

Collaboration and brokering key projects

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Outline

1. 2009 AU Summit
2. Brokering projects

AU Summit 2009
Conclusions on Infrastructure
Development

National support (2009 AU Summit Declaration)

- Include in the national priorities the various regional and continental interconnection infrastructure network projects and programmes
- Harmonize regulations and standards to promote interconnection, and efficient operation of networks and market development;
- Create appropriate institutional framework for development of the major integration projects and carry out the necessary reforms to ensure better operation and maintenance of these projects;
- Some sectoral issues:
 - Enhance the production of and inter-State trade in energy by implementing major integrative hydroelectric power projects and high capacity oil refineries as well as gas and oil pipelines projects;
 - Accelerate the facilitation of inter-State transport through harmonization of laws and simplification of transit procedures to promote efficiency and safe operation of transport in Africa;

ICA role in
Brokering Infrastructure
Projects

Brokering projects - models

Pro-active involvement for facilitating the identification, financing and implementation of projects

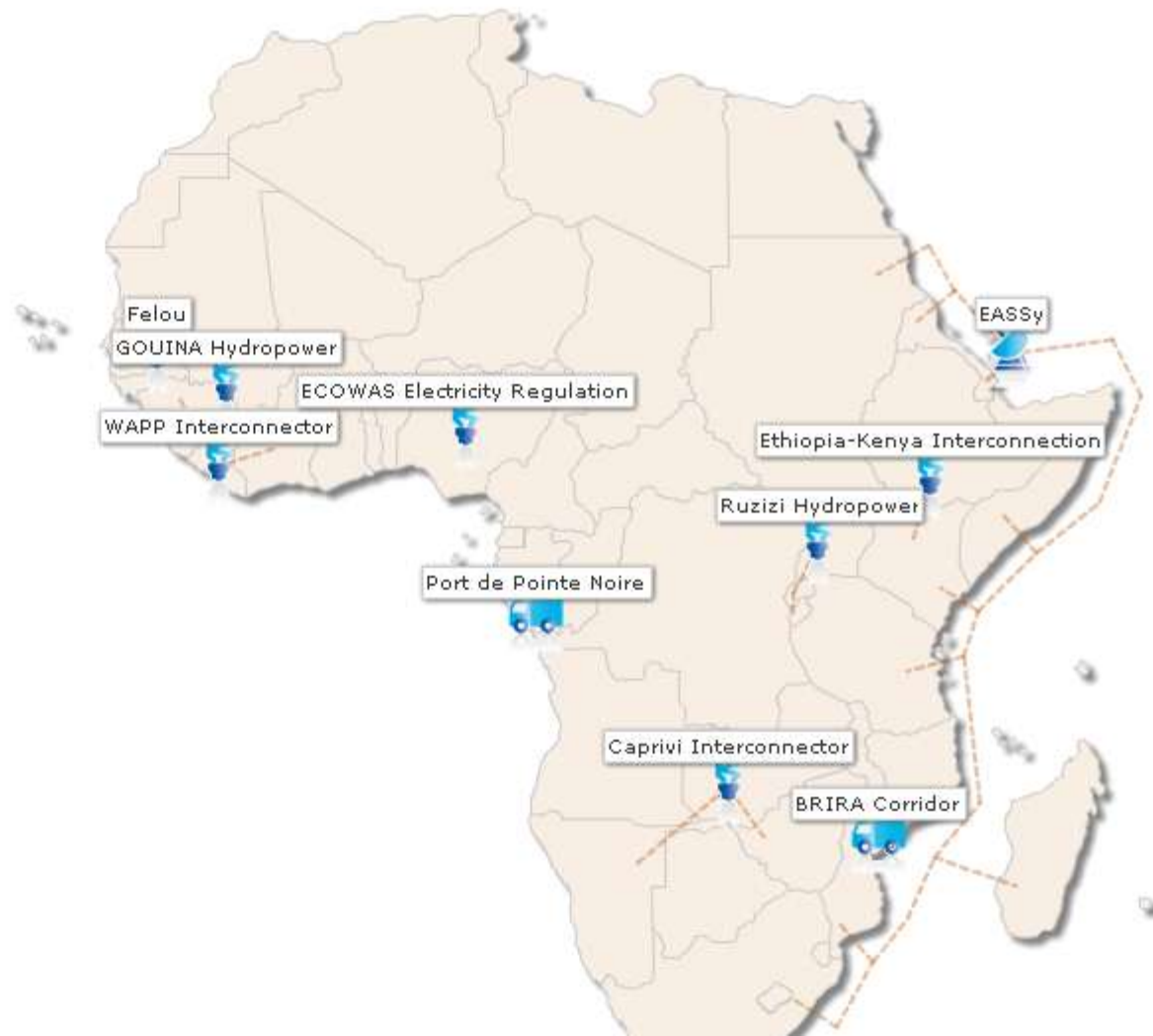
- Tunnel of funds – analysis of needs along the life of a project (from early conceptual stages to last phases of implementation) - IPPF role of coordination → **Project cycle management**
- Trans-European networks – strong role of national administrations, the figure of the co-ordinators and facilitation by EC → **Global approach / EC playing a role of arbitration**
- Africa-EU Infrastructure Trust Fund – led by EU development financial institutions – approval EU Ex Comm – projects picked from i-STAP (or compatible) and following strategic direction from Steering Committee → **Leading financiers supporting the latest stages**
- **Proposed model – to be presented for debate. A two-phased approach led by RECs assisted by leading ICA member with facilitation provided by ICA Secretariat**



Grant Operations

By Country

Grant Operations by Country



Approved Grant Operation	Sector	Scope	PFG Lead Financier	PFG co-financiers	Grant Amount	Estimated total project cost	date of ExCom approval
EASSy	ICT	TA	EIB	KfW, AFD	2.600.000,00	195.000.000,00	5/07/2007
Felou	Energy	IRS	EIB	na	9.335.000,00	102.500.000,00	10/07/2007
Ethiopia-Kenya Interconnection	Energy	TA	KfW	AfD	550.000,00	660.000.000,00	10/07/2007
WAPP Interconnector	Energy	TA	EIB	KfW	3.000.000,00	400.000.000,00	16/10/2007
Caprivi Interconnector	Energy	IRS	EIB	KfW, AFD	15.000.000,00	300.000.000,00	22/01/2008
Ruzizi	Energy	TA	EIB	Oe-EB, ...	2.800.000,00	300.000.000,00	29/05/2008
Beira-Blantyre Corridor	Transport	IRS	EIB	tbd	29.000.000,00	189.000.000,00	18/12/2008
OMVS Gouina Hydropower	Energy	TA	AfD	tbd	1.000.000,00	180.000.000,00	18/12/2008

Total Approved Grant Operations

63.285.000,00

Donor	Financier
Austria	Austrian Development Bank
Belgium	tbd
European Commission	European Investment Bank
France	Agence française de Développement
Germany	Kreditanstalt für Wiederaufbau
Greece	Ministry of Economy and Finance
Italy	Ministry of Foreign Affairs
Luxembourg	Lux-Development S.A.
The Netherlands	tbd – <i>proposed: African Development Bank</i>
Portugal	SOFID
Spain	COFIDES S.A.
The United Kingdom	tbd – <i>proposed: African Development Bank</i>

ICA mandate

- **Statement by the Infrastructure Consortium for Africa 6 October 2005**
- The Consortium aims to make **its members** more effective at supporting infrastructure in Africa by sharing efforts in selected areas such as information sharing, project development, and good practice. Although the Consortium is not a financing agency, the Consortium **will act as a broker** for more donor financing of infrastructure projects and programmes in Africa. The success of the Consortium will be judged by the quantity and quality of sustainable infrastructure benefits delivered to Africa's people.
- 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 informing those involved in developing projects about the existence of different project preparation facilities.

Project typologies

Projects at different stages of preparation and with different scope:

- Projects at an early stage which need (pre-) feasibility, environmental and other studies (i.e. road missing links, key network bridges or electricity interconnections)
- Projects at advanced stage of preparation where construction can proceed to complete missing links
- Projects being identified by established multi-country and multi-donor programmes and of a multicomponent nature (i.e. integrated river basin management leading to investment plans)

NB. Trade facilitation, regional integration, economic growth are the final goals of infrastructure development and should be kept in mind when defining and implementing individual projects

Actors

Different actors:

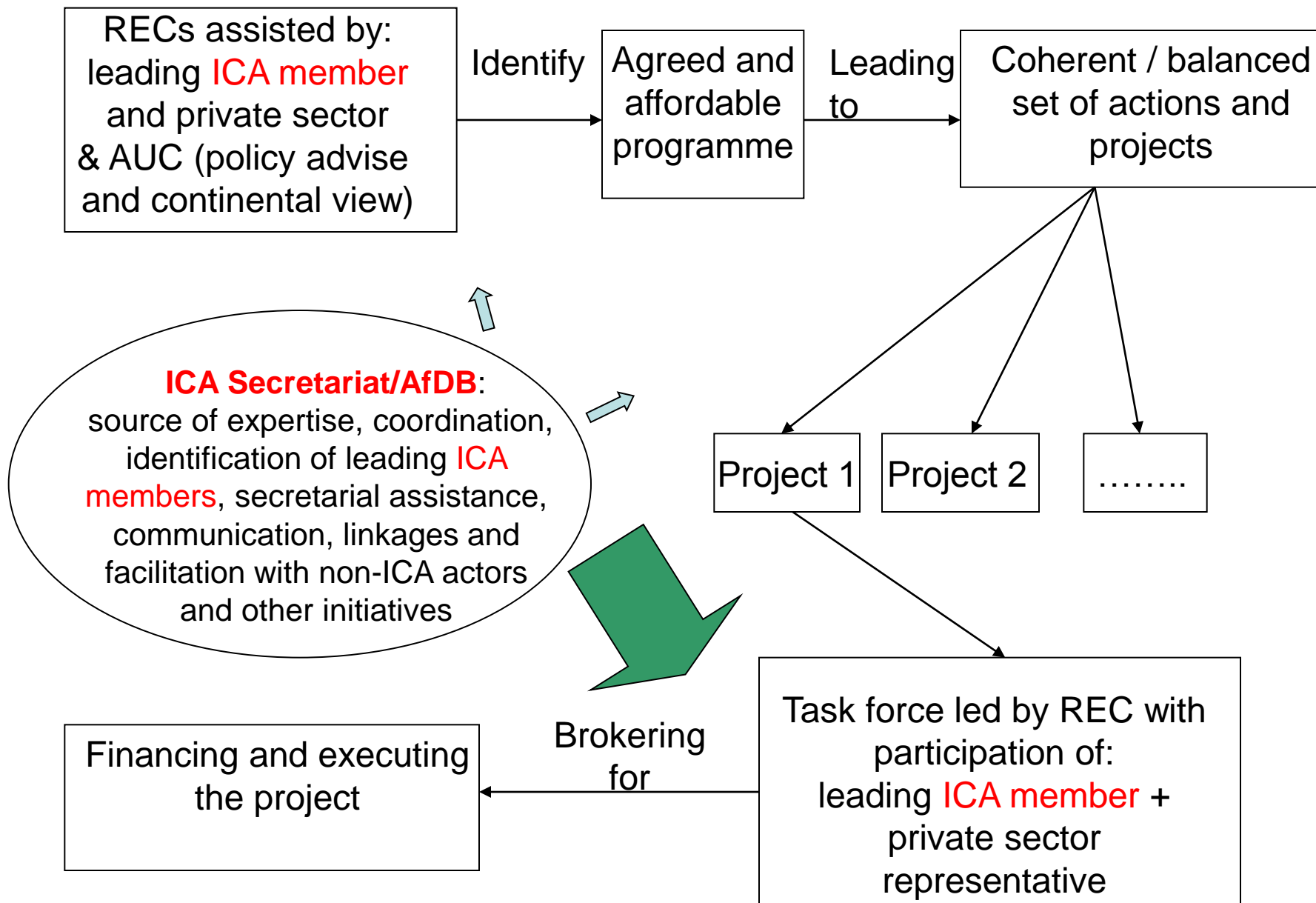
- African political and sectoral institutions and Governements: AU/NEPAD, RECs, National governments, Regional Power Pools, River basin Organisations, ...
- Grant financing community and project preparation funds and other grant instruments (EU, Infrastructure Trust Fund, bilateral development agencies, emerging donors,...)
- Financiers and private sector (AfDB and African Regional Banks, EIB, EU development financial institutions, World Bank, private sector, ...)

Role to play by actors depending on the maturity stage or nature of the projects

	<p>Facilitation, coordination and dialogue.</p> <p>River Nile Basin initiative, Integrated regional electricity markets...</p>	<p>(pre-)feasibility, environmental and other technical studies.</p> <p>Hydropower development of Inga site, major international bridges, development of regional ports...</p>	<p>Ready for construction (or small adjustment in existing studies), waiting for finance</p> <p>Missing links in main trans-African transport corridors</p>
<p>African institutions, authorities and sectoral bodies</p>	<p>Promoting cooperation, raising awareness and defining agreed priorities for further analysis or funding</p>	<p>Political support and participation (national level) in the implementation, monitoring and supervision of studies</p>	<p>Supervision of works and ensuring ownership and sustainability of the investments</p>
<p>Grant financing community, project preparation facilities,...</p>	<p>Accompanying the process with financing and technical support</p>	<p>Resource mobilisation and leading –in dialogue and coordination with authorities- in the implementation of studies</p>	<p>Co-financing of investments and participation in financing of QA and supervision of works</p>
<p>Financiers and private sector</p>	<p>Associated to the process and giving advise on viability of actions identified</p>	<p>In some cases, financial participation and contribution</p>	<p>Core financing of major works</p>

–all actions should be conducted in coherence with national and regional policies and strategies to ensure sustainability and efficiency.

model for debate



Environment

- Success of regional or continental interventions depends on the existence of enabling environment at national level.
- National authorities should be closely associated to any development. Sectoral policies and harmonisation measures should therefore be in place in countries benefiting of regional investments
- RECs to reinforce their role in bringing together national administrations to ensure an active cooperation between them and an active involvement and support to the new investments (i.e. road maintenance, tariff harmonisation, transit transport agreements, national investment plans, ...)

ICA (members and Secretariat) involvement

- Role of ICA. In close coordination with RECs (and AUC for policy coherence and to ensure a continental view), ICA will facilitate dialogue for identification of projects and main actors who will then drive the process.
- ICA will also give support to the project leader (source of expertise, coordination, secretarial assistance, communication,...).
- ICA to link up with non-ICA institutions to coordinate and facilitate joint actions

A few questions

- Is Secretariat ready to facilitate brokering or does it need additional resources or modification of its mandate?
- How ICA would co-ordinate with AfDB to play this role more effectively?
- Are ICA members ready to increase support to ICA to play a reinforced role?
- Shall it play a more active role in linking members and non-members?
- How Secretariat could act in involving and attracting the interest and finance of private sector?
- Should the Secretariat work closer with RECs to promote regional projects at national level (following one of the main conclusions of the AU Summit)?
- Are ICA members ready to lead on particular projects? On which ones?
- How likely are RECs to assume their leading role in the two phases of the process?