

The EU-Africa Partnership on Infrastructure

A new platform for SSATP

Maseru, Lesotho 1 November 2006 Bruce Thompson Head of Infrastructure Directorate-General Development



Outline

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European Consensus confirms infrastructure's development role

European Consensus 2004/05?- a vision of development adopted by EU Council, European Parliament, and European Commission

- Recognises the key role of infrastructure in growth and achieving MDGs
- Calls for more aid EU MS to achieve 0.7% GNI by 2015 0.56% by 2010 at least 50% of this increase for Africa - €10 billion by 2010
- Commits to better aid Paris Declaration alignment and harmonisation
- Promotes joint EU programming aligned with country strategies
- Reinforces country ownership and calls for increased coordination and complimentarity
- Triggered a demand for a new EU Strategy for Africa



EU Strategy for Africa leads to the Partnership

- Recognises the role of regional infrastructure as a means of interconnecting Africa - stimulating growth, trade and regional integration
- Reinforces underlying practice of African ownership and responsibility as well as working through African institutions
- Confirms SSATP's key role in fostering regional and national transport policies and strategies that facilitate growth and poverty reduction
- EU Council in adopting the Strategy for African (2005) calls for EU-Africa Partnership on Africa, complementary to the Infrastructure Consortium for Africa



Key aspects of the Partnership - 1/2

- An EU (EC + MS) response to AU-NEPAD Infrastructure Plan
- Endorses AU strategy for interconnecting Africa country with country, region with region & Africa with the rest of the world
- Works at three levels continental, regional and country using the principle of subsidiarity
- Covers transport, energy, water & ICT and regulatory frameworks & facilitation necessary for service delivery
- Recognises SSATP as one of AU-NEPAD's principle instruments for facilitating sound transport policies and strategies
- Will support SSATP and implement SSATP principles and practices in its regional and country programmes and activities



Key aspects of the Partnership - 2/2

- Responds to the international call for upscaling investment in continental and regional economic infrastructure - Commission for Africa Report
- Coordinates with international initiatives: ICA, WB Africa Action Plan
- Provides a framework for EU Member State to join forces with the European Commission and bring change to Africa
- Responds to the AU-NEPAD vision of an interconnected Africa as expressed recently by President Obasanjo:

"We must complete our inter-modal transport system, continue to invest in power generation and use ICT in schools, hospitals, businesses and government...to improve service delivery, develop domestic and international trade that generates jobs and expands economies."



Key Partners & Roles

European Commission

- Leadership of EU-side of Partnership,
- coordinate with MS, ICA, AfDB
- securing finance 10th EDF

European Member States

 Financiers of NIPs/RIPs and cofinanciers of TF

European Investment Bank & EU MS Development Banks, EDFIs

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

'Comite de Suivi' - overall monitoring of the Partnership - AU-NEPAD, RECs, AfDB and EC.

Africa Union Commission & Sectoral Partners

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

African Regional Institutions - AfDB, RECs, *SSATP*

 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 cofinanciers



What it will finance - Transport and ICT

Transport

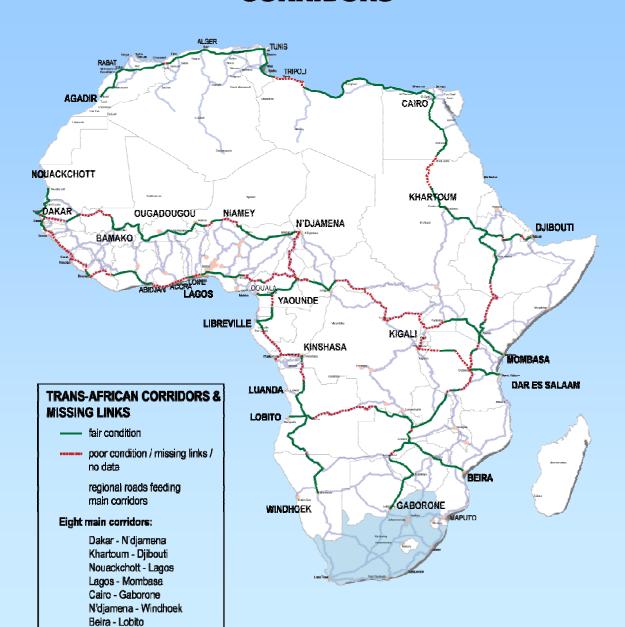
- Priority to Trans-African corridors and regional networks
- Maritime ports, although airports not excluded
- Facilitation programmes aimed at improving the free movement of goods, services and people along regional and continental corridors
- 'Sectoral bodies', for example, SSATP

ICT

- Support to regulatory reform
 - establish and consolidate national and regional ICT strategies
 - establish independent regulatory authorities
- Investment in broadband infrastructure
- Non-commercial e-applications:
 - e-government telemedicine

TRANS-AFRICAN ROAD TRANSPORT CORRIDORS





Dar Es Salaam - Kigali

ICT FIBRE NETWORK INTERCONNECTIONS



10





What it will finance - Energy and water

Electricity Interconnection

- Connecting energy surplus areas to deficit areas
- Capacity building to Power Pools, continental energy bodies, regulatory institutions, etc.

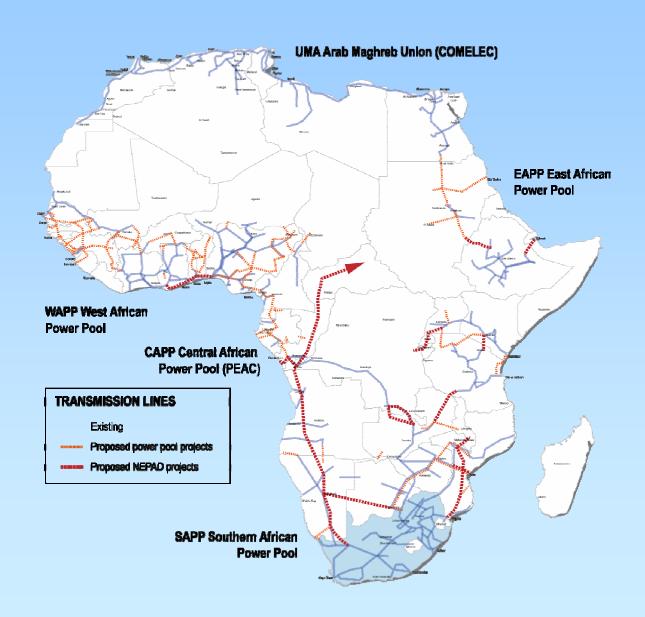
Power Generation

Water

- Transboundary basin management
- Flood preparedness programmes
- Knowledge and monitoring of water resources for better water management

ELECTRICITY INTERCONNECTIONS





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





SELECTED RIVER BASINS







What are its financial instruments

EU-Africa Trust Fund - open to all EU Member States

- true co-financing EIB, EDFIs, AfDB
 - interest rate subsidies
 - risk guarantee mechanisms
 - grants for project preparation, capacity building

Regional and National Indicative Programmes

- focus on transport facilitation linked to trade and EPAs
 - support to regional networks

Intra-ACP resources

- part to the Trust Fund
 - part for grant-to-grant financing (capacity building, regional initiatives and facilitation programmes, SSATP, support to African roads and water sectors)
 - start-up grant to leverage additional financing from others, for networks or part thereof that qualify as Trans-African



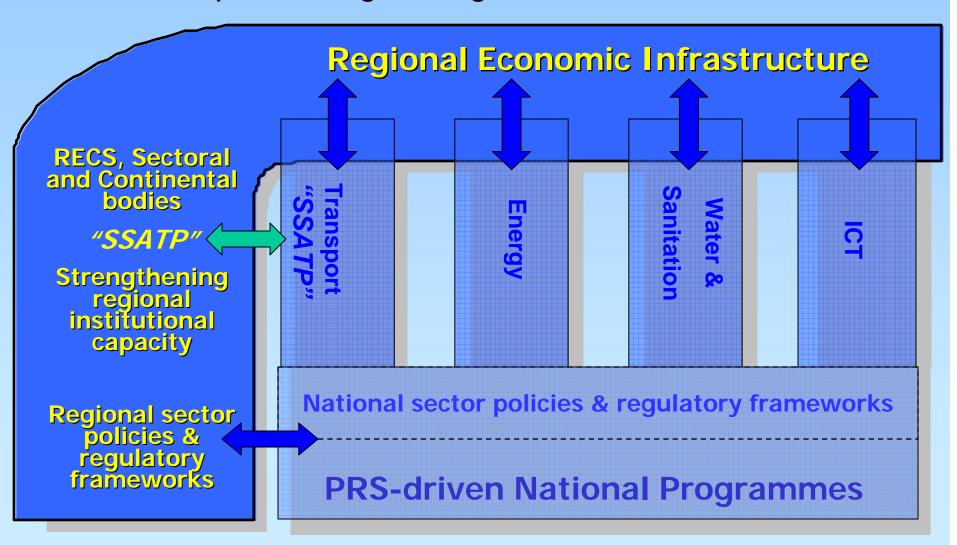
Infrastructure Trust Fund

Governance bodies are two bodies

- Steering Committee provides strategic policy guidance, ensures coherence with AU-NEPAD, EU activities, ICA etc., and comprises
 - EC and contributing donors
 - EIB, AfDB, AU-NEPAD and the ACP Secretariat (observer)
- Executive Committee approves TF allocation to projects and comprises
 - EC and contributing donors
- A TF Secretariat supports the operation of the governance bodies, liaison with African partners and donors, annual report etc
- TF arrangement include a Project financiers' group whereby lead project financiers can submit projects and will comprise EIB, DFI or DI of contributing donors (AfDB also foreseen)



Partnership working at regional and national levels





Next steps

2007

- Strengthen dialogue with AU-NEPAD, RECs, AfDB
 - establish the 'Comite de Suivi' of the Partnership,
 - get the governance arrangements of the Partnership TF up and running
 - define a Partnership Action Plan as part of AU-NEPAD's Infrastructure Action Plan - links to ongoing actions -AfDB - MLTSF, WB country diagnostic study
 - African launch event of the Partnership
- Approve TF financed projects within limited 9th EDF resources (€60m) and Spain (€10m), and EIB loans (€250+m)
- Mobilise increased resources from 10th EDF and EU Member States
 2008
- Upscale Partnership operations as 10th EDF resources become available



Opportunities for SSATP within the Partnership

More engagement in sector dialogue with government and donors, also at regional level with African partners, for:

- facilitating SSATP principles and strategies in transport sector programmes that are responsive and affordable
- implementing SSATP practices (participatory approach, local expertise etc) that ensure sector programmes are beneficiary responsive
- building the sectoral environment that ensures sustainability of increased transport investments

EU-Africa Partnership on Infrastructure







Thank you

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