

Infrastructure Consortium for Africa ICA Annual Meeting

Workshop: Identifying strategic options 2009-11

Rome, 9 March 2009

Outline

- 1 ICA Strategic framework
- 2 Key challenges
- 3 Proposals for ICA outputs and activities
 - “Status quo” option
 - “Expansion” option
- 4 Implications on ICA Secretariat budget and staff
- 5 Some key discussion points

1. ICA Strategic framework

- ICA's Goal – *what ICA contributes towards*
- ICA's Purpose – *what will change for the beneficiaries*

- ICA Outputs** – *what ICA (members and secretariat) have to deliver*
- ICA Activities** – *actions financed by ICA resources*

2. Key challenges ...

- Mobilising & sustaining annual investment of US\$80bn - half of which is needed for operations and maintenance - in the current global financial crisis
- Tackling investment & affordability in low-income countries and fragile states – where investment gaps and maintenance shortfalls are the largest
- Speeding up gains from improved SOE efficiency, cost recovery etc. to close the funding gap of US\$35bn
- Increasing domestic revenues for maintenance

2. ...key challenges

- Tackling energy crisis where investment needs are highest
- *Building missing regional links, increasing rural road access, improving railway concessions, raising port performance, implementing Yamoussoukro Decision & improving air safety*
- Boosting water efforts as Africa's MDG target is unlikely to be met
- Addressing the over-looked problems in Cities – congestion, deteriorating services that hinder economic and exacerbate urban livelihoods

3. Proposals for ICA outputs and activities

1. Improved programme and project development
2. Harmonised collaboration
3. Increased infrastructure financing
4. Involved private sector
5. Established communications strategy

3.1 Improved programme & project development

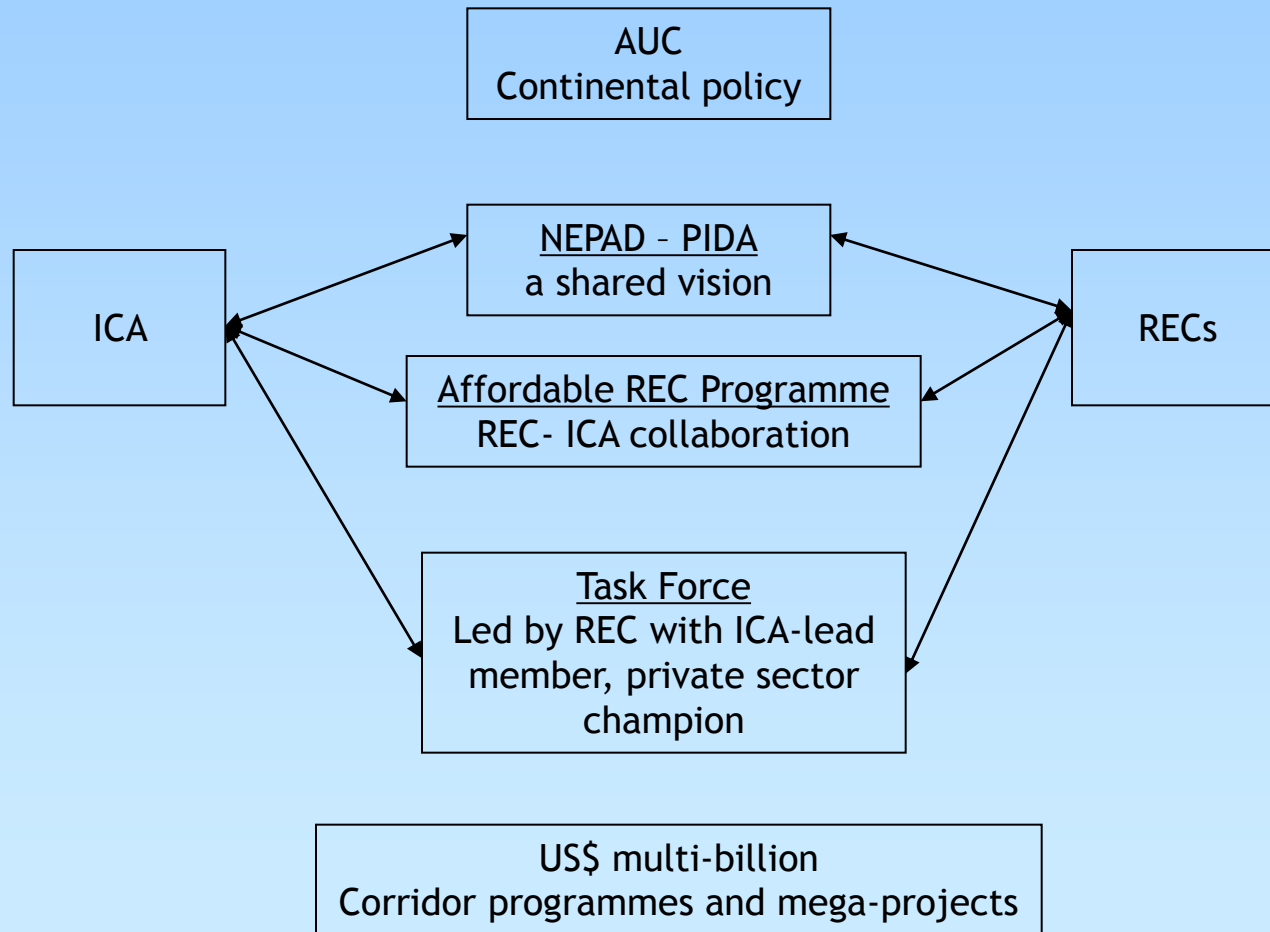
“Status Quo”

- Define affordable regional programmes by closer cooperation between RECs and ICA members
- Enhance capacity of RECs by an increased and coordinated ICA member support

“Expansion” – project brokering

- Create Task Forces to work with Transport Corridor Management Groups, Power Pools - US\$ 1+ billion programmes or around multi-billion “mega-projects”

Possible project brokering arrangement



3.2 Harmonised collaboration

“Status quo”

- ICA members to harmonise upstream activities and project appraisal - reducing management burden on scarce REC resources
- Secretariat to continue their dialogue with & strengthen links with China, India and Arab development funds
- Develop and broaden links with sectoral organisations
EU-Africa Infrastructure Partnership, SSATP, GWP- AMCOW,
Africa-EU Energy Partnership - AFREC-FEMA

3.3 Increased infrastructure financing

“Status quo”

- ICA members to lobby internally and at international venues
- ICA members to adapt their financing instruments to match proposals for REC infrastructure funds

3.4 Involved private sector

“Status quo”

- Engage a private sector professional for including private sector concerns throughout project development
- Ensure media campaign addresses and connects with the private sector

“Expansion”

- Secretariat to review the impact of sectoral reform on attracting private sector investment

3.5 Established communications strategy

“Status quo”

- Annual reports, newsletters, reporting on specific reviews, developing communication material and maintaining a media campaign...

“Expansion”

- Develop an “African Infrastructure Outlook” booklet
- Monitor work of others on impact of climate change on infrastructure delivery, operation and maintenance
- Produce periodic reviews of infrastructure performance linked to current development issues
- Develop a paper for placing infrastructure in the debate on MDGs beyond 2015

4. Implications on ICA Secretariat staff

“Status quo”

- Engage a private sector expert

“Expansion”

- Additional staff for:
 - an enhanced monitoring and reporting role
 - coordinating ICA project brokering

4. Implications on ICA Secretariat budget

A move to predictable financing of a 3-year plan

- Who can indicate their future participation?
- How will funds be disbursed - an annual or a single disbursement for the 3-year plan?

5. Some key discussion points

- What steps can ICA members take to meet AICD investment levels in the current financial crisis (2009-??)
- How should ICA widen its regional focus to support country issues that impact on ICA regional efforts, e.g.
 - the enormous investment levels required in LICs & fragile state
 - the maintenance shortfall that threatens sustainability of infrastructure and the services delivered
 - the inefficiencies in SOE's – utilities
 - the improvement in individual transport sectors
- Why does ICA overlook the infrastructure crisis in African cities?

Thank you

Bruce Thompson
Infrastructure Policy Adviser
Interconnecting Africa