



ICA annual meeting, Tokyo, 13th to 14th March 2008

More than 70 high-level representatives from G8 countries, multilaterals, China, India, Saudi Fund and key African institutions attended the fourth annual senior-level meeting of the ICA from 13 to 14 March 2008 in Tokyo.

Participants were welcomed to the meeting by H.E. Mr. Yasuhide Nakayama, Vice-Minister for Foreign Affairs. In his opening remarks, he recalled the critical role Japan has played in keeping African development high on the international agenda. He called for boosting economic growth in Africa through infrastructure development, stressing the importance of shared plans for regional infrastructure development in the transport and energy sectors. He went on to explain that the ICA meeting was taking place at an opportune moment and that its messages will

be fed back to the TICAD process and the G8 Hokkaido Toyako Summit planned for July 2008.



The key messages from the meeting were:

- **African countries need a sound investment climate**, to sustain the promising economic growth, to encourage innovation and to build strong infrastructure at the regional level which will in turn contribute to regional integration.
- **ICA members welcome the emphasis Japan has given in its TICAD and G8 plans** to boost African economic growth through infrastructure development and in particular the focus on regional power grids and the integrated approach to road corridor development that incorporate trade and transit facilitation measures.
- **Africa's energy sector will continue to consume a large share of infrastructure investments for the foreseeable future.** Ensuring efficiency of existing networks and putting power utilities on a profitable footing are important steps to help mitigate the current crisis.

- **African Governments need to act now to avert a future ‘water crisis’.** Water stress which will continue to be a pressing problem with climate variability and rainfall distribution unpredictability. Higher priority needs to be given to investments in the water sector. Strong institutions are also key.
- **African Governments need to develop aggressive business plans for bridging Africa’s infrastructure funding gap to help meet the MDGs.** Raising additional finance from the private sector and capital markets and engaging with China, India, Korea and the Arab partners and other growing sources of finance will be important. ICA members have a key role to play in supporting African Governments and regional institutions.
- **Long-term sustainability of investments in the infrastructure sector** will require sufficient attention.

The final outcome statement, presentations and working documents of the ICA annual meeting in Tokyo are available on the ICA website www.icafrica.org

ICA members commit over \$ 10bn to African infrastructure in 2007

In 2007, ODA and non-concessional lending commitments by G8 bilateral agencies, multilateral agencies (World Bank, EC, EIB, AfDB) and DBSA reached over \$ 10 billion in infrastructure in Africa. These represent a 30 % increase from the \$ 7.7 billion committed in 2006. A full breakdown of commitments will be provided in the 2007 Annual Report of the ICA.

Going forward infrastructure in Africa will continue to receive enhanced and sustained financing support from key multilaterals following successful replenishments of IDA 15, EDF 10 and ADF 11. The EU-Africa Infrastructure Trust Fund, launched in 2007, is already receiving considerable financial pledges of support from a growing number of EU Member States. The Trust Fund will be key to attracting additional resources for cross-border infrastructure projects in Africa.

AICD - Flagship infrastructure study makes good progress

Data collection for Phase 1 of the Africa Infrastructure Country Diagnostic (AICD) study covering 24 countries is complete and the final reports are being prepared. Preliminary findings from Phase 1 show that the needs in infrastructure in Africa are estimated to \$ 38 billion per annum over the next 10 years and that they are mostly concentrated in the energy sector. Phase 2 of the study which covers an additional 12 countries has begun. An Ad Hoc Steering Committee Meeting for the AICD Study was held in Tokyo on 12 March 2008 in advance of the ICA meeting to review progress and to agree on next steps. The next Steering Committee meeting has been tentatively scheduled for July 2008.

The AICD website www.infrastructureafrica.org will soon offer the final and validated reports as well as a GIS infrastructure atlas. This interactive atlas based on AICD models aims at displaying the geographic impact of regulation/tariffs/policy settings.

Strong river and lake basin institutions: key to water resource management

An entire session at the ICA annual meeting in Tokyo was dedicated to transboundary water resource management. The discussions highlighted the fragility of Africa towards climate variability, especially extreme events, and the weak but improving integrated governance of river and lake basin institutions.

ICA members concluded that the concept of benefits sharing should be the driver of water regional integration through the river and lake basin institutions. Spreading the concept of benefits sharing between riparian states is important in understanding the competing impact of multiple stakeholders towards one single resource but also to optimise the fair allocation and use at a transboundary scale as a mean to prevent potential water conflicts and to face climate variability united.

A multipurpose infrastructure approach was pointed out as the right way to build infrastructure with benefits both at the local and the regional scale. African partners have the challenge of improving the flow of such projects, while donors need to provide technical and financial support and where feasible leverage private sector participation.

Africa's energy crisis

The energy crisis that is affecting Africa has a significant impact on:

- Business sector (56 days of shortage per year, lost of sales revenues of 5-6% formal sector and 20% informal sector);
- Economic growth and productivity (deficient power accounts for 40-80% of infrastructure impact on productivity);

The main causes of the crisis are long term (lack of planning, insufficient investment, poor maintenance and inefficiency of power utilities) and short term (high economic growth, droughts, conflict and rising oil prices).

The investment needs are huge: at the horizon 2015, about 48 billions USD are needed to be invested in generation, transmission and distribution in Sub-Saharan Africa alone.

Concerted effort of all stakeholders is required, especially behind key regional projects. Strengthening of the regional Power Pools and improvement of the efficiency of the power utilities are key success factors for the long term solutions.

Road corridors and regional electricity grids are key to boosting economic growth

Japan presented their TICAD and G8 plans at the ICA annual meeting in Tokyo. Emphasis will be placed on boosting economic growth in Africa through the development of infrastructure networks that lay the foundation for developing industry and promoting trade and investment.

As part of the preparations for TICAD IV, Japan presented the results of the survey on ongoing projects on road corridors, highlighting 'missing links' and areas for collaboration, as well as challenges facing the development of regional power networks. The presentation was in the form of maps generated from different sources of information. Information on the road corridor missing links can be found at the following site: <http://transportgis.jica-net.com>

Fostering dialogue in the transport sector between public and private sectors

A meeting on Financing Transport for Growth in Africa was organised in Tunis from 3 to 4 December 2007 in collaboration with the African Development Bank. Several transport projects (road, rail, air, port projects) that required immediate and medium term financing were presented to representatives of the private sector, bilateral and multilateral development agencies and key African partners. The meeting was successful in promoting dialogue between sponsors of transport projects and the private sector regarding what works well and what works less well in the sector. A panel of leading experts identified the financial and policy actions needed to take transport projects to financial closure. The outcome statement, presentations and other key documents can be downloaded from the ICA website www.icafrica.org

Improving collaboration on regional projects

The European Investment Bank hosted a technical level ICA meeting under the theme "collaboration on regional infrastructure projects", in Luxembourg on 15 February 2008. Representatives of ICA members and the African Union Commission underlined the need to enhance collaboration for aid effectiveness in infrastructure in Africa. As one of the concrete outcomes of the meeting, participants asked the ICA secretariat to implement a web-based collaboration platform to facilitate project financing and information sharing on infrastructure projects. Another important outcome was the commitment from stakeholders to fast track the consolidation of the various African infrastructure masterplans, which is necessary for the prioritisation of new investments. The final outcome statement, presentations and other key documents are available on the ICA website www.icafrica.org

Strengthening regional institutions

Following the German led G8 initiative in 2007 to foster capacity building, the ICA secretariat has just delivered a mapping study on current donor support to the Regional Economic Communities (RECs) and regional institutions for meeting infrastructure related capacity building needs. The report emphasised the importance of supporting capacity building based on a demand driven approach. The capacity building facility has been incorporated into the existing NEPAD

Infrastructure Project Preparation Facility (IPPF) managed by the AfDB. It will soon go live with seed funding from Germany and prospects of additional funding from ICA members. A technical assistant from Germany attached to the IPPF is expected to assist in starting up the capacity building facility.

In Tokyo, ICA members reiterated that the G8 initiative should be used to provide support in response to well defined roles, responsibilities, and well prepared infrastructure delivery plans from RECs, regional power pools and river basin organisations. The final report of the mapping study (February 2008) is available on demand by sending an email to the ICA Secretariat at the following address: icasecretariat@afdb.org

First African Water Week

Over 500 people attended the first African Water Week, hosted by the African Development Bank from 26 to 28 March 2008 in Tunis. A final declaration was endorsed by the African Ministers' Council on Water (AMCOW) and will be presented to a dedicated African Union Summit of Heads of State on Water and Sanitation, to be held on 30 June in Sharm el Sheikh, Egypt

Participants assessed the more urgent needs in the water sector. The meeting noted that the African continent utilises only 4% of its water resources, while a huge proportion of the population do not have access to safe water, and in a context of frequent floods and drought, in addition to food and energy shortages. Participants also explored new ways to address the pressing water issues, convinced that a "business as usual" approach was not an option. For any further information, visit the AfDB website www.afdb.org/aww

ICT Connect Africa Summit Follow Up - Geneva

On 31 March and 1 April 2008, 30 experts of the Connect Africa Summit Follow Up Group met at the International Telecommunications Union (ITU) Headquarters in Geneva, Switzerland to discuss the status of the implementation of the decisions of the Connect Africa Summit held in October 2007 in Kigali. Major outcomes of the Geneva meeting:

- The meeting proposed that H.E. President of Rwanda, Paul Kagame should champion the Connect Africa Initiative at Heads of State level and provide an annual progress report to the African Union Summit of Heads of State and Governments;
- The meeting supported the idea that AfDB and other members ICA should play a major role in mobilizing resources for the Connect Africa Initiative including from private sector sources;
- ITU in collaboration with Microsoft will use the Global View Online Platform to allow stakeholders to enter and up date information about their Connect Africa related projects.

The meeting recognised the important link between the Connect Africa initiative goals and the achievement of MDGs.

UN Secretary General Calls for Scaled-Up Action to meet MDGs

Secretary-General Ban urged for scaled-up action to meet Africa's MDGs by 2015 including raising agricultural productivity across the continent after chairing the second meeting of the [Millennium Development Goals](#) (MDGs) Africa Steering Group held in New York on 10 March 2008. The MDG Africa Steering Group was set up in September 2007 after data showed that despite faster growth and strengthened institutions, Africa remains off-track to meeting the targets. In the field of infrastructure, the Steering Group stressed the need for critical investments (i.e., transport, power, water and sanitation, broadband) to raise productivity, lessen the time burden on women and young girls, enable low-cost service delivery, and integrate Africa into the global economy. The AfDB, EC and WB and the ICA Secretariat will continue to support the work of the Infrastructure and Trade Facilitation Thematic Working Group that reports to the Steering Group.

Upcoming Events:

- International Renewable Energy Conference in Africa – 16 to 18 April 2008, Dakar, Senegal.
- First African Union Conference of Ministers responsible for Transport – 21 to 25 April 2008, Algiers, Algeria.
- ITU Telecom Africa - 12 to 15 May 2008, Cairo, Egypt.
- Third conference of African Ministers for Regional Integration – 19 to 23 May 2008, Abidjan, Côte d'Ivoire
- UN MDG Africa Working Group Meeting – 27 May 2008, Tokyo, Japan.
- The Fourth Tokyo International Conference on African Development (TICAD IV) - 28 to 30 May, 2008, Yokohama, Japan.
- African Union Summit of Heads of State on Water and Sanitation - 30 June 2008, Sharm el Sheikh, Egypt.