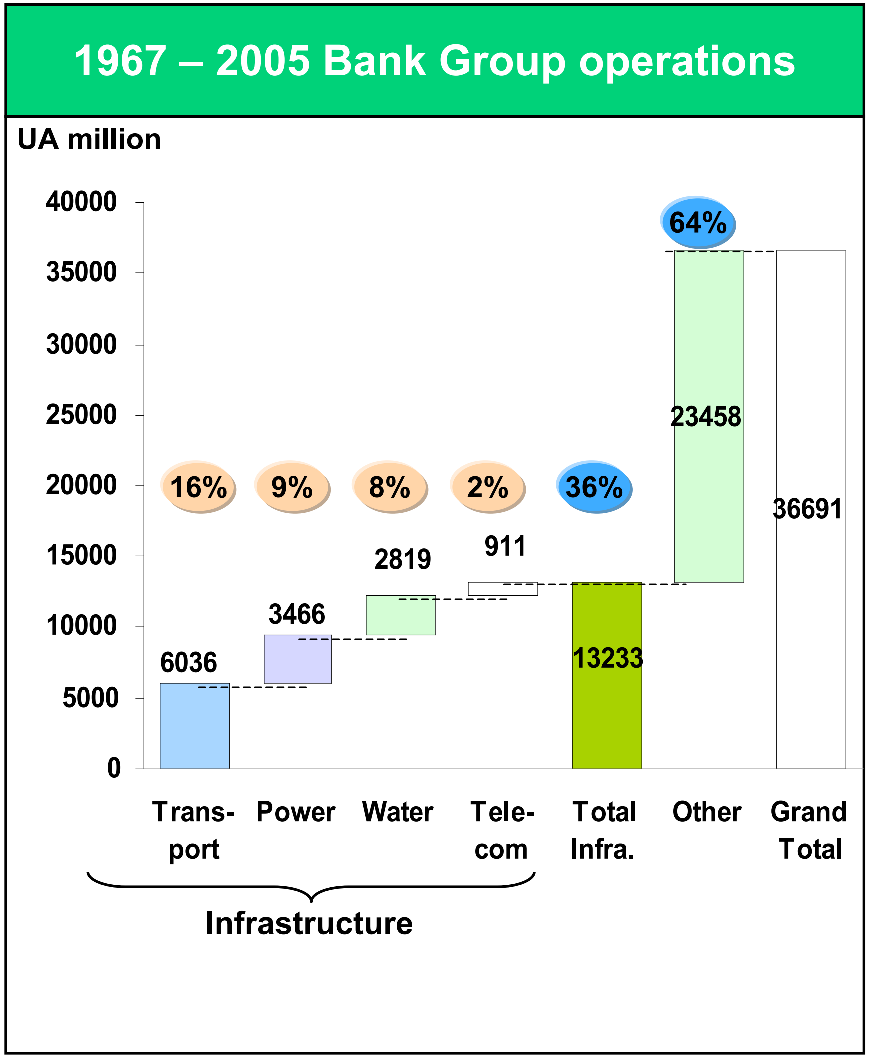
AFRICA'S DEMAND FOR INFRASTRUCTURE

ICA Senior Level Meeting

January 17, 2007

Berlin, Germany

ADB AND INFRASTRUCTURE DEVELOPMENT TOTAL

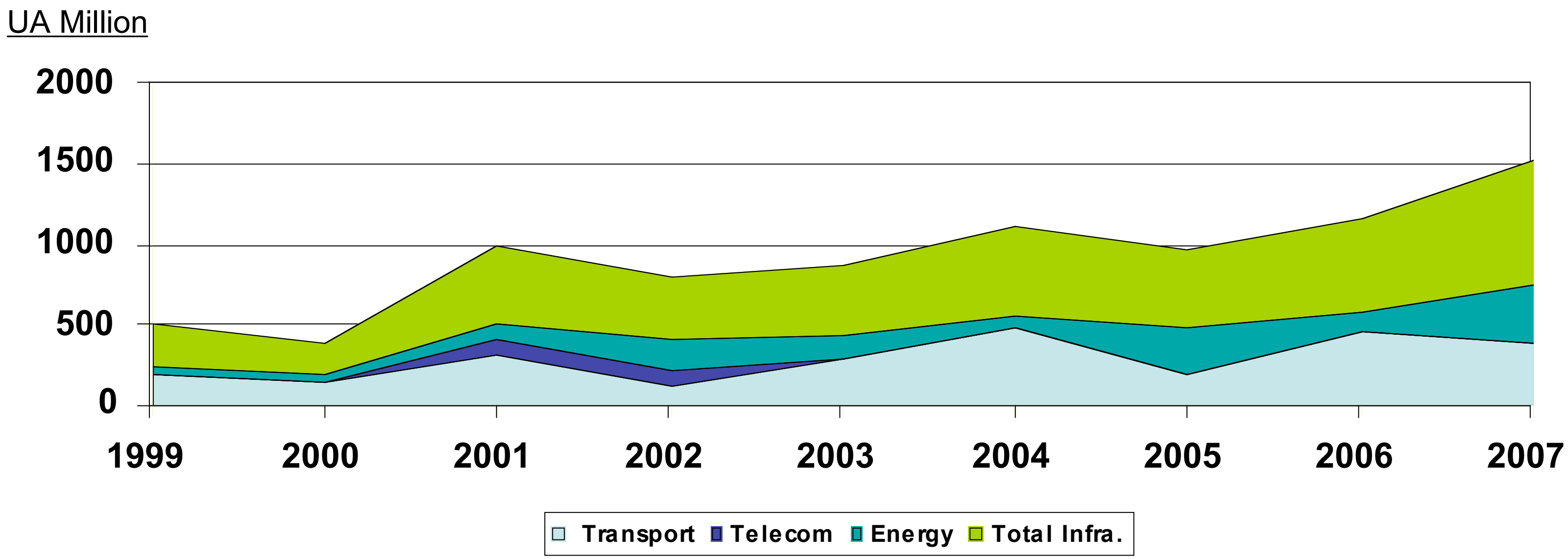


Infrastructure: an overview

- Includes 4 sectors: transportation, communications, water supply and sanitation, and energy and power supply
- Accounts for about 36% of the Bank's cumulative approvals since 1967
- Taking into account commitments in support of social/agricultural infrastructure, Bank's resources invested in infrastructure rises to about 40%
- Consistent support over the years

The Bank is an important player in infrastructure development In Africa

ADB AND INFRASTRUCTURE DEVELOPMENT TRENDS



- Infrastructure's position in the Bank:

  •In the '70's and '80's :Infrastructure occupied a dominant place – up to 29% of Bank approvals.

  •In the late '90's and early 2000: Like other donors the AfDB shifted it focus to agriculture and social sector resulting in a sizeable reduction in Infrastructure's share of Bank's approvals. Approvals towards infrastructure dipped to 15% in 2000.

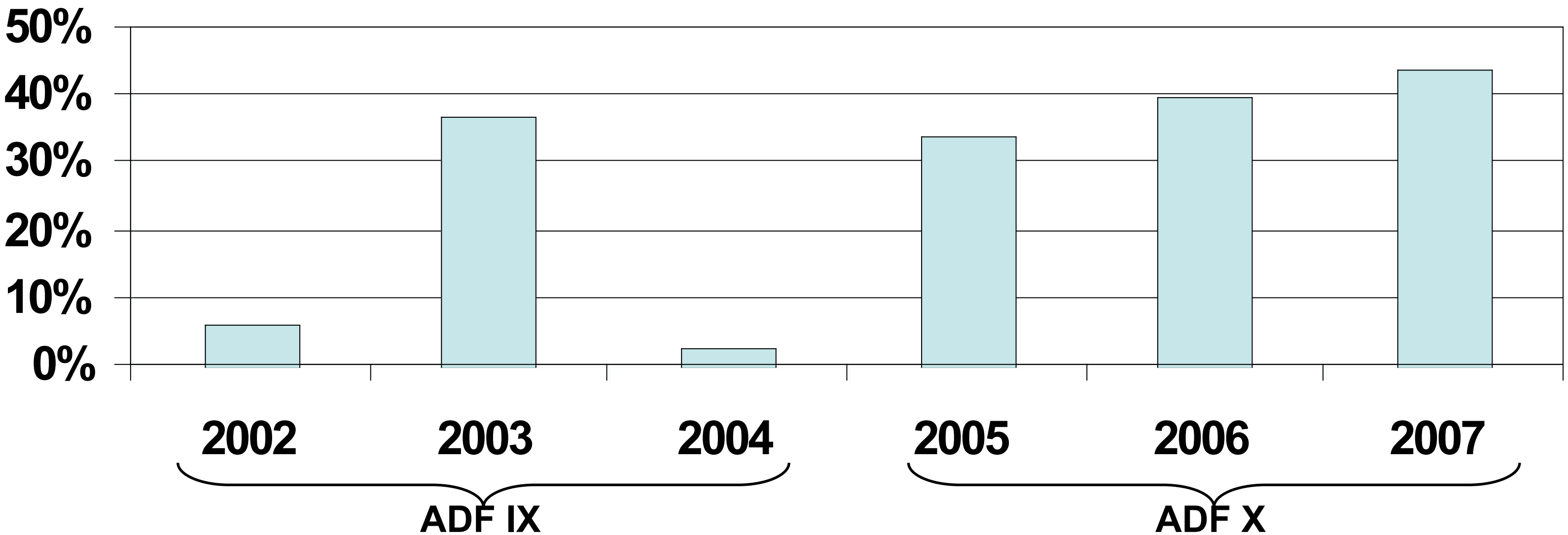
  •From 2001 a renewed interest in the role of Infrastructure in growth and poverty reduction coupled with the advent of NEPAD led to a shift of priorities in favor of Infrastructure. Lending in infrastructure has more than tripled since 2000.

- Transport operations, which have received the largest share, are concentrated in the road-sub-sector.

- Investments in Energy sector is on the rise

ADB AND INFRASTRUCTURE DEVELOPMENT MULTINATIONAL OPERATIONS

Share of ADF multinational projects in Infrastructure approvals



➢Strong focus on multinational operations, especially during ADF X lending cycle.

➢Distribution of approvals under the multinational allocation reflects the trend of the demand for regional integration financing that the Fund has been receiving recently.

➢2002- 2007 Multinational projects total:

- Transport: UA 440 million (84%)
- Energy: UA 83.37 million (16%)

PRIORITY ROAD CORRIDORS & THEIR MISSING LINKS

REC	CORRIDOR	COUNTRY COVERAGE	LENGTH (KM)	EST. DEV. COST
COMESA	Nairobi-Cairo	Kenya-Ethiopia-Soudan-Egypt	900	500
	Dodoma-Kigali	Tranzania-Burundi-Rwanda	500	400
SADC	Lobito-Beira	Angola-Zambia-Zimbabwe-Mozambique-DRC	1770	950
	North-South	South Africa-Botswana-Zambia	150	100
	Trans-Kunene	Namibia-Angola	980	400
	Nacala	Mozambique-Malawi-Zambia	890	450
	Mtawara	Mozambique-Tanzania	810	450
CEMAC ECCAS	Pointe Noire-Ndjamena	Congo-DRC-CAR-Chad		550
	Yaounde-Bangui-Kisangani-Bujumbura	Cameroon-CAR-DRC-Burundi	4000	2000
	Yaounde-Brazza-Luanda	Cameroon-Gabon-Congo-DRC-Angola	1000	550
ECOWAS	Dakar-Lagos	Senegal-Gambia-Guinee-Guinee Bissau-Sierra Leone- Cote d'Ivoire, Togo, Benin, Nigeria	2150	900
	Alger-Lagos	Niger	400	200
	Dakar-Ndjamena	Senegal-Mali-Burkina Faso-Niger-Nigeria-Chad	230	150
GRAND TOTAL (UA)				7600
GRAND TOTAL (USD)				11400

[redacted]

PRIORITY REGIONAL ENERGY PROGRAMS

REGION	PROJECT	COUNTRY COVERAGE	COST
SAPP	Power Interconnection 330kv	Malawi-Mozambique	60
	Itezhi-Tezhi hydropower Plant	Zambia	100
	Kafue Gorge lower Hydropower Plant	Zambia	400
	Kariba North & South Extension	Zambia & Zimbabwe	300
	Power Interconnection 330kv	Namibia-Zimbabwe-Zambia	130
	Hvange Expansion	Zimbabwe	350
	Kudu Gas-fired Generation	Namibia	800
CAPP	Inga I & II Hydropower Rehabilitation	DRC	110
	Westco Grand Inga	RDC	1500
	Power Interconnection Inga-Calabar	RDC-Congo-Gabon-Guinee Eq. Cameroon Nigeria	1200
	Interconnection Inga-Cabinda-Pointe Noire	RDC-Angola-Congo	65
	Ruzizi III Power Plan	Burundi-Rwanda-DRC	50
	Power Interconnection	Cameroon-Chad	250
WAPP	Dams & Interconnections	OMVG	600
	Interconnection 225 kv	Cote d'Ivoire-Mali	40
	Interconnection 225 kv	Ghana-Burkina	60
	Interconnection Rehabilitation 330kv	Ghana-Togo-Benin	80
	Interconnection 225 kv	Ghana-Burkina-Mali	60
	Souapiti Hydropower	Guinee	500
EAPP	Interconnection 230kv	Kenya-Uganda	30
	Interconnection 220 kv	Uganda-Rwanda	20
	Interconnection 440kv	Ethiopia-Kenya	350
	Interconnection 132kv	Rwanda-Burundi	10
TOTAL (UA)			7100
TOTAL (USD)			10650

PRIORITY BROADBAND ICT PROGRAMS

REGION	PROJECT	Est. DEV. COST (UA million)
EAST AND SOUTH	EASSy (SUBMARINE SYSTEM)	280
WHOLE CONTINENT	RASCOM (SATELLITE SYSTEM)	300
SOUTH	SATA BACK HAUL	200
EAST AND SOUTH	COMTEL AND BACKHAUL SYSTEMS TO EASSY	150
WEST	TERRESTERIAL INTERCONNECTION	150
CENTRAL	TERRESTERIAL INTERCONNECTION	200
TOTAL (in UA)		1,280
TOTAL (in USD)		1,920

1 UA= 1.50 US$

[redacted]

SUMMARY OF PRIORITIES

SUB SECTOR	Est. Investment Costs (UA million)
ROAD CORRIDOR	**7,600**
ENERGY	**7,100**
ICT	**1,300**
TOTAL UA	**16,000**
TOTAL USD	**24,000**

ADB AND INFRASTRUCTURE DEVELOPMENT FINANCING GAP FOR 2007

- Pipeline projects which could not be included in the 2007 work program due to insufficient financial resources:

SECTOR	PROJECT	COST (UA MILLION)
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]

TOTAL GAP = 720 million UA

Need to scale up ADF XI resources & the multinational ceiling

ICA Challenges

- Multinational Projects:
  - Strong pipeline covering missing links.
  - Need to Scale-Up Financial Resources (for example, ADB 2007 financing gap for multinational projects gap is UA 720 million)

- National Projects:
  - Most Countries have well defined Programs (ex. Ethiopia, Nigeria, Gabon, Mozambique) but need to generalize sector programs

The Way Forward

ICA members called upon to:

- Incorporate results of the AICD Study in order to have a global picture
- Use the MTLSF results to deepen and prioritize the missing links
- Mobilize more financial ressources
- Elaborate innovative approaches to enhance infrastructure projects delivery (PPPs)

THANK YOU FOR YOUR ATTENTION