



CENTRE DE DÉVELOPPEMENT
DEVELOPMENT
CENTRE



Public investment in infrastructure: An approach for sustainable development

Mario Pezzini

Director, OECD Development Centre

OECD-NEPAD Ministerial Conference

Dakar, Senegal

Website: www.oecd.org/dev

Email: DEVcontact@oecd.org

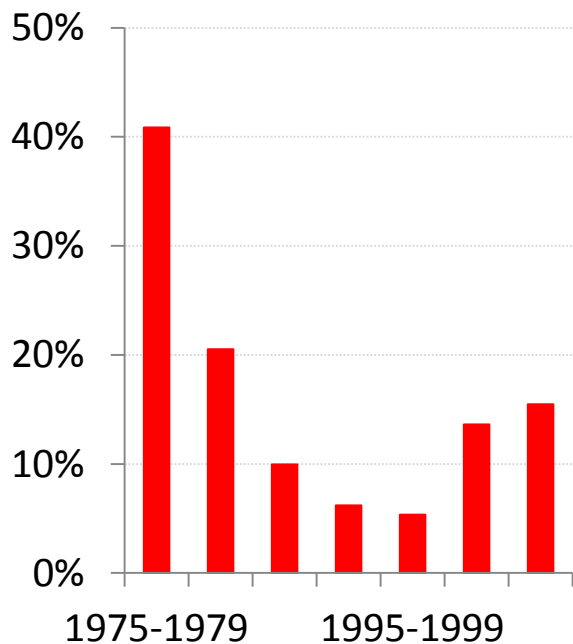
April 2011



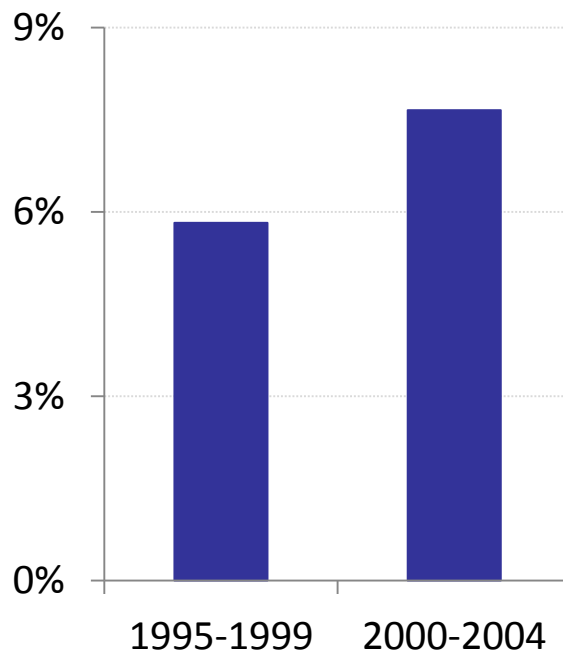
Where Are we?

Growth rates in infrastructure investment are improving even if there is still a large financing gap

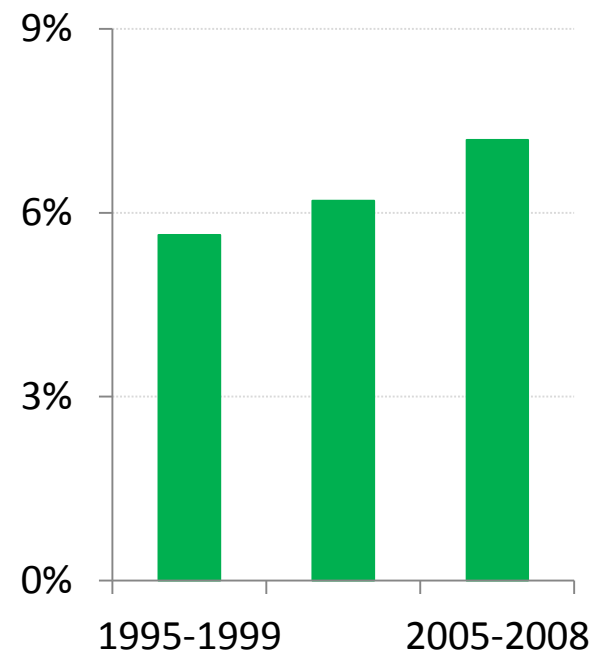
**Electricity production growth
(kWh/100 inhabitants)**



**Paved roads growth
(% of total roads)**

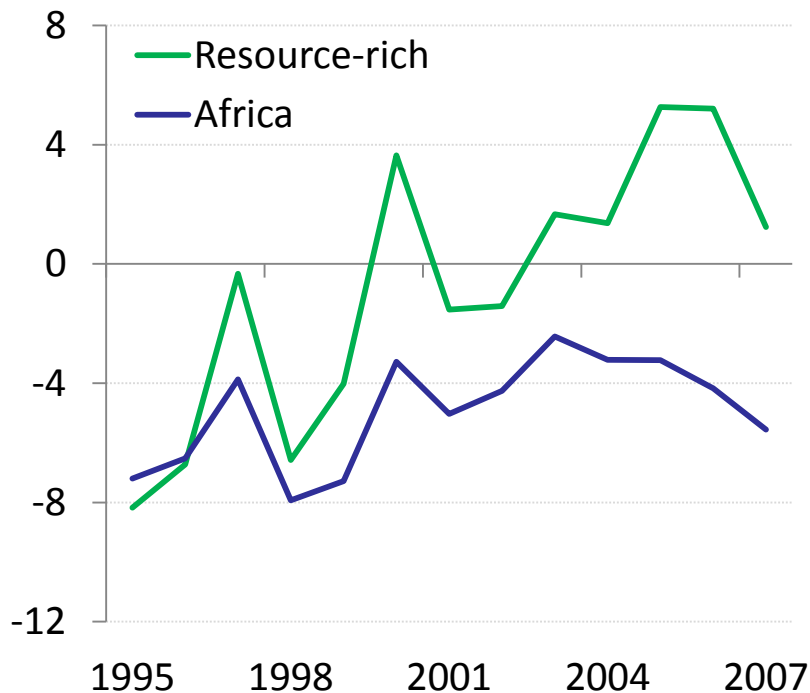


**Improved water source growth
(% of population with access)**

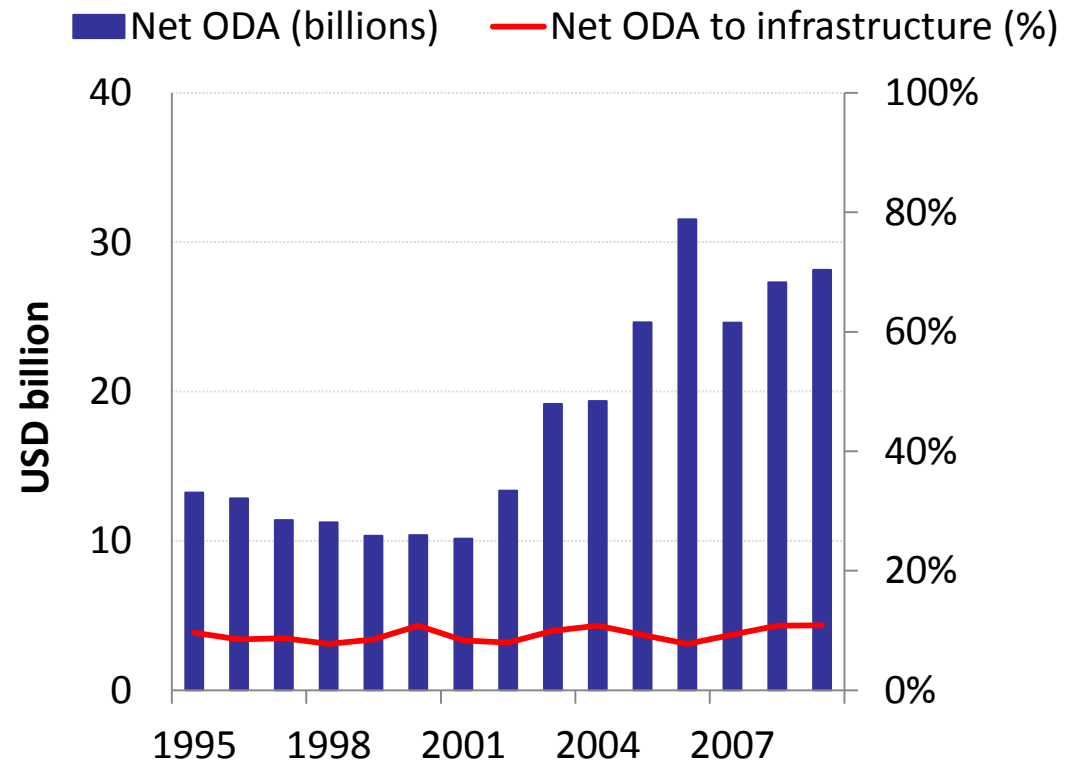


Natural resources and ODA feed public investment in infrastructure

Current account balance (% of GDP)
excluding net official capital grants

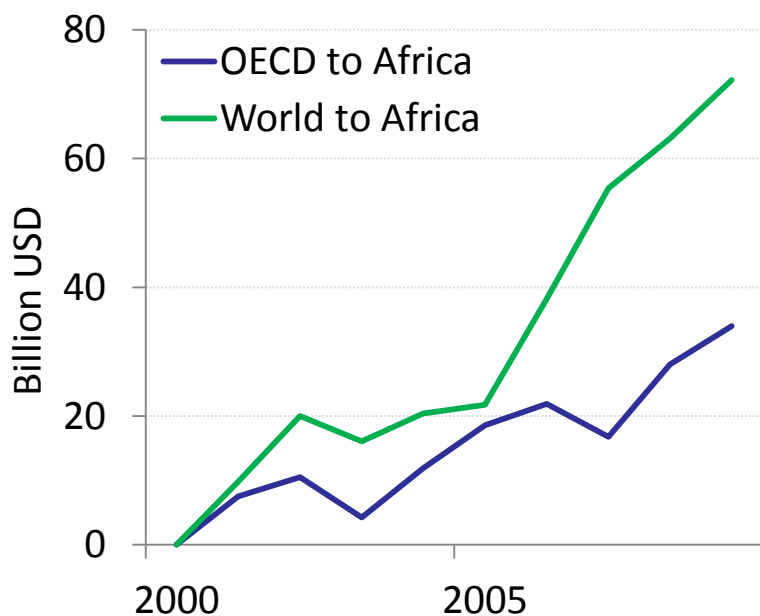


Net ODA to Africa from DAC donors

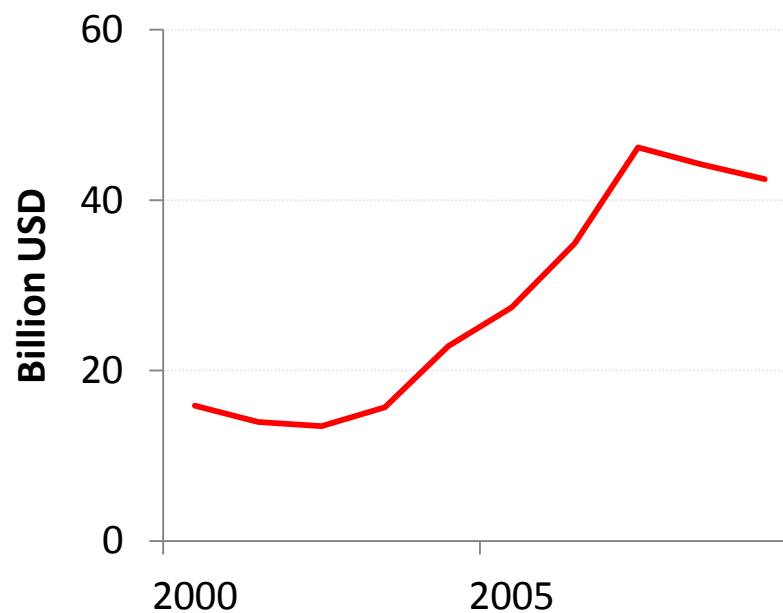


FDI and lines of credit feed public investment in infrastructure

FDI Flows to Africa



African debt outstanding to commercial banks



What?

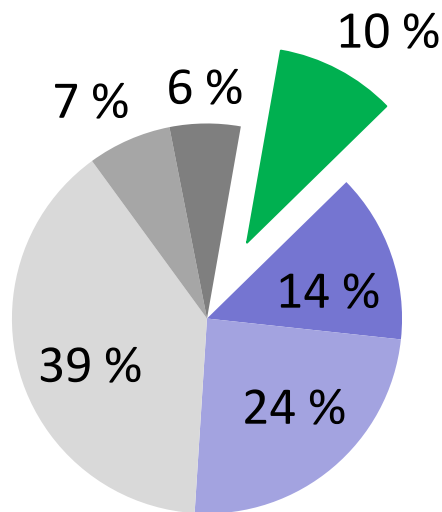
Unbalanced expenditure mix between new investment and maintenance



Middle of Mid-Rand - very high density traffic area connecting Johannesburg and Pretoria

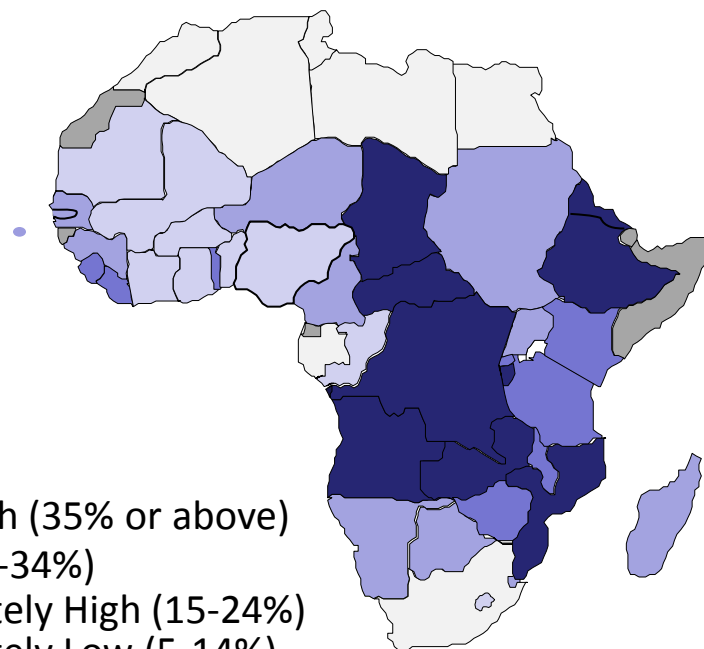
Public investment in local corridors means much for Africa

African exports in 2009



- Intra-African (USD 33.3 billion)
- China and Hong Kong, China (USD 47.3 billion)
- Other emerging partners (USD 82.0 billion)
- EU 25 (USD 131.5 billion)
- US (USD 23.4 billion)
- Other traditional partners (USD 19.7 billion)

Prevalence of undernourishment in 2005-07



- Very High (35% or above)
- High (25-34%)
- Moderately High (15-24%)
- Moderately Low (5-14%)
- Very Low (below 5%)
- Insufficient Data

HOW?

Co-ordination failure at the level of ministries

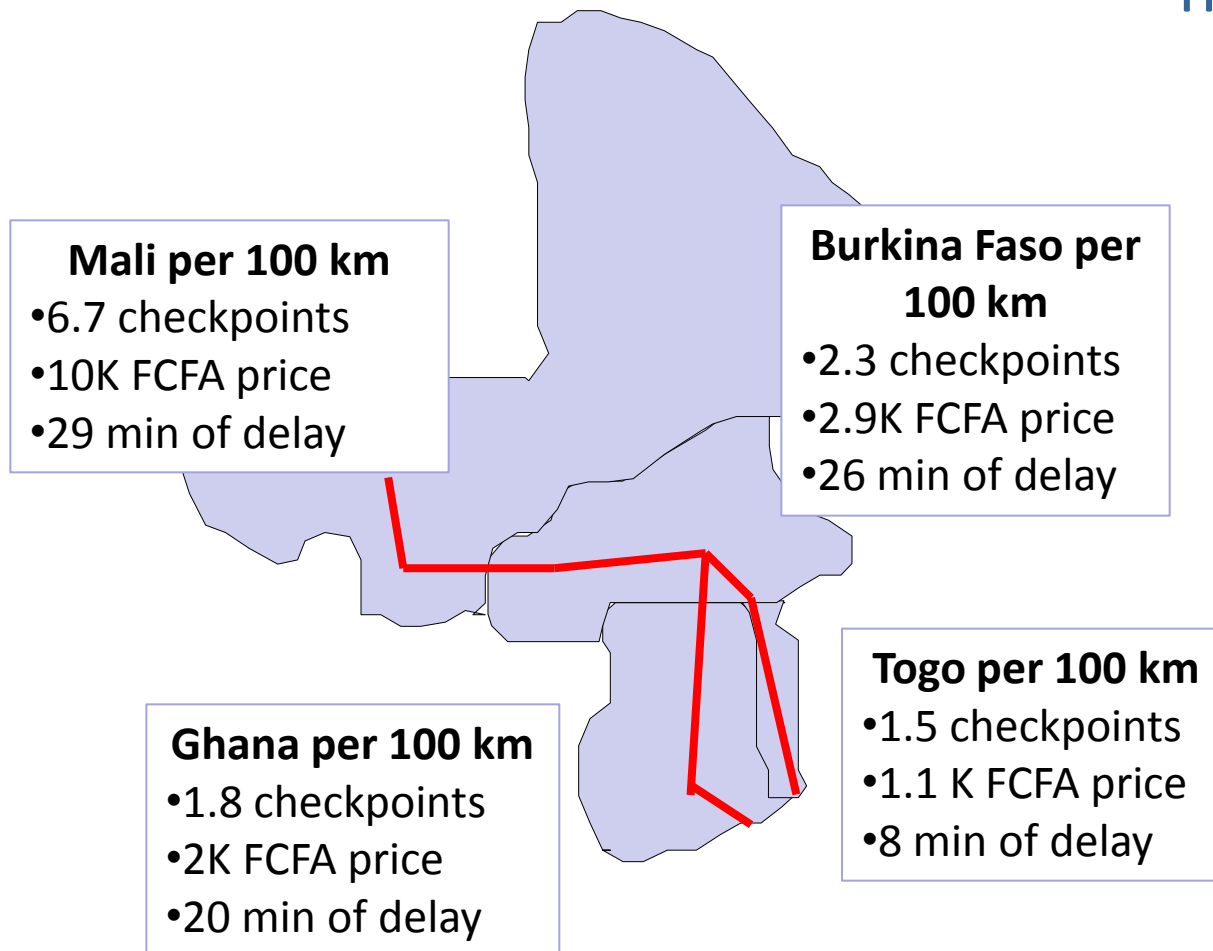


Traditional storage in Senegal (left) & modern storage in Birnin Gwari, Nigeria (right)



Beluluane Industrial Park serving the aluminium smelter Mozal in Mozambique

Co-ordination failure between supra-national and national priorities



BASIC PUBLIC GOODS ARE STILL NEEDED

- Energy, transports & information for SMES
- Water to rural areas
- Health & Education in distressed areas



CENTRE DE DÉVELOPPEMENT
DEVELOPMENT
CENTRE



Public investment in infrastructure: An approach for sustainable development

Mario Pezzini

Director, OECD Development Centre

OECD-NEPAD Ministerial Conference

Dakar, Senegal

Website: www.oecd.org/dev

Email: DEVcontact@oecd.org

April 2011

