

The 12th Annual Meeting of the Infrastructure Consortium for Africa (ICA)

21-22 November 2016, Abidjan, Cote d'Ivoire

Outcomes Statement: Plenary Meeting

1. Introduction

- 1.1 The 12th Annual Meeting of the Infrastructure Consortium for Africa (ICA) took place in Abidjan, Cote d'Ivoire, on 21 and 22 November 2016. The meeting was hosted by the African Development Bank (AfDB) and jointly organized by the ICA, AfDB and the Government of Japan (Ministry of Foreign Affairs and Japan International Cooperation Agency), as Chair of the G7. The Annual Meeting was divided into two parts, with the Members' Meeting on 21 November 2016 restricted to the ICA Members and African stakeholders.
- 1.2 The Plenary Meeting took place on 22 November 2016. Amongst the over 151 participants were senior figures such as Mr Patrick Achi (Minister of Economic Infrastructure, the Government of Cote d'Ivoire), H.E. Mr Seiji Okada (Ambassador for the Tokyo International Conference on African Development, Ministry of Foreign Affairs, Japan), Dr Elham Ibrahim (Commissioner for Infrastructure, African Union), Mr Bruno Kapandji (former Minister of Energy of DR Congo and current head of the Inga III project), and Mr Stefan Nalletamby (Acting Vice President, African Development Bank). AfDB officials, representatives from the Regional Economic Communities, other senior African stakeholders, representatives from other international donors and key private sector players also attended the Plenary Meeting.
- 1.3 The theme of the Plenary Meeting was "***Building Quality Infrastructure for Africa's Development***".

2. Welcome and Opening Remarks

- 2.1 The Plenary was opened by remarks from H.E. Mr Seiji Okada (Ambassador for the Tokyo International Conference on African Development, Ministry of Foreign Affairs, Japan), Dr Elham Ibrahim (Commissioner for Infrastructure, African Union) and Mr Stefan Nalletamby (Acting Vice President, African Development Bank).
- 2.2 Mr Patrick Achi (Minister of Economic Infrastructure, Government of Cote d'Ivoire), then gave the keynote address. This focussed on the importance of project preparation, which he described as being at the "heart" of quality infrastructure development. Drawing on his own experience, he said that 90% of problems encountered during infrastructure project implementation were caused by poor planning and preparation, and that cost-cutting at the project preparation stage undermined the quality of the completed project, resulting in additional expenditure on maintenance and repairs, and a shorter infrastructure asset life-span.

3. Sessions of the meeting

The ICA Plenary meeting of November 22 grouped a large number of infrastructure practitioners from Africa and elsewhere. The meeting was structured around five sessions that covered the following topics:

- Session 1: An overview of the key pillars for a quality infrastructure investment (Moderator: Mr. Alex Rugamba);
- Session 2: Economic efficiency from initial investment to management and maintenance (Moderator: Mr. Remy Makumbe);
- Session 3: Policy and regulations for inclusive infrastructure in Africa (Moderator: Mr. James Bond);
- Session 4: Towards the promotion of climate resilient, safe and sustainable infrastructure (Moderator: Dr. Ashibindu Singh); and
- Session 5 (summary session): Moving forward towards building quality infrastructure for Africa's development (Moderator: Mr. Aboubakari Baba Moussa).

4. Key Outcomes of the meeting

4.1 The principal conclusions from the day's presentations, comments and questions, as summarized by the moderators of the first four sessions in the final session, are provided below.

4.2 Key pillars for a quality infrastructure investment

4.2.1 Whilst infrastructure plays a key role in economic development, Africa is faced with a huge infrastructure gap compared to the rest of the world. This situation is one of the constraints to development aspirations of the region.

4.2.2 Providing infrastructure services of high quality requires action throughout the project life-cycle, from pre-investment, through investment and operation and maintenance. The three pillars of quality infrastructure investment are:

- Economic Efficiency;
- Inclusiveness; and
- Safety, resilience, and sustainability.

4.2.3 The importance of preparing high quality feasibility studies during the pre-investment phase was underlined, and the difficulty to identify sources of financing for these studies. It was noted that during the investment phase, current procurement practice do not always allow optimal outcomes because of the rigidity of the processes. To this end discussions focused mainly on the need for transparency. During operations and maintenance, the importance of funding for adequate maintenance was noted, through cost recovery in the form of user fees whenever possible. Throughout all phases of the project life-cycle the need for capacity building, particularly through the use of local firms, was emphasized.

4.2.4 In addition, the latest focus regarding promotion of quality infrastructure investment were discussed and these included G7s' Ise-Shima Principles for

Promoting Quality Infrastructure Investment, the Phase 3 of Enhanced Private Sector Assistance for Africa (EPSA), and some JICA's quality infrastructure projects.

4.3 Economic efficiency from initial investment to management and maintenance.

There was broad consensus that infrastructure provides the basis for economic development, and economic efficiency is central to providing quality infrastructure. Involving the private sector in infrastructure projects can enhance their quality, but Africa has rather limited experience with private sector provision of infrastructure and of public private partnerships (PPPs), due to issues of country risk, governance and capacity. To ensure that infrastructure projects have the desired impact it is important to involve stakeholders throughout the project life-cycle, with consultations of potentially affected communities during the planning phase, and involvement of local firms during the investment, operations and maintenance phases. To this end, the discussions centered on issues of capacity, cost recovery, the use of checklists and adherence to standards and safeguards.

4.4 Policy and regulations for inclusive infrastructure in Africa

4.4.1 Infrastructure development enhances inclusiveness by opening up isolated poor communities, by increasing trade at the national and regional levels, and by connecting economies to international markets. It can be designed to maximize its impact on inclusiveness as well as assist traditionally disadvantaged groups such as indigenous peoples, women and the handicapped. But it was noted that there could be a trade-off between cost recovery through user fees on the one hand and enhanced access for the poor on the other, because cost-reflective tariffs may make the service prohibitive for low income people.

4.4.2 Examples of the impact of infrastructure on inclusiveness was examined through several transport corridor projects, which open up markets and regions and allow countries to connect to the rest of the world. There was discussion concerning policy on the use of life-line tariffs and other subsidy mechanisms to ensure access to the poor in the case of cost recovery.

4.4.3 In order to achieve the above objective, it was recognized that there is a need for harmonization of policies and regulations at the Regional Economic Communities and continental levels.

4.5 Towards the promotion of climate resilient, safe and sustainable infrastructure

4.5.1 There was a clear consensus that the impacts of climate change could not be neglected, although the precise nature of these impacts were not fully known. Africa is likely to be a continent that is significantly impacted by climate change effects, through increased weather events (both droughts and storms) and through increasing sea levels, which pose threats to low-lying areas.

- 4.5.2 Ensuring climate resilience implies additional investment cost (probably of the order of 10%-15%).The trade-off between upfront incremental costs to provide resilience, and later benefits, was difficult to achieve because of uncertainty concerning who would pay for incremental costs. It was noted that several new initiatives were underway in this area, including a new Africa Climate Resilience Facility by the World Bank, African Union Commission (AUC) and United Nation Economic Commission for Africa (UNECA).
- 4.5.3 There was general discussion concerning the need to adapt early, and to disseminate lessons learned and best practice.

The list of Participants is in annex 1.