The Twin Tower construction site in the fast-growing business hub of Sandton, South Africa in June

"We need to create the enabling conditions required for REDD+ to succeed, from good governance and sustainable financial policies to equitable distribution of benefits."

—Achim Steiner, U.N. Environment Programme

More than half of the villages involved with REDD+ projects surveyed by the Center for International Forestry Research (CIFOR) said their land tenure was insecure, according to an April report. Nearly 20 percent have been unable to keep unwanted people from using their forests.

But one of the central challenges of REDD+ is funding, says William Sunderlin, lead author of the CIFOR study. "In order for REDD+ to realize its potential, it must successfully pay the opportunity costs of forest land conversion. The current amount of funding is many orders of magnitude smaller than that," he says.

Efforts are underway to improve the outlook for the REDD+ approach. Indonesia has begun creating a centralized land tenure map that will be used to resolve competing claims on forest lands. Brazil has made forest tenure reform an integral part of its environmental goals. And the U.N. is working to safeguard the rights of indigenous people impacted by REDD+ projects and secure funding.

"We need to create the enabling conditions required for REDD+ to succeed, from good governance and sustainable financial policies to equitable distribution of benefits," Mr. Steiner said. "These enabling conditions are themselves the building blocks for an inclusive green economy." *—Ambreen Ali*

A BOOST FOR SOUTH AFRICA

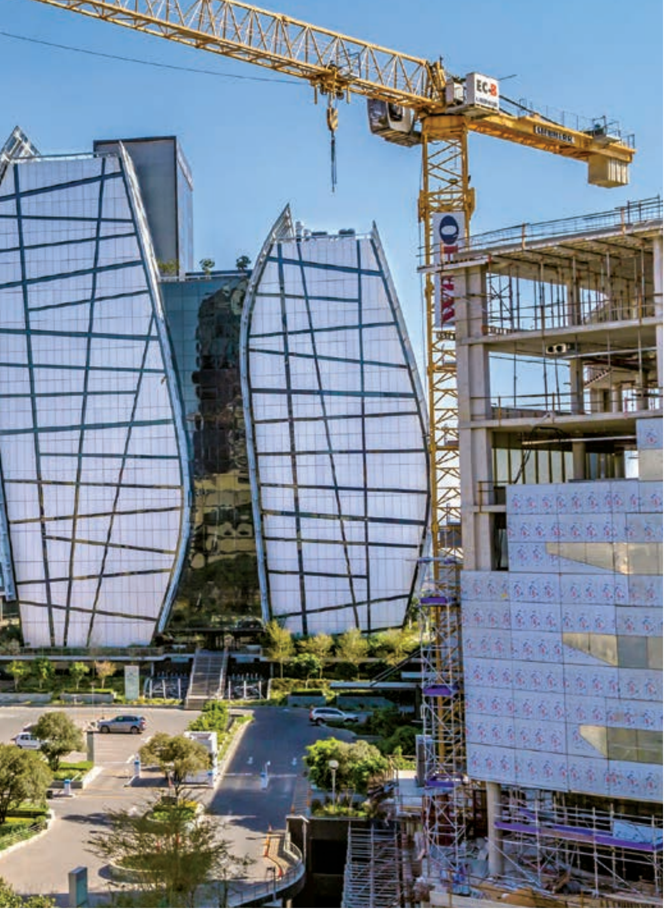
South Africa's sluggish economy is no longer Africa's largest: Nigeria claimed those bragging rights this year. But South Africa's laggard performance isn't an isolated problem—it's an obstacle to sub-Saharan Africa's overall growth, according to an April 2014 International Monetary Fund report. That raises the stakes for a new €100 million European Union (EU) effort to bolster South Africa's economy through infrastructure projects there and in neighboring countries. The EU's Infrastructure Investment Programme for South Africa (IIPSA) launched last year, and experts say it has the potential to address the country's infrastructure project backlog—if South Africa can find the necessary talent.

Building modern infrastructure is essential to South Africa's economic growth, and the country's ruling government understands this, according to Gregory Skeen, PMP, professional engineer and project development manager at Group Five Construction, Investments and Concessions, Johannesburg, South Africa.

Even after the country spent more than US$3 billion to build and upgrade stadiums, roads, railroads and airports for the 2010 FIFA World Cup, a large backlog of projects remains in sectors including transportation, energy, telecommunications and healthcare. Examples include a US$18.8 billion expansion of the country's rail network to boost coal exports and the long-delayed Nuclear-1 power station project.

"The real goal of many of these projects is long-term economic improvement," Mr. Skeen says. "South Africa's economy grew by about 2 percent in 2013. That's okay for a developed economy, but an emerging economy like ours needs more like 6 or 7 percent GDP growth to start reducing a 25-percent unemployment rate."

He and other project practitioners say new EU-facilitated projects can only help move the country forward—provided the projects can overcome lingering challenges that threaten their progress. The EU has warned that without a substantial uptick in infrastructure investments, whether public or private, South Africa "faces various risks in meet-



ing future demand in energy, transport, environmental, water and ICT networks," and per capita income will lag.

Help Wanted

One reason for the underinvestment in infrastructure is banks' low risk tolerance. Banks typically won't fund the earliest phases of a project, so government and industry must invest their own capital—often at considerable risk. "If a company takes years to develop a project and only manages to close a few of the many it tries to develop, the whole process gets very expensive," Mr. Skeen says.

Through IIPSA, the EU will fund the development phases of qualifying infrastructure projects, allowing more projects to advance to the implementation stage, where they'll qualify for bank financing. "This is what sets the IIPSA fund apart from existing infrastructure funding sources," Mr. Skeen says. "It's not that big, but it may help to unlock some of the bottlenecks in project delivery."

But funding is only one challenge facing infrastructure projects in South Africa and the surrounding region. Projects clearing that hurdle still have to clear others—most notably, a chronic talent shortage, according to Ken Charles, PhD, PMP, a former project manager at Eskom, South Africa's government-owned electric utility. "Money is not the only answer," says Dr. Charles, who is now a project management and construction consultant. "Even when projects have the funding, they don't necessarily have the human capital." Protracted strikes, especially in the mining and manufacturing sectors, are also a challenge for infrastructure projects, he says.

A 2013 PwC survey found that 75 percent of African CEOs were concerned about lack of skilled talent. In South Africa, the top two jobs employers have trouble filling are engineers and managers, according to a 2013 ManpowerGroup survey.

Skills shortages are especially acute in the public sector, which will likely have to import talent once projects move from planning to implementation, Mr. Skeen says. "When you have government sponsors who can't handle the complexity of a project, that can cause some very big delays and costs," he explains. "There will be problems later on during the project implementation phase—including a shortage of engineering, construction and project management skills."

Importing talent from other countries in the region is a short-term solution, but Mr. Skeen points to efforts by organizations like the South African Institution of Civil Engineering to increase the number of university engineering graduates as longer-term solutions to the shortage.

Applications to the fund are just getting off the ground now as the Development Bank of Southern Africa, the EU's fund manager, weighs applications for grant disbursements to projects with a minimum capital investment value of ZAR1 billion.

"It's a good initiative in a frustrating market," Mr. Skeen says. "If the fund is efficiently managed, it will unlock a lot of projects that we've been waiting for." —*Matt Alderton*

ACCELERATING GROWTH

South Africa's economy may be a bit anemic, but look to the north and the outlook brightens. The continent's overall growth for this year is projected to be 4.8 percent, and it should rise to 5.7 percent in 2015, according to the *African Economic Outlook 2014* report, produced by the African Development Bank, the OECD Development Centre and the United Nations Development Programme. Here are the five countries poised for the most GDP growth next year:

COUNTRY	PROJECTED GDP
1. Libya	22.4%
2. Sierra Leone	11.6%
3. Ivory Coast	9.2%
4. Chad	8.9%
5. Angola	8.8%

75 percent of African CEOs are concerned about lack of skilled talent.

Source: 2013 PwC survey