

# Newsletter



Newsletter of the Infrastructure Consortium for Africa (ICA) – July 2007 Issue #4

## Annual Report published

The ICA's 2006 Annual Report is now available in English and French. Key messages in the report include:

- Donor commitments reached more than \$7.7 billion in 2006, up from about \$7.0 billion in 2005.
- Despite increased commitments to regional projects the AfDB and the World Bank have immediate financing gaps of around than US\$1bn each.
- Private sector investment continues to grow steady and reached over \$4.5 billion in 2005.
- Few African governments can yet have confidence their countries will receive assistance of the scale recommended by reports from the UN and the Commission for Africa.
- Some new forms of financing for infrastructure have already been developed, such as the Trust Fund of the EU-Africa Partnership for Infrastructure and the Pan African Infrastructure Development Fund (PAIDF) that will largely be supported by pension funds.
- Commitment has now to be built to ensure replenishments for ADF 11 and IDA 15 that are adequate size give appropriate priority, to African infrastructure.

 Download the Annual report at

<http://www.icafrica.org/en/publications/>

## REC Capacity Building Initiative Launched

In recognition of the key role played by Regional Economic Communities as key drivers of economic and political integration the G8 group of countries launched a capacity building initiative at their recent summit in Germany. The Capacity Development Initiative will place special emphasis on infrastructure development. Donor funding will be channelled through the existing NEPAD Infrastructure Project Preparation Fund hosted by the African Development Bank. The fund will help support RECs to facilitate the implementation of infrastructure projects in collaboration with their member states

 Download summit documents at

<http://www.g-8.de/Webs/G8/EN/G8Summit/SummitDocuments/summit-documents.html>



## World Bank and China Exim Bank sign collaboration agreement

The World Bank and the China Exim Bank signed on 21 May 2007 the Memorandum of Understanding that will increase cooperation between the two organisations. Over the past year and following the engagement of China in the ICA Senior Level Meeting in Berlin in January 2007, the World Bank has begun deepening consultations with the China Exim Bank with a focus

## Risk mitigation guide ready

Risk mitigation instruments can help mobilise commercial debt and private equity when governments or local infrastructure entities lack the creditworthiness or track record to attract finance on their own. A recently published "Review of Risk Mitigation Instruments for Infrastructure Financing", published by the World Bank and financed by the Public-Private Infrastructure Advisory Facility (PPIAF), provides a comprehensive guide what types of instruments are available, who provides them, how they might work together, and recent trends and developments. Case studies and in-depth details of products provided by both of multilateral and bilateral agencies are also provided.

With a courtesy of the World Bank, the report and a short PPIAF publication introducing the report can be accessed from the ICA Website.

 The report can be downloaded at <http://www.icafrica.org/en/publications/>



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### Financing Transport for Growth

The ICA Secretariat will be organising a meeting in late 2007 with the aim of increasing private sector investment in African transport projects. More details to follow....

on possibilities for collaboration in Africa. The recently signed MOU between the two banks expresses general agreement to cooperate to enhance development impact in partner countries. It details strengthened communication, information sharing and knowledge exchange, participation in donor fora and mechanisms, staff secondments, joint analytical work, and possible co-financing of projects. Preliminary discussions on possible areas of cooperation in infrastructure will lead to more detailed consultations once concrete possibilities are identified.

## Project Preparation meeting ends on high note

An Oversight Committee meeting of the NEPAD Infrastructure Project Preparation Facility (IPPF) in Lusaka on 25 June 2007 ended with a strong endorsement of the IPPF Progress Report, its planned activities in 2007, and new pledges of donor funding.

Physical projects recently helped by the IPPF include (i) the Togo-Benin Ghana Electricity Interconnection project (now approved for AFD financing); (ii) Kenya-Uganda Oil Pipeline project due to start development in July 2007; (iii) Zambia-Tanzania-Kenya-Power Interconnection project for which investors are showing interest in its financing; and (iv) Eastern Africa Submarine Cable System (EASSy) Project which signed a build agreement in March 2007.

The UK's Department for International Development (DFID) confirmed its contribution of **\$10m** to the Facility and the Government of Norway expressed strong interest in making a financial contribution to the Fund before the end of 2007.