

8TH ANNUAL MEETING OF INFRASTRUCTURE CONSORTIUM FOR AFRICA (ICA)

11-13 JUNE 2012

TUNIS, TUNISIA

PLENARY SESSION

13 JUNE 2012

OUTCOME STATEMENT: THE PLENARY SESSION

1. INTRODUCTION

The 8th Annual Meeting of the Infrastructure Consortium for Africa (ICA) was held in Tunis, Tunisia, from 11-13 June 2012. The meeting was co-organized by the African Development Bank (AfDB), which hosts the ICA Secretariat, and the United States government.

The ICA Annual Meeting consisted of three separate meetings, namely: the ICA Members' Meeting, the African Stakeholders' Meeting and a Plenary Session on the theme of '**Unlocking Private Investment in Clean and Renewable Energies in Africa**'. The current outcome statement is for the plenary session. The outcome of the ICA Members' Meeting of 11 June 2012 has already been distributed to members. However, highlights of the ICA Members' and African Stakeholders' meetings are included in this statement.

The ICA Annual Meeting was attended by representatives from ICA members, the African Union Commission (AUC), NEPAD Planning and Coordination Agency (NPCA), African Regional Economic Communities (RECs), and national governments, along with Africa infrastructure financiers/investors. A full list of participants is included in the Annex.

1.1. ICA Members' Meeting

The ICA Members' Meeting was opened by Gilbert MBESHERUBUSA, Vice President of Infrastructure, Private Sector and Regional Integration at AfDB, and Mr. Walter C. JONES, US Executive Director at AfDB, noting that the meeting had come at an important time for African infrastructure. The adoption of the Program for Infrastructure Development in Africa (PIDA) by AU Heads of State and governments in January 2012, outcomes from the G20 Cannes Summit and the Mexican G20 Presidency all place high priority on infrastructure projects, particularly those involving low-income countries, Africa and regional projects.

The Members' Meeting provided important strategic outcomes that will enable ICA to scale up its work, namely: 1) commencing in 2013, to hold only one annual members' meeting instead of two, 2) to extend ICA's Strategic Business Plan (SBP) 2010-2012 by one year to 2013, and 3) to include data on agricultural infrastructure in ICA annual reports.

1.2. African Stakeholders' Meeting

The African Stakeholders' Meeting sought to strengthen coordination and synergies, and build consensus on issues in African infrastructure development. This year's meeting focused on issues related to effective implementation of PIDA and its Priority Action Plan (PAP). Discussions focused on resource mobilization and capacity-building needs, particularly those of RECs, to operationalize the Institutional Architecture for Infrastructure Development in Africa (IAIDA).

African stakeholders agreed that the capacity building needs to implement PIDA-PAP must be prepared and structured in accordance with IAIDA. It was therefore decided to establish a thematic Working Group, led by the Southern African Development Community (SADC), to identify capacity building needs and propose a strategy. The group would also be responsible for designing and establishing Project Implementation Units at the REC level.

Stakeholders also identified strong financial and human resource mobilization needs for the PIDA PAP, particularly in project preparation and implementation. ICA members and partners were requested to strengthen the capacity of the NEPAD Infrastructure Project Preparation Facility (IPPF). A Nigerian-led Working Group that is supported by NEPAD-IPPF was established to design a resource mobilization strategy that includes both local and private sector resources.

African Stakeholders also noted progress on the ICA Assessment of Project Preparation Facilities for Africa and confirmed their support of data collection and implementation of subsequent outcomes.

2. PLENARY SESSION

The plenary session was opened by her Excellency, AUC Commissioner, Elham IBRAHIM, and co-hosted by Oren WHYCHE-SHAW of USAID, and Alex RUGAMBA, Director of the NEPAD, Regional Integration & Trade Department at AfDB.

Main outcomes of the plenary session are presented below.

2.1 PIDA Introduction

The meeting began with AfDB's presentation on PIDA, its priority projects and the institutional infrastructure to be implemented for delivery of the PIDA PAP. Following detailed discussions, participants unanimously agreed on the following:

1. The need for innovative financing models, including domestic/national financing (e.g. budget, infrastructure bonds, pension funds), and strategies for unlocking private sector financing (need for harmonized regulatory frameworks in the region, e.g. public-private partnerships [PPPs]).

2. RECs should play an important role in providing a common matriculation and mutual recognition framework/agreements (building common markets). To further this goal, ICA was requested to support REC capacity building, thereby enabling RECs to fulfill this role.
3. The adoption and implementation of IAIDA will set the groundwork for PIDA PAP, and ICA was requested to strengthen its focus on PIDA implementation.
4. Successful implementation of PIDA PAP will depend on four critical factors: leadership, commitment and resource mobilization, good project preparation, and regional coordination. Therefore, participants called upon ICA to increase its support of NEPAD-IPPF to obtain sufficient funds for Project Preparation.

Participants noted that the next steps in implementation of PIDA require establishing milestones for each project/program, with project preparation playing an important role in the planning process.

2.2 Fundamental Enabling Environment Actions Required to Unlock the PIDA Energy PAP

This session focused on key issues in enabling the infrastructure environment, including proper government sector planning, development of legal and regulatory frameworks, and the necessary participation of regional organizations, such as power pools, in project preparation. The need for an effective PIDA PAP marketing strategy was also underlined.

To establish the proper enabling environment for attracting and fostering investment in the PIDA PAP, panellists and participants agreed that governments must:

- i. facilitate harmonization of policies and processes (including PPP framework) at the regional level,
- ii. support project preparation, and
- iii. incorporate regional projects into national programs

The private sector must also apply an increasingly long-term view on the energy sector and engage in smaller profitable projects within PIDA PAP and look for opportunities to scale up.

In addition, ICA should play an important role in coordinating PIDA PAP resource mobilization efforts, by using its sector platforms and member network. Future ICA annual reports could also feature information on PIDA project financing by members and partners.

Participants also tabled the need for RECs to focus on marketing PIDA projects and creating multi-country coordination for project delivery.

The ever-growing need to provide online information on PIDA projects (e.g. financing requirements, timeline, background information, etc.) was also discussed, along with the possibility of an implementation scorecard to monitor progress.

Tools should be identified to incentivize PIDA implementation and/or coordination. Examples were discussed, such as the Presidential Championship of Priority Projects and biennial reporting to AUC and other Heads of State to encourage political will/backing.

2.3 Possible Project Financing Options To Be Applied To Deliver PIDA Energy Sector PAP

Initial discussions focused on the Islamic Development Bank's approach to private sector financing and private-sector investors' views on the African infrastructure marketplace. The session also explored country-level implementation of regional projects, International Development Association (IDA) instruments vs. sovereign support, and the use of infrastructure and project bonds.

Given the continual effect of the financial/economic crisis on global financial markets, and thereby capital/equity availability for infrastructure in Africa, participants question the effectiveness and highlight the need to rethink current PPP models.

As next steps, ICA should consider organizing a focus working group to discuss PPP financing models for private sector financed projects and assess scalability to support the PIDA PAP.

Participants also addressed the need for capitalization and increased use of sub-regional development banks (Development Bank of South Africa, the West African Development Bank [*la banque ouest africaine de développement*], etc.) to provide long-term local currency financing. Raising local capital through infrastructure bonds and pension funds are also viable options.

2.4 Unlocking Private Sector Investment in Support Of Clean and Renewable Energy Development in Sub-Saharan Africa

Speakers presented case studies on solar photovoltaic, wind and biomass projects in different regions of Africa. Presentations provided a diverse picture of the possibilities and challenges of planning, implementation and financing of renewable energy projects.

During the ensuing discussions, there was consensus among participants that it was not a problem of unlocking private investment, but rather redirecting available capital to the African market. Additionally, given the critical needs and the objective to generate/produce affordable energy, the selection of energy sources (which will still include fossil fuels but also increasingly renewable sources) will depend on the natural resources and the environment of the generating country.

Participants highlighted the significant challenge of transmission and connection to the national grids in the case of renewable power generation projects, and discussed maximization of concessional funding and the use of partial risk guarantee structures for payment or liquidity risks.

2.5 Innovative Recent Renewable Private Sector Initiatives

The US government presented "Powering Agriculture", a new initiative that seeks to integrate renewable energy with food security to help generate innovative ideas for farmers. The US has already committed US\$1 billion for renewable energy development, such as solar, wind, and mini-hydro power projects. The US underscored the importance of renewable energy development that could help increase commercial viability of projects and decrease greenhouse gas emissions. The US invited ICA members to become partners of this initiative. USAID also made a presentation on 'The New Alliance for Food and Nutrition Security' and the 'Agriculture Fast Track Facility'.

AfDB presented its overview of AfDB-financed projects with integrated agriculture/irrigation systems and solar power generation in Malawi. AfDB emphasized that reliable and low-cost energy is essential for development, particularly for agriculture, which in turn, benefits food security. AfDB noted the replication of similar projects in Chad and Zambia.

The US presented progress on the 'UN Sustainable Energy for All (by 2030)' initiative launched by the United Nations Secretary General. Its main objectives are: 1) universal access to energy by 2030, 2) doubling the global rate of improvement on energy efficiency, and 3) doubling the share of renewable energy. The group sent a field mission to selected countries, including Ghana, Kenya, Uganda, Mozambique, Tanzania, Liberia and Sierra Leone. National action plans have been drafted for presentation at Rio+20.

KfW and the Geothermal Development Corporation in Kenya made presentations on geothermal energy in East Africa to mobilize public and private investment and financing for development of geothermal power plants in East Africa. Funding is generated by general governments and the European Union-Africa Infrastructure Trust Fund. Five countries (Tanzania, Kenya, Uganda, Rwanda and Ethiopia) are eligible thus far.

3. CONCLUSION

Overall, the ICA 8th Annual Meeting proved a success. The meeting reaffirmed the need for continued efforts in unlocking private investment in African infrastructure, particularly in clean and renewable energy. Implementation priorities remain within the context of the AU Heads of

State endorsement of the PIDA PAP. Participants requested that ICA play a leading role in coordinating resource mobilization efforts via its sector platforms and member network.

Therefore, the ICA Secretariat and ICA members are expected to play a key role in implementing the PIDA PAP, and in exploring ways of supporting the African Union agenda for operationalization of IAIDA.

ANNEX – LIST OF PARTICIPANTS

#	First Name	Surname	Company	Position
1	Cynthia	AKUETTEH (Ms.)	US Department of State	Director
2	Oren	WHYCHE-SHAW (Ms.)	USAID	Principal Advisor to the Assistant Administrator for Africa
3	Jeffrey	HUMBER (Mr.)	USAID	Senior Energy Advisor
4	Walter	JONES (Mr.)	AfDB	Executive Director
5	Michael	MULDOON (Mr.)	USAID	Development Credit Authority
6	Patrick	STUART (Mr.)	US Treasury Department	International Economist, Office of African Nations
7	Molly	WARD (Ms.)	US Department of State	Foreign Affairs Officer
8	Charles	GAY (Mr.)	Applied Materials	President, Applied Solar
9	Christopher	CAMPONOVO (Mr.)	Symbion Energy	Country Director
10	Susan	WOOD (Ms.)	THE MITCHELL GROUP	Program Officer
11	François	KRUGER (Mr.)	AfDB	Executive Director
12	Xavier	BRUN (Mr.)	Ministry of European & Foreign Affairs	Responsable Pôle Infrastructures
13	Rima	LE COGUIC (Ms.)	AFD	Responsable de Division Adjoint, Division Transport & Energie Durable
14	Leslie	O'DONOGHUE (Mr.)	Australian Agency for International Development (AusAID)	Assistant Director, Development Banks
15	Yuko	SAKASHITA (Ms.)	JICA / UEMOA	UEMOA Infrastructure Advisor
16	Hiroyuki	KUTSUNA (Mr.)	JICA / SADC	JICA Advisor to SADC Secretariat
17	Shigeo	NAKAGAWA (Mr.)	JICA	Advisor, Planning & TICAD Process Division, Africa Division
18	Naohiro	TSUTSUMI (Mr.)	Ministry of Foreign Affairs	Director, Country Assistance Planning Division III
19	Naoaki	KAMOSHIDA (Mr.)	Ministry of Foreign Affairs	Principal Deputy Director, Country Assistance Planning Division III
20	Takahisa	TSUGAWA (Mr.)	Embassy of Japan	Deputy Chief of Mission
21	Alistair	WRAY (Mr.)	EIB	Senior sector Specialist

#	First Name	Surname	Company	Position
22	Luis	BAPTISTA (Mr.)	European Investment Bank (EIB)	Deputy Head of Division Portfolio Management & Policy/ACP - Investment Facility Department
23	Rolf	SEIFRIED (Mr.)	KFW	Energy Economist
24	Klaus	GIHR (Mr.)	KFW	Head of Division Infrastructure
25	Alessandro	PROVAGGI (Mr.)	European Commission	Team Manager
26	Anna Maria	BJERDE (Ms.)	The World Bank	Senior Manager
27	Stéphane	DUVAL (Mr.)	Canadian International Development Agency (CIDA)	Senior Development Officer
28	Vivien	ESCOTT (Ms.)	Canadian Embassy in Tunisia	
30	Stephen	YOUNG (Mr.)	DFID	Head of Profession - Infrastructure
31	Terri	SARCH (Ms.)	DFID	Africa Regional Wealth Creation
32	Fernando Javier	VALLINA PADRO (Mr.)	Embassy of Argentina	Minister
33	Mandla	GANTSHO (Mr.)	Africa Rising Capital	Chief Executive
34	Prafulchandra	PATEL (Mr.)	Centennial Africa & Middle East	President
35	Massimo	FIorentino (Mr.)	Meridiam Infrastructure	Senior Investment Director
36	David	GRYLL (Mr.)	ACTIS-UK	Partner
37	James	LEIGLAND (Mr.)	PIDG - South Africa	Technical Advisor
38	Chingiz	ORUJOV (Mr.)	Islamic Development Bank	Energy Economist
39	Rostan	SCHWAB (Mr.)	The World Bank / Morocco	Senior Investment Officer
40	Marc	FRILET (Mr.)	EFEJI / CICA	Associé-Gérant
41	Roger	FIZELSON (Mr.)	SEFI & CICA	Délégué Général
41	Alex	SIMBALAWI	Global Water Partnership	Coordinator: Water, Climate and Development Programme
41	Nabil	NAESSANY (Mr.)	Structured Finance Department	
43	Mark	COCKBURN (Mr.)	CEPA	Director

#	First Name	Surname	Company	Position
44	Mike	DYSON (Mr.)	CEPA	Senior Associate
45	Sait	SOZUMERT (Mr.)	Ministry of Economy	Foreign Trade Specialist
46	Askin	CAKMAK (Mr.)	Turkish Embassy in Tunisia	Conseiller à l'Ambassade de Turquie
47	Yusaf	SAMIULLAH (Mr.)	IMC Worldwide Limited	Director
48	Paul Kamau	NGUGI (Mr.)	Geothermal Development Company Limited	Chief Manager, Corporate Affairs
49	Anthony	SYKES (Mr.)	SMBC Europe Limited	Deputy General Manager
50	Ezzedine	KHALFALLAH (Mr.)	International Energy Consulting	President
51	Ali	HJAIEJ (Mr.)	Clarke Energy Tunisia	Responsable Commercial
52	Hatem	MABROUK (Mr.)	Sottmar S.A.	Business Development, Marketing & Sales Manager
53	Shahid	KHAN (Mr.)	AfDB	Executive Director
54	Theko	BERENG (Mr.)	AfDB	Advisor
55	Peter	WIENER (Mr.)	Steer Davies Gleave	Associate Consultant
56	Sheila	FARRELL (Ms.)	Steer Davies Gleave	Associate Consultant
57	Elham	IBRAHIM (H.E. Dr. Mrs)	African Union Commission	Commissioner for Infrastructure & Energy
58	Aboubakari	BABA-MOUSSA (Mr.)	African Union Commission	Director, Infrastructure & Energy
59	Maurice	NIATY-MOUAMBA (Mr.)	African Union Commission	Transport Expert
60	Cheikh	DIAKHATE (Mr.)	African Union Commission	Energy Expert
61	Zouli	BONKOUNGOU (Mr.)	African Union Commission	Telecom & ICT Consultant for AUC
62	David	MBADINGA (Mr.)	CEEAC	Coordonateur Etude Inter-Connexion Réseaux Electriques des Pays d'Afrique Centrale
63	Thenjiwe	SIBANDA (Ms.)	COMESA	Chief Executive Officer
64	Dominique	NGASSAKI (Mr.)	CEMAC	Chef de Projet Infrastructures
65	Mamadou	TOURE (Mr.)	BIDC	Advisor to Vice-President, Operations

#	First Name	Surname	Company	Position
66	Winfried	ZARGES (Mr.)	Sector Manager	GIZ African Union Office
67	Abel Didier	TELLA (Mr.)	UPDEA	Secretary General
68	Alemu Tenebo	LEFIMO (Mr.)	East Africa Power Pool (EAPP)	Power Economist
69	Enos	BUKUKU (Mr.)	EAC Secretariat	Deputy Secretary General, Planning & Infrastructure
70	Robert Otieno	ACHIENG (Mr.)	EAC Secretariat	Senior Communications Engineer
71	Elsam T.	BYEMPAKA (Mr.)	EAC Secretariat	Project Development Officer
72	Haaba	BALDEH (Ms.)	ECOWAS Commission	Programme Officer Air Transport
73	Olumuyiwa	SHOKUNBI (Mr.)	ECOWAS Commission	Programme Officer Project Preparation & Development Unit
74	Christian	APIAH (Mr.)	ECOWAS Commission	Transport Facilitation & Policy Expert
75	Girma Hailu	BEKELE (Mr.)	ECOWAS Commission	Energy Advisor
76	Monga	MEHLWANA (Mr.)	UNECA	Senior Economic Officer
77	Leslie	SAUNDERS (Mr.)	NEPAD/AU	Assistant Director, Department International Relations & Cooperation
78	Lerato Dorothy	MATABOGE (Ms.)	NEPAD/AU	Chief Director, Department of Trade & Cooperation
79	Bharti	DAYA (Ms.)	NEPAD/AU	Director, Department of Trade & Industry
80	Claudia	FURRIEL (Ms.)	NEPAD/AU	Deputy Director, Department of Trade & Industry
81	Charles	MANUEL (Mr.)	NEPAD/AU	Acting Director, Trade & Industry
82	John	TAMBI (Mr.)	NEPAD/NPCA	Transport Infrastructure Expert
83	Elsabeth T.	TEDROS (Mr.)	NEPAD/NPCA	Senior Investment Officer
84	Remigious	MAKUMBE (Mr.)	SADC	Director, Infrastructure
85	Joao Samuel	CAHOLO (Mr.)	SADC Secretariat	Deputy Executive Secretary
86	Gilbert	MBESHERUBUSA (Mr.)	AfDB	Acting Vice-President, OIVP
87	Alex	RUGAMBA (Mr.)	AfDB	Director , ONRI
88	Timothy	TURNER (Mr.)	AfDB	Director, OPSM
89	Hela	CHEKHROUHO (Ms.)	AfDB	Director, ONEC

#	First Name	Surname	Company	Position
90	Ralph	OLAYE (Mr.)	AfDB	Division Manager, ONRI.1
91	Josephine	MUTUURU-MWANGI	AfDB	Division Manager, OSAN.3
92	Bamory	TRAORE (Mr.)	AfDB	Lead NEPAD/IPPF
93	Jean-Jacques	NYIRUBUTAMA (Mr.)	AfDB	Chief Programme Officer, ONRI/JSSO
94	Shem	SIMUYEMBA (Mr.)	AfDB	Chief Infrastructure Economist, ONRI.1
95	Dovi Charles	AMOUZOU (Mr.)	AfDB	Senior Budget & Programme Coordinator
96	Peter	FERNANDES-CARDY	AfDB / ICA	Infrastructure Expert
97	Mohamed	HASSAN (Mr.)	ICA Secretariat - AfDB	Coordinator
98	Callixte	KAMBANDA (Mr.)	ICA Secretariat - AfDB	Infrastructure Expert
99	Sonja	HOESS (Ms.)	ICA Secretariat - AfDB	Infrastructure Expert
100	Momoko	WADA (Ms.)	ICA Secretariat - AfDB	Infrastructure Expert
101	Mtchera	CHIRWA (Mr.)	AfDB	Principal PPP Infrastructure Specialist
102	Bertrand	BELBEN (Mr.)	AfDB	Ingénieur Supérieur Energie, ONEC.1
103	Maud	VALLEE (Ms.)	AfDB	Legal Counsel, GECL.
104	Lisa	SALYER (Ms.)	ICA Secretariat - AfDB	Communication Consultant
105	Mohamed	TANI (Mr.)	ICA Secretariat - AfDB	Consultant
106	Michelle	TUTT (Ms.)	ICA Secretariat - AfDB	Young Professional
107	Donia	BEN SAAD (Ms.)	ICA Secretariat - AfDB	Assistant
108	Aminata	KONE (Ms.)	ICA Secretariat - AfDB	Team Assistant