

**Financing
water for
growth in
Africa**



The Infrastructure Consortium for Africa
Le Consortium pour les infrastructures en Afrique

Feedback from Project Presentations

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Project preparation

- Need to involve private sector early
- Complex packaging
 - Government
 - Donors
 - Specialised support agencies such as
 - PPIAF
 - PIDG

Private sector perspectives

- What opportunities exist?
- What are the risks?
- How can risks be reduced/shared?
 - Transparency
 - Expert studies
- How can competition be structured?
 - Need for market research into private sector's potential interest, and appropriate targeting

Private sector targetting

- What will the private sector bring?
 - Management expertise?
 - Funds?
 - Debt
 - Equity
 - Is a concession the answer?
 - Is BOT (Build-Operate-Transfer) the answer?
- Value of scenario planning at early stage
- Difficulty of changing roles at a later stage

Roles of parties

- Who will be the project sponsor?
- How will legal and regulatory issues be handled?
- Is a special purpose vehicle necessary?

Regional Projects

- Need to have clear understanding of division the benefits from the start
- Need for role of private sector to be defined early
- Need to decide on who the project sponsor will be
 - River basin authority
 - Power authority

Points of interest

- Senegal borehole maintenance
 - Division of contracts into large and small units
 - Work for local firms
- Madagascar water services
 - Private sector firm came to InfraCo asking for help in structuring project
- Mozambique bulk water supply
 - Private sector the driver of the project

Points of interest

- Ghana/Togo water project
 - Different policies in Ghana and Togo pose cost sharing issues
- Zambia irrigation
 - Replicability
 - will local banks lend for phase 2?
 - copy the model?