

Infrastructure Consortium for Africa

Senior-level representatives from the G8, African Union, The New Partnership for Africa's Development (AU/NEPAD), African Development Bank, The Economic Community Of West African States (ECOWAS), the World Bank and the European Commission, met in London on May 5 to discuss infrastructure in Africa.

We recognised that infrastructure in Africa, is key to accelerating growth, reducing poverty and promoting regional integration. A step-change in approach is required to meet urgent needs and address the scale of the problem.

Concerted action between African institutions and donors, working with the private sector, is required. We agreed to work together to achieve more effective, larger scale activity behind priorities set by Africa, and to identify and overcome constraints, in a new co-operative spirit that recognises the comparative advantages of different donors.

We therefore agreed to establish an infrastructure consortium to work together, building on the valuable work already on-going.

The precise mechanics on how we will work together, and possible additional participants, will be discussed at the inaugural meeting of the consortium on 27 September 2005. The consortium will be open to others committed to achieving its objectives. In the meantime the UK will co-ordinate and facilitate.

Role of the consortium

We agreed a number of roles and criteria for the consortium:

- Advocacy – reflecting the scale of the problem, a key role is to ensure a more urgent, larger and more effective response to Africa's infrastructure needs, including urging greater attention in country PRSs and other national development strategies.
- Coverage – the focus would be on continent-wide cross-border/regional projects and at the national level, the focus would be on sub-Saharan Africa.
- Sector - sectors to be covered are water and sanitation, energy, transport, telecommunications and urban infrastructure.
- Data – current baseline data on funding and activity levels is poor and there is an urgent need to establish who is doing what, where, with what money, so as to identify gaps, building on work already underway in NEPAD and the World Bank.
- Effectiveness - poor coordination amongst donors remains a problem. Consortium members would press for action at the country-level and continue to advocate for full implementation of the Rome declaration, whilst encouraging partner countries to speed up their project ratification procedures.

- Capacity building – capacity should be increased in areas responsible for current bottlenecks, particularly project preparation, where a plethora of facilities exist. Rationalisation of these facilities, and expansion if necessary, could also help increase effectiveness.
- Comparative advantage – respecting the comparative advantages and complementarity of different donors, and the appropriate type and mix of funding for different types of infrastructure is key, if more resources are to be mobilised and effectively used.
- Scaling up – responding to the need for increased activity by mobilising additional funds for infrastructure (noting that some donors have already made new commitments and that recent multilateral replenishments will provide some additional resources) and more effective use of existing sources of finance for feasible projects; and identifying funds in the near term for a number of priority projects.
- Monitoring – there is a need for monitoring of actions and outcomes, although detailed approaches were not discussed at this meeting.

Next steps

A number of tasks were identified that consortium members will complete in advance of their inaugural meeting on September 27. These are:

- NEPAD to advance clear proposals for a short-list of feasible projects which need funding, to be presented to consortium members.
- ADF to undertake a study to identify what funds are available now, and how best to match these different sources of funding to different projects.
- DFID, in consultation with the NEPAD, AfDB and WB, to review existing project preparation facilities (with a view to rationalising and enhancing future capacity).
- AfDB in consultation with WB and DFID – proposal for secretariat / facilitation mechanism.
- WB and AfDB to launch needs assessment and an action plan scaling up the energy sector in Africa, to complement existing work on water and transport.
- WB to prepare TOR for regional infrastructure study for Africa along the lines of the recently completed study for E Africa done by JBIC, AsDB and WB.
- WB will share the outcomes on emerging best practice, from the June conference in Cape Town, on private sector participation in Africa.