



# Infrastructure Consortium for Africa 2008 Annual meeting

*Infrastructure planning and financing needs*

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# Outline

1. Current support and forecast
2. Co-financing with non-ICA members
3. Private sector & leveraging
4. Long-term sustainability
5. The EU-Africa Infrastructure Partnership



# 1. Current support and forecast

## EDF 9 (2002 - 2007)

- €3.75 billion in infrastructure. Mainly to road transport €2.5billion, with water and energy receiving €0.5 billion and €0.25 billion respectively, and lastly a small amount has been spent on ICT
- Water + Energy Facilities : € 500 + € 230 million
- Trust Fund : € 107 million. Leveraging (factor 1:5)

## EDF 10 (2008 - 2013)

- €5.6 billion to infrastructure (+ 50%)
- Transport/Energy/Water - focal sector in 35/10/12 SSA countries
- Activity in all sectors at regional level, ICT primarily at regional/continental level
- Replenishment of Water and Energy Facilities - same level as EDF 9 expected
- The Facilities will be open to direct contributions from EU MS → leveraging effect
- Trust Fund : EDF contribution increase considerably ( x 3) and more contributions from EU MS. Will work more closely with African Development Bank



## 2. Working together with non-ICA members

### EC contacts with non-ICA members

- First discussion with China on infrastructure (Brussels, June 2007)
- EU-China co-ordination meeting on regional infrastructure linked to the launching of the P'ship (Addis, October 2007)
- EU Commissioner Michel to attend high-level meeting China June 2008). Infrastructure high in the agenda
- Co-operation with India -- telemedicine project
- Parallel financing the best way to start operational co-operation



## 2. Working together with non-ICA members

### Through the ICA secretariat

- Countries where non-ICA have infrastructure as a focus of their co-operation -> ICA to facilitate, through lead donor or ad-hoc advice, involvement in Sector Wide Approach dialogue
- Associate non-ICA donors to large scale projects, such as Inga.



### 3. Private sector & leveraging

- Increased opportunities for private sector through being associated to projects financed by the Trust Fund
- European Commission is a grant donor and there are constraints to channel resources to the private sector (Indirect support through project implementation)
- Drawing more upon private contractors expertise by moving towards performance based contracts ( Study underway - will share results with ICA members)
- CDE study on SMEs involvement for improving road maintenance



### 3. Private sector & leveraging

- Innovative instruments: Water and Energy facilities and the Infrastructure Trust Fund facilitate co-financing with the private sector
- Private sector was granted a seat at the EU-Africa Infrastructure Partnership Steering Committee. This will allow the PS to help identify better ways for operational cooperation
- EU-Africa Business Forum: established a working group on Infrastructure which gives the European International Contractors (EIC) the opportunity to convey their proposals for action.

## 4. Long term sustainability



### Programmable resources

- Sustainability concerns are at the core of our national and regional programmes
- Programming exercise involves all stakeholders and results in Country and Regional Strategy Papers that provide a mechanism for dialogue and permanent review with s/holders.
- Sectoral strategies are developed jointly with line Ministries to ensure that individual actions are integrated in a coherent and stable framework.
- Sectoral approach drives development of sectoral strategies with s/holders involvement.
- Both financial and institutional sustainability should come together
- Securing predictable sectoral revenue and supporting institutional change that deliver better services are anyway key factors for sustainability



## 4. Long term sustainability



### Innovative instruments

- Water and energy facilities. Demand driven approach (call for proposals). Sustainability is checked by our field offices in coordination with relevant partners
- Trust Fund. Demand driven. First check done by project financiers before submission. Executive Committee members in charge of endorsing projects for funding. Compatibility with regional/continental plans and strategies
- Infrastructure Partnership Steering Committee (African - European policy board) to ensure overall coherence that supports sustainability of actions



## 5. The EU-Africa Partnership on Infrastructure

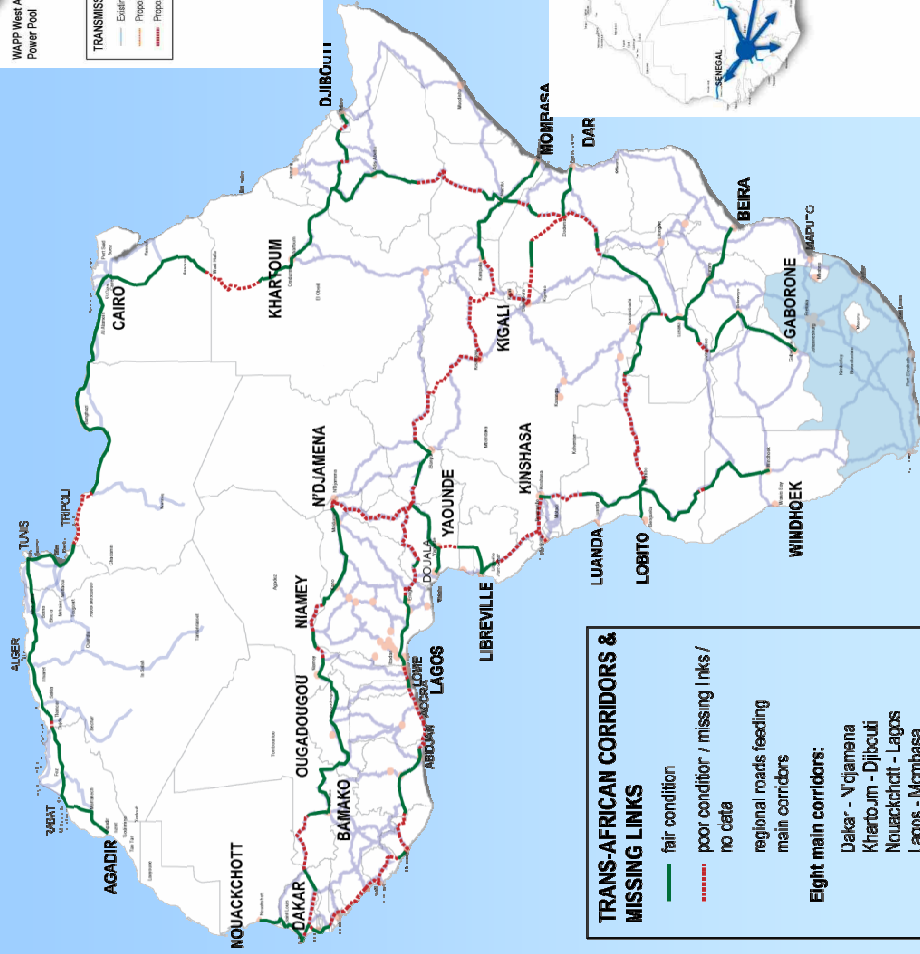
### Concept:

- Continental vision of African infrastructure
- Complementary to national and regional programmes
- Identifies a continental counterpart, African Union
- Political drive: Joint EU-Africa Strategy
- **INTERCONNECTIVITY**

### Added value:

- Improved coordination between European and African actors
- Federates EU countries around a common vision
- Provides framework for attracting additional ODA from MS
- Involvement of EIB and EDFIs

# TRANS-AFRICAN ROAD TRANSPORT CORRIDORS



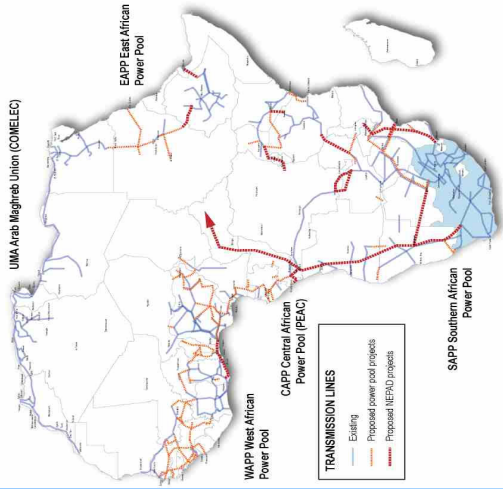
**TRANS-AFRICAN CORRIDORS & MISSING LINKS**

- fair condition
- poor condition / missing links / no data
- regional roads feeding main corridors

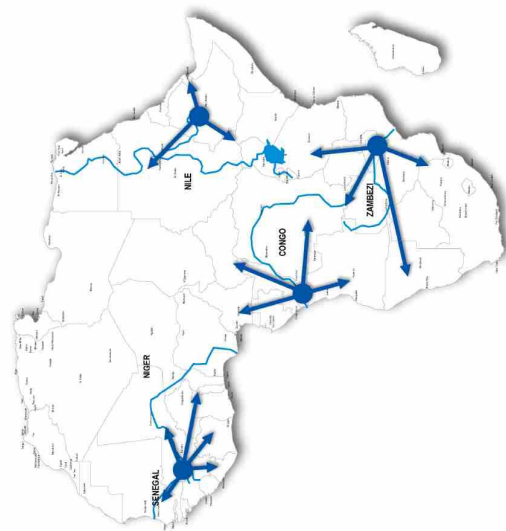
**Eight main corridors:**

- Dakar - Yamoussoukro
- Khartoum - Djibouti
- Nouakchott - Lagos
- Lagos - Mombasa
- Cairo - Gaborone
- Niamey - Windhoek
- Beira - Lobito
- Dar es Salaam - Kigali

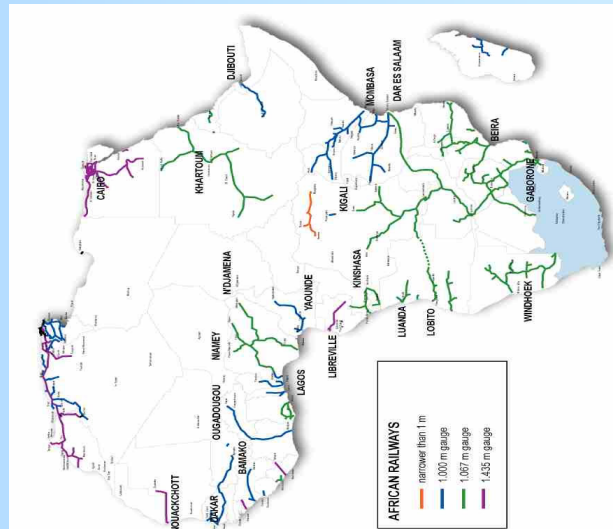
The boundaries, names, denominations and any other information shown on this map do not imply, on the part of the European Commission, any judgement on the part of it, or any endorsement or acceptance of such boundaries.



## ELECTRICITY INTERCONNECTIONS



## PRIORITY AREAS FOR INCREASED HYDROPOWER POTENTIAL based on NEPAD I-STAP



**AFRICAN RAILWAYS**

- narrow gauge < 1 m
- 1,000 m gauge
- 1,067 m gauge
- 1,435 m gauge

## AFRICAN RAILWAYS



# Key Partners & Roles

## **European Commission**

- Leadership of EU-side of Partnership,
- coordinate with MS, ICA, AfDB
- securing finance – 10<sup>th</sup> EDF

## **European Member States**

- Financiers of EDF and co-financiers of TF and bilateral programmes

## **European Investment Bank & EU MS Development Banks, EDFIs**

- Promoters and co-financiers of projects
- Administration of Trust Fund (EIB)

## **Africa Union Commission & Sectoral Partners**

- Political leadership of AU-side of Partnership, AMCOW, FEMA, etc

## **African Regional Institutions – NEPAD AfDB, RECs**

- Technical leadership of AU-side of Partnership

## **African Member Countries**

- Owners of Partnership projects – key to sustainability

## **African Development Bank, DBSA, DFIs**

- Potential project promoters and co-financiers

# EU-Africa Infrastructure TF

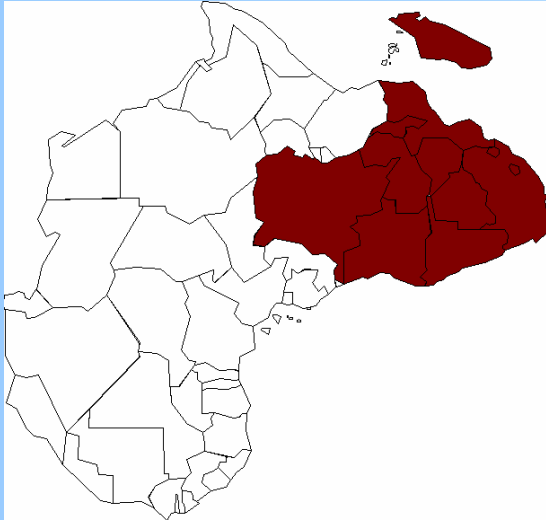
## Resources – 2007

- EURO 37 million in grants from: Austria, Belgium, France, Germany, Greece, Italy, Luxembourg, Netherlands, Spain, United Kingdom
- EURO 108 million from 9<sup>th</sup> EDF
- EURO ~ 900 million from EIB and other financiers in loans (factor 1:5)

## Resources – 2008: 10<sup>th</sup> EDF Intra ACP funds + increased EU MS contributions

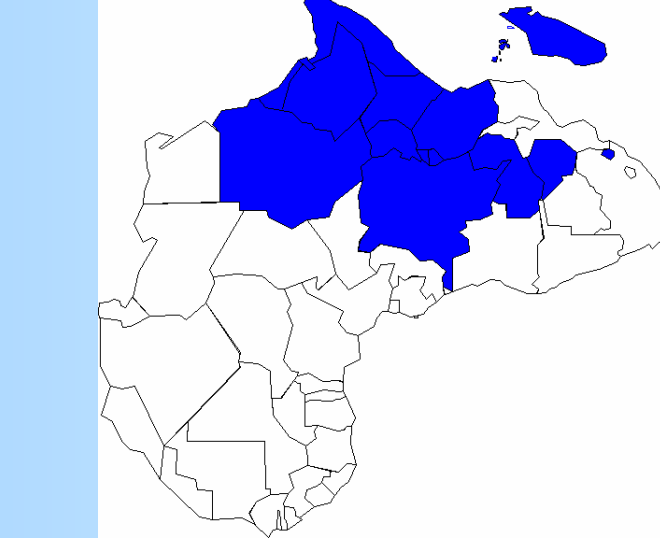


<b>Title</b>	<b>TF Contribution</b>	<b>PFG (additional)</b>	<b>Total cost of the project</b>
Hydroelectric Development of Felou, Mali	€10m	€33m	€102.5m
East African Submarine Cable System [EASSy]	€2.6m	€25.5m	€170m
Ethiopia-Kenya Power Systems Interconnection	€0,55	€0,35	€1.65m
Pre-Investment Studies for the West Africa Power Interconnection	€3m	€0	€3m
Caprivi Interconnector	€15m	€105m	€300m
The Priority Investments Programme for the Port of Pointe Noire	€10m	€40.5m	€96m
<b>TOTAL</b>	<b>€41,150,000</b>	<b>€204,350,000</b>	<b>€673,150,000</b>



## Southern Africa

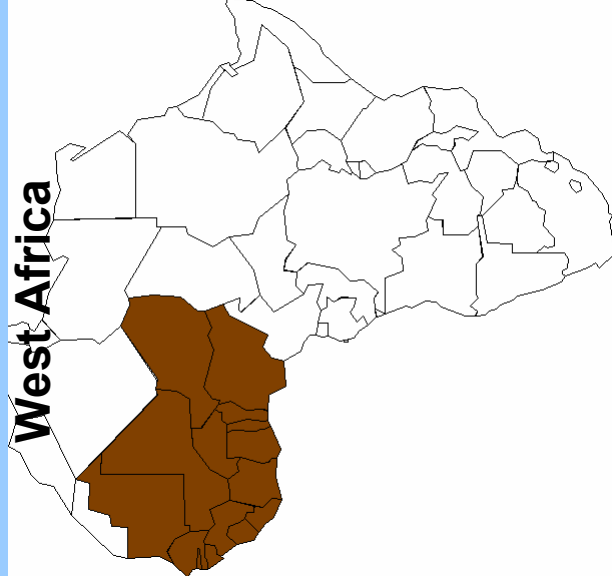
Southern Africa Power Pool	Training on transmission network operation, generation and transmission planning software, commercial arrangements and trade, public-private partnership based projects	0,8M€
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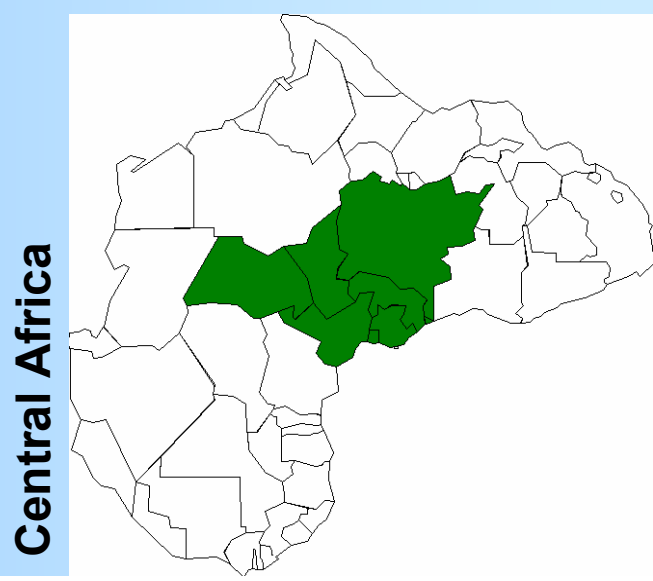
## Eastern Africa

GVEP International	Developing energy enterprises project East Africa Kenya, Uganda, Tanzania	2M€
Intermediate Technology Development Group	Catalysing modern energy service delivery to marginal communities in Southern Africa Malawi, Zimbabwe, Mozambique	1,7M€
Eastern Africa Power Pool	Study of the Eastern Africa power market, Preparation of market rules and standard commercial agreements	2,7M€

**6,4M€**

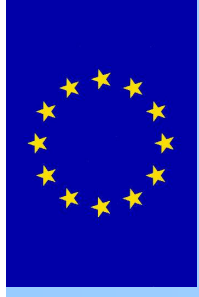


West African Power Pool	Crossborder supply of electricity to rural communities in Togo, Ghana, Liberia, Cote d'Ivoire, Burkina	7 m€
West African Power Pool	Project Management (study and planning) Reinforcement of the Information and Coordination Centre Advice on the legal basis for the development of the interconnected network	1,8M€
Institut International d'Ingenierie de l'Eau et de l'Environnement	Renforcement des capacités des collectivités, de la société civile, des secteurs privé et public dans les pays membres de CEDEAO dans le domaine de l'énergie Burkina Faso, Bénin, Ghana, Mali	1M€
Union économique et Monétaire Ouest Africaine	Deployer les systèmes d'information energetiques nationaux au Burkina Faso, Cote d'Ivoire, Guinée Bissau et au Mali	1,1M€
		<b>10,9M€</b>



Communauté Economique et Monétaire de l'Afrique Centrale	Projet d'électrification perurbaine intensive Regional: Cameroun, Central African Republic, Congo, Gabon, Guinée Equatoriale, Tchad	10M€
Central Africa Power Pool	Advice on operation of an interconnected network and regional electricity market regional regulation, pilot Programme for Cross border Electrification	2,6M€
		<b>12,6M€</b>





**Thank you**