

PRESS RELEASE

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**INFRASTRUCTURE CONSORTIUM CALLS FOR MORE PRIVATE INVESTMENT
TO SUPPORT AFRICAN REGIONAL INTEGRATION**

Leading development institutions encouraged efforts to meet Africa's infrastructure needs at a meeting of the Infrastructure Consortium for Africa (ICA) last Friday. The operational meeting was hosted by the European Investment Bank (EIB) in Luxembourg and focused on the need for Africa to set priorities for cross-border infrastructure and to engage the private sector in its development.

Efficient cross-border infrastructure in Africa can contribute significantly to the Millennium Development Goals of poverty alleviation, regional integration and increased competitiveness. Such regional projects are expensive and face design and implementation challenges. The ICA meeting brought together leading donors to the region, including the European Union, USA and China, to tackle these problems.

Dr Bernard Zoba, African Union Commissioner for Infrastructure and Energy praised the efforts of the Infrastructure Consortium but urged further progress. *"Africa is impatient. The African Union is waiting for opportunities to move the cross-border infrastructure situation forward."*

Directors from the EIB, African Development Bank (AfDB), European Commission and World Bank led discussions which focused on:

- Plans and priorities for regional infrastructure development
- Flagship projects for the future
- Private sector investment and growing sources of finance
- Sustainability/maintenance of infrastructure investments

Harmonisation of regional infrastructure schemes in Africa ranks highly on the ICA's agenda. The African Union, with support from the AfDB is coordinating **plans and priorities to establish a single vision for cross-border infrastructure**. Building on past experience and future needs is, however, proving to be a lengthy process.

Antonio Garcia Frago, Head of Economic Development: Infrastructure at the European Commission, stressed that infrastructure development should not be put on hold whilst waiting for an African Master Plan to be brought to the table. *"There are many regional organisations carrying out individual studies which can be fruitful now and in the medium term. We must cluster these plans which are endorsed by the overall AU master plan,"* said Garcia Frago who is in charge of infrastructure, communication networks, trade and regional integration at the Directorate-General for Development.

Another proposal stressed ICA's coordination role. Delegates welcomed a move to support **priority infrastructure projects in Africa**, through more co-financing and sharing of project lists.

Gilbert Mbeshherubusa, Director of Infrastructure at the AfDB, recommended strengthening communication to share knowledge and experience, including via the ICA website. Participants asked the ICA Secretariat to identify lead donors on priority projects in particular sectors and regions.

Private sector involvement, both foreign and domestic, is essential if Africa is to meet its priority infrastructure targets. Jacob Kolster, Lead Programme Coordinator at the World Bank informed participants that transport infrastructure alone could require over USD 250 billion over the next 15 years. Loans and grants from traditional donors will fall short of providing for this development. ICA members must also do more to encourage China, India and Arab partners to help finance regional infrastructure projects.

Private company involvement in infrastructure is hindered by challenging business environments and individual country risks. African countries must devote greater attention to long-term **project sustainability** to ensure that projects can be supported during their whole lifetime, and the **creation of a suitable climate for private investment**.

To overcome these difficulties Martin Curwen, Head of the EIB's African, Caribbean and Pacific department, called for collaboration between public and private funding sources and enhanced prioritisation of regional projects by Africa. ICA's members must support regional infrastructure programmes with innovative financing and technical assistance solutions.

Some 35 representatives from bilateral donors, multilateral agencies and African institutions attended the Luxembourg Infrastructure Consortium for Africa assembly. The ICA's next steps identified at the meeting will form the basis for discussion at the Consortium's annual meeting in Tokyo in March and will contribute to the development agenda of the G-8 nations under the 2008 Japanese Presidency.

Background information:

Infrastructure Consortium for Africa

The Infrastructure Consortium for Africa (ICA) was established in 2005 and is led by the African Development Bank (AfDB). The Consortium encourages a joined-up approach to meet Africa's urgent infrastructure needs to support economic growth across the continent. ICA addresses national and regional constraints to infrastructure development through the sharing of information, project development and good practice. The Consortium is not a financing agency but it acts as a platform to catalyse donor financing of infrastructure projects and programmes in Africa. ICA's members include bilateral donors, multilateral agencies and African institutions. www.icafrica.org

European Investment Bank

The European Investment Bank (EIB) has been an active development partner in many African, Caribbean and Pacific (ACP) countries since 1963. The EIB contributes to the European Union's external cooperation and development policies in these regions to improve social well-being and work towards achieving the Millennium Development Goals.

In April 2007 the EIB, the European Commission and a number of EU Member States launched a joint initiative to foster infrastructure projects in sub-Saharan Africa. The **EU-Africa Infrastructure Trust Fund** supports the development of cross-border infrastructure in sub-Saharan Africa, providing grants for water, energy, transport and telecommunications initiatives. The Trust Fund fuses the technical and funding expertise of the EIB and other EU development financiers with European Commission grant resources. Donor commitments to the Trust Fund stand at EUR 146 million, of which EUR 31.5 million has been approved for allocation to five projects.

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