

African Infrastructure Leaders Discuss Innovation in Gauteng

Johannesburg, 10 May. Top-level executives and heads from Africa's leading infrastructure and construction companies and institutions met to discuss strategies to foster industrialisation at a special event held in Johannesburg. The Captains of Construction annual leadership forum included delegates and special speakers from the South African and Congolese governments as well as key local and global private sector stakeholders.

In his keynote address, Moe Shaik, former head of South African Intelligence and current General Executive of International Finance from the DBSA was the warned everyone present of the current threat posed to regional development through declining levels of infrastructure.

As s result of the global slump in commodity prices, in 2015 the total revenue from infrastructure and construction projects dropped along with net profits. "Funding from International Development Financing Institutions is drying up" warns Moe Shaik, and should economies not diversify from single commodity incomes, business would decline dramatically. "Your operating model is at risk," explained Shaik, "And if the current trends continue, how will you survive?"

A panel followed with an interactive discussion between members of the DBSA, the Industrial Development Corporation (IDC), the Ambassador of the DRC to South Africa, Power Africa, Arup, and David Humphrey – the Global Sector Head of Power and Infrastructure from Standard Bank. The panel discussed industrialisation policy goals and how to align strategies between the private and public sectors in order to boost infrastructure projects.

It was widely agreed that there is a need to change the way in which public private partnerships (PPPs) are approached. Sinazo Sibisi, Group Executive: Infrastructure Delivery at DBSA explained that in order to drive industrialisation, "Both public and private parties need to find more effective ways of working together." Within this context, it is only when the public sector effectively enables innovation, and when the private sector learns to work with the state, will industrialisation take place in Africa. "Ultimately we need to look at innovation not only in terms of economic returns, but also in terms of development returns for the region."

This view was later echoed by Lizeka Matshekg, the Divisional Executive Agro, Infrastructure & New Industries from the IDC. "Coming from the public sector, we need to be clear up front. It will be imperative to find better ways of partnering with private bodies."

One of the proposals to kick-start PPPs came from Vibhuti Jain, Project Finance Advisor at Power Africa. Power Africa, backed with financing from the US government, has pledged to provide Africa with 30,000 MW of energy by 2030, and connect 60 million households. She suggested that by utilizing a third party such as Power Africa in the initial stages of project development, a more promising partnership between private and public groups could be established.

The open concern of so many high level executives with regards to the future of infrastructure in Africa was welcomed by many of the participants, including Moe Shaik. His final message was that in order to innovate, return to profit making, and make a meaningful contribution to regional development, both private and public sector groups would need to design new models, and “run away from what’s comfortable.”