

**STATEMENT BY THE INFRASTRUCTURE CONSORTIUM FOR AFRICA,**  
**OCTOBER 6 2005**

The inaugural meeting of the Infrastructure Consortium for Africa was held on 6 October 2005 in London and included representation from key African institutions and donors.<sup>1</sup> The Consortium is a major new effort to accelerate progress to meet the urgent infrastructure needs of Africa in support of economic growth and development. It will address both national and regional constraints to infrastructure development, with an emphasis on regional infrastructure recognising the particular challenges at this scale. However the consortium will also engage at the country level, since most infrastructure services are addressed at the national level, within national budgets and implementation frameworks and issues of harmonisation also need to be addressed at this scale.

The consortium is intended to make its members more effective at supporting infrastructure in Africa by pooling efforts in selected areas (such a information sharing, project development, and good practice) without necessarily pooling financing decisions. Although the Consortium is not a financing agency, the Consortium would act as a platform to broker more donor financing of infrastructure projects and programmes in Africa (AfDB). Nevertheless, the success of the Consortium will be judged by concrete action and outcomes in terms of the quantity and quality of sustainable infrastructure services delivered to Africa's people and the resultant development benefits.

Infrastructure in Africa is key to accelerating growth, reducing poverty and improving MDG outcomes, and promoting regional integration. Consortium members agreed to work together to ensure more effective and sustainable infrastructure activity on a larger scale, behind African priorities set by Africa. We recognised that this will only be achieved by drawing on the resources and expertise of both the private and public sectors. The Consortium agreed to undertake intensive work, with others, in drawing on past lessons, and ensuring the most effective approaches across the range of infrastructure sectors. We will address the need for institutional strengthening and capacity building, including the necessary consolidation of good governance principals and related regulatory mechanism. We will also help to ensure that, as additional funds become available, this results in a significantly increased flow of effective financing for infrastructure in Africa.

To underpin our joint work, the Consortium will establish a Secretariat located in the African Development Bank. Through the Secretariat, the Consortium will collaborate closely with the AU, NEPAD, the RECs and the AfDB, on the Short Term Action Plan (STAP) and the Medium to Long-Term Strategic Framework (MLTSF).

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<sup>1</sup> African Development Bank, AU, Canada, COMESA, Development Bank of Southern Africa, ECOWAS, EAC, European Commission, European Investment Bank, France, Germany, NEPAD, Japan, Italy, Russia, SADC, UK, USA, World Bank.

In recognition of the emphasis placed on regional initiatives, the participation of key African institutions is critical. We will be a tripartite relationship between bilateral donors, multilateral agencies and African institutions. Membership from the African side will be led by the African Development Bank while AU Commission, NEPAD and RECs will participate as observers in meetings of the Consortium. The AU will indicate to the AfDB and to the Consortium which of the development banks in their sub-regions will be the members. This arrangement would ensure ownership and alignment of Consortium activities on African priorities and in particular the NEPAD Short Term Action Plan (STAP) and the Medium to Long Term Action Plan (MLTAP) for infrastructure development in Africa. Membership will be open to other donors who make a significant financial contribution to infrastructure in Africa. The Consortium will engage with the private sector through information and best practice sharing.

We will identify and overcome project development, financing, capacity and business environment constraints, in a new cooperative spirit that recognises the comparative advantages of different donors. We agreed that there was a need for greater coherence of donor efforts to reduce transaction costs for African Partners and ensure more effective and efficient delivery of funding consistent with the commitments made in Paris on harmonisation.

In order to remove some of the immediate bottlenecks to progressing cross-border and regional infrastructure projects in Africa the Consortium has agreed the following joint actions and decisions:

**1. Secretariat**

- To ensure delivery, a small secretariat will be set up to support work on the Consortium objectives and commitments, reporting annually on progress and results.
- Consortium members will, on a voluntary basis, support the first two years of the Secretariat, financially or in kind through secondments, for example.
- The Secretariat will be located at the African Development Bank.

**2. Strengthened NEPAD Short Term Action Plan (STAP) on Infrastructure - Finance**

- The Consortium will support the NEPAD Secretariat on the Short Term Action Plan process, and help to accelerate project preparation
- The Consortium will play a brokering role in helping to match funds with prioritised projects, and identify and secure finance for at least 5 STAP projects by June 2006.
- The Consortium will encourage financiers to develop instruments that respond to the need for finance for regional infrastructure projects.

- The Secretariat will work with others in monitoring increased resources for infrastructure, and their use and impact. The Consortium will report on an annual basis to its members and to the Africa Partners Forum.

### **3. Support to the process of project preparation**

- Consortium members agreed to co-operate to reduce the fragmentation and increase the effectiveness of existing project preparation facilities to respond to the challenge of accelerating project implementation – learning from the lessons of others including the private sector. Consortium members also agreed to look to future needs for project preparation funding, noting the NEPAD Infrastructure Preparation Facility is now a multi-donor facility, and to explore ways in which this could be more widely accessed, including by the sub-regional economic organisations.
- The Secretariat will develop a guide to the full range of facilities available, including good practice criteria. We will aim to speed up the time between concept and funding, by helping to inform those involved in developing projects about the existence and respective roles of different project preparation facilities.

### **4. Analytical Work in Support of Outcomes**

- Building on existing work, the Consortium will support the NEPAD's Medium Long Term Strategic Framework study by AfDB and a Country Level Diagnostic Study by the World Bank. These complimentary studies will deliver baseline data on the state of Africa's infrastructure and of the associated investment and policy needs at the Country and Regional levels.
- The Consortium will systematically put information into the public domain that will support both public and private investors in accelerating their support to African infrastructure.

### **5. Capacity Building**

To ensure delivery of wellprepared regional projects and sustainability of increased donor interventions in infrastructure development in the long term, the Consortium will promote support to the RECs, NEPAD Secretariat and African Union in appropriately targeted capacity building activities in infrastructure development.

### **Next steps**

Progress will be reviewed at next meeting of the Consortium in Addis Ababa, June 2006, at the headquarters of the African Union