



SIDE EVENT

Railway rolling stock financing: a new solution for Africa

Background

In the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want of the African Union, infrastructure is acknowledged as a key factor supporting development. In particular, in the First Ten-Year Implementation Plan 2014-2023 of Agenda 2063, an integrated railway network is identified as a critical component of the future land transport system of the continent. Among the main flagship programmes approved for implementation as part of the Plan is the African Integrated High Speed Railway Network, which is to connect African capitals and commercial centres.

The objective of this initiative, led by the African Union Commission, is to facilitate the movement of goods, factor services and people; reduce transport costs; and relieve the congestion of current and future systems across the continent. By 2023, it is anticipated that the train network will have passed the inception stage and will be transporting its first passengers from one African capital to another. In addition to connecting African capitals, the African Integrated High Speed Railway Network is designed to connect the economic and industrial hubs and the main tourism locations with appropriate high-speed rail technology. Urban railway systems will also be essential for Africa in the coming decades as populations migrate to the cities, turning such centres into mega cities.

Railway infrastructure is an expensive economic venture. When government resources are severely restricted, as is the case with many African States, and when those States have already reached the

limit of their sustainable debt levels, the result may be delays in urgently needed investment. The solution is to attract major investment from the private sector and for States to work with banks, investment funds and institutional investors to raise the capital needed for the construction of the railway system and the required rolling stock.

Objective

The objective of this event is to discuss the Protocol to the Convention on International Interests in Mobile Equipment on Matters specific to Railway Rolling Stock (Luxembourg Protocol), and how the Protocol will play a key role in attracting private capital. The purpose of attracting capital is to create a sustainable model to support existing and new rail projects. It is hoped that the Protocol will facilitate the provision of capital from banks and other funders for rolling stock procurement through secured credit and leasing equipment (rolling stock) to operators without the need for State guarantees.

Expected outcomes

- Enhanced advocacy for major expansion of the rail sector in Africa and better understanding of the macroeconomic and microeconomic benefits of the Luxembourg Protocol.
- Policy statement on and framework for collective work on the implementation of the Luxembourg Protocol.
- Commitment by African leaders to ratify the Luxembourg Protocol.

Target audience

- Senior officials from the African Union Commission, the African Development Bank, the Development Bank of Southern Africa, the Planning and Coordinating Agency of the New Partnership for Africa's Development, regional economic communities, the African Export-Import Bank and the Trade Development Bank.
- Officials from ministries of finance, economic planning and transport.
- Chief executive officers of prominent railway authorities.

Venue, date and time

- Oliveraie Room, Palmeraie Golf Palace, Marrakech, Morocco
- 23 March 2019, from 1:00 p.m. to 3:00 p.m.

For further information, please contact

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