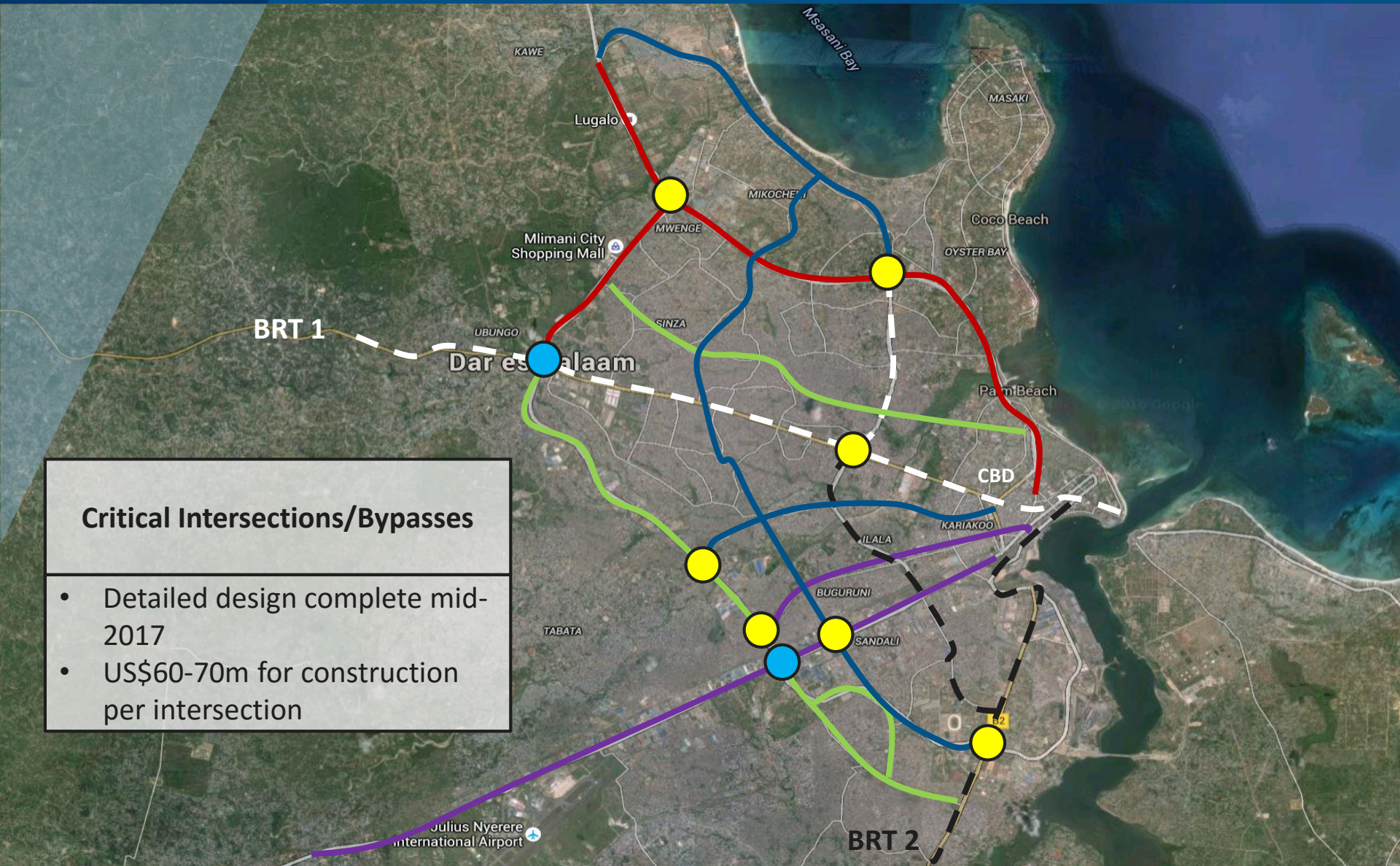


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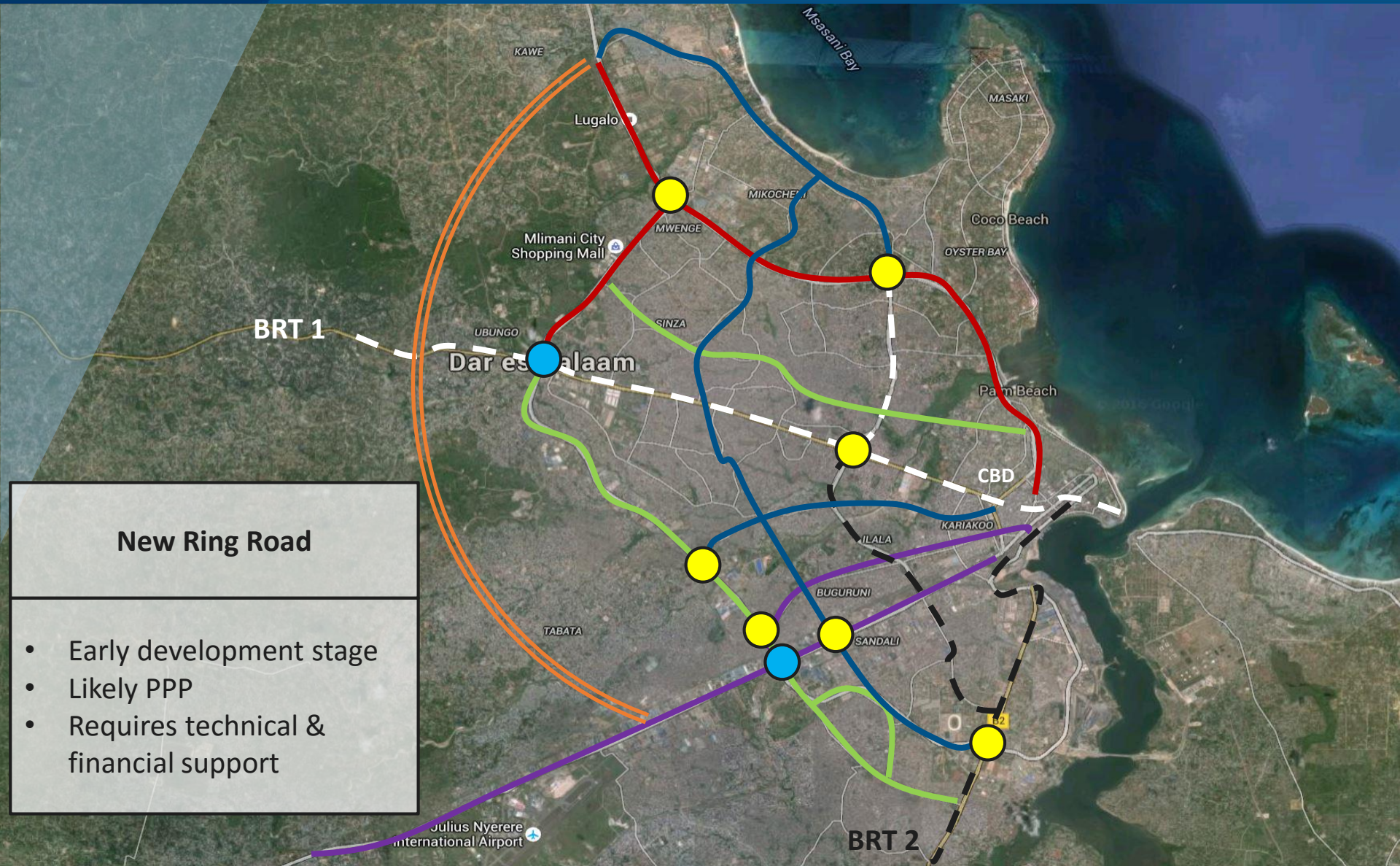


# Dar es Salaam (Tanzania) - Opportunities



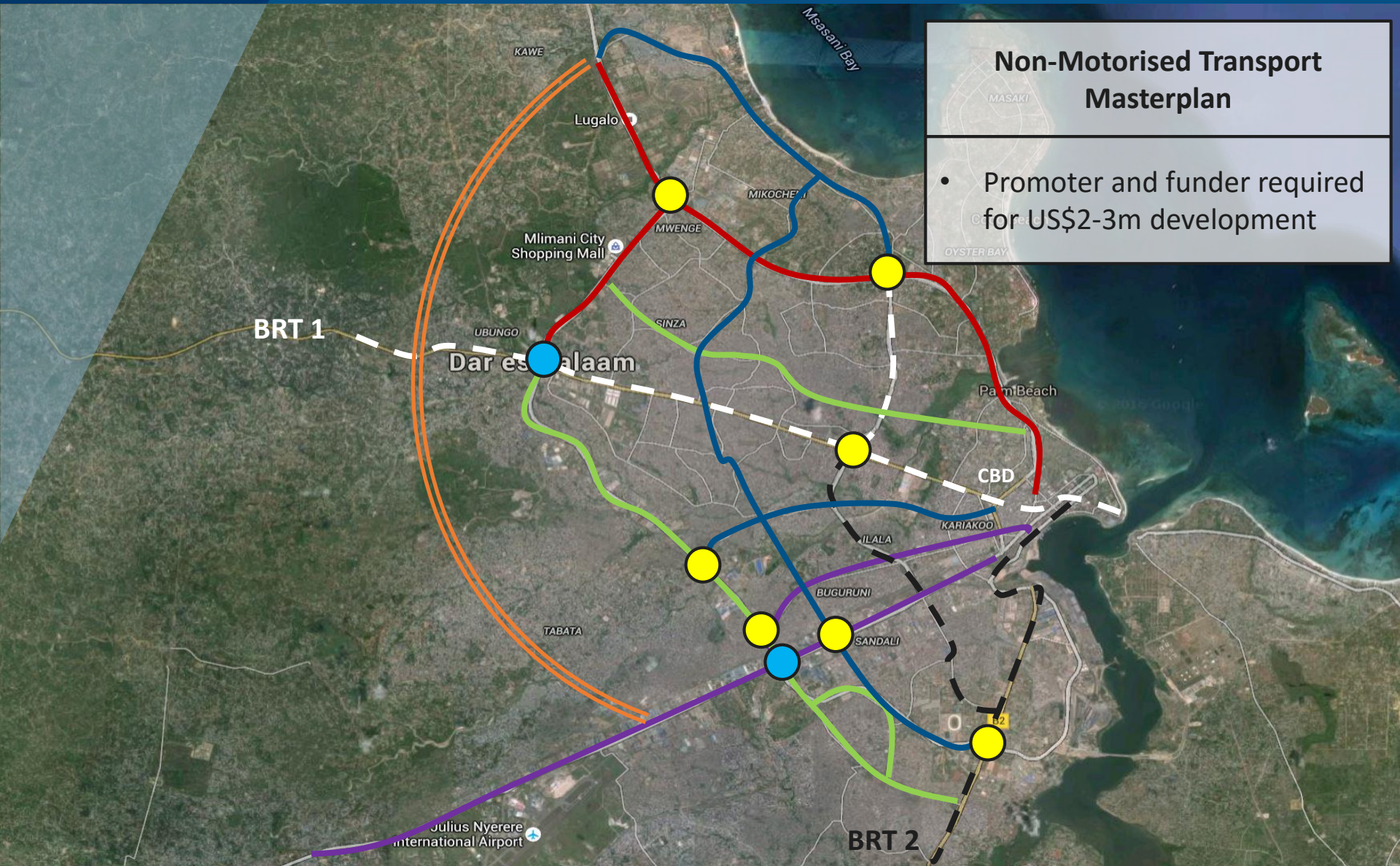


# Dar es Salaam (Tanzania) - Opportunities





# Dar es Salaam (Tanzania) - Opportunities



# Summary

# Summary of Main Opportunities

	Addis Ababa	Dakar	Dar es Salaam	Accra (prelim)	Lagos (prelim)
<b>Fixed Infrastructure</b>	BRT B4 & B7	BRT – Phase 1 Express Train – Phase 1	DART – Phase 3 DART – Phases 4, 5, 6 Intersections Ring Road	BRT	Rail – Blue, Red Lines Bus Route Network
<b>Rolling Infrastructure &amp; Systems</b>	Anbessa fleet	Express Train – Phase 1		High-quality bus service	Bus Route Network
<b>Organisation &amp; Capacitation</b>	AABRT Traffic Mgmt. Inst.		DART Agency Expansion		
<b>Planning</b>	BRT – B4 & B7		NMT Master Plan		Bus Route Network

*\*Possible private sector participation (Accra and Lagos TBD)*



# Way Forward

# Conclusion and Next Steps

***Investment and financing opportunities portfolio provides a broad pipeline of potential projects requiring support***

- Final scoping reports will characterise viable opportunities in each city for further consideration
- Recommended Next Steps
  - Investor conference or roundtable to present and discuss opportunities
  - Identification of opportunities of interest
    - Assessment of additional cities on shortlist to expand portfolio?
  - Full due diligence, stakeholder engagement plan, preparation to bankability, and transaction structuring required to take opportunities of interest forward





# Conclusion and Next Steps

***Several additional and important initiatives can be built off of this study and portfolio***

- ✦ Mechanism and structure to record and communicate ongoing lessons learnt to benefit the wider continent
- ✦ Diagnostic study of additional African cities
  - Mid-to-small size
  - Less developed urban transport sector
  - Would provide perspective on approaches to different contexts
- ✦ Local industry empowerment
  - A critical issue, not given sufficient thought
  - A mechanism (or mechanisms) to incorporate into new systems





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