

## The Infrastructure Consortium for Africa (ICA) in the G20 context

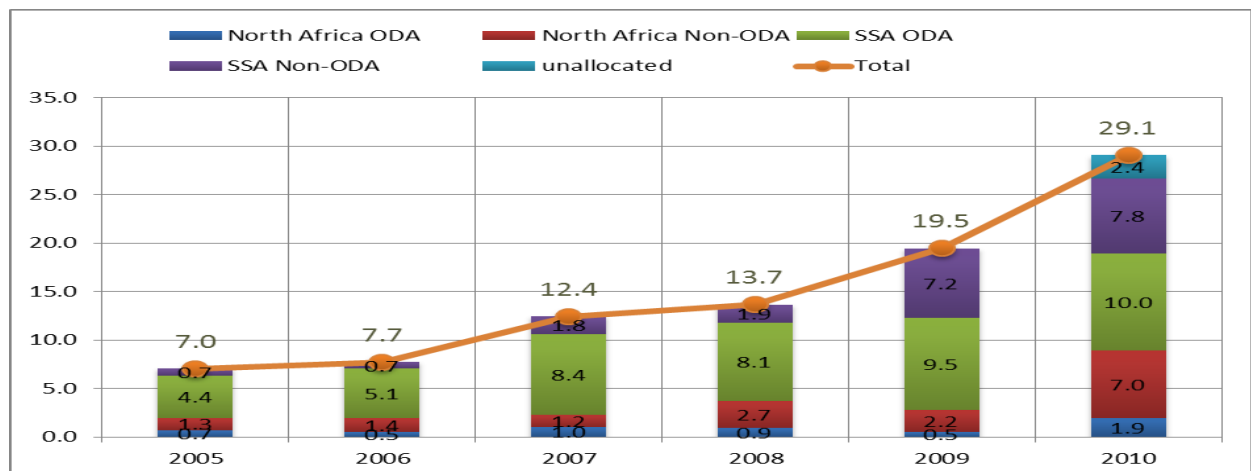
### Background

The ICA was established in 2005 following the Gleneagles G8 Summit. It intends to make its members more effective at supporting infrastructure development in Africa by pooling efforts in key areas. ICA's members include the G8, the World Bank Group, the African Development Bank Group, the European Commission, the European Investment Bank and the Development Bank of Southern Africa. Membership on the African side is led by the African Development Bank (AfDB) while the African Union Commission (AUC), the New Partnership for Africa's Development (NEPAD), and the Regional Economic Communities participate as observers in ICA meetings. Other development partners, representatives of regional and continental sector organizations, the private sector, Development Finance Institutions and key stakeholders are also invited to participate in meetings. The ICA has a Secretariat, which is hosted by the AfDB in Tunis.

The ICA serves as a platform for donors to cooperate and to coordinate the efforts to provide adequate national and regional infrastructure. It is not a financing agency but acts as a platform to catalyse donor and private sector financing of infrastructure projects and programmes. Its three year business plan (2010-2012) focuses on:

- **Enhancing coordination amongst infrastructure stakeholders** - with other sources of infrastructure financing, such as China, India, Arab funds and the private sector. Coordination takes place in major infrastructure sectors (Energy, Transport, Water), with ICA Members in specific lead roles.
- **Facilitating regional programmes** – to promote knowledge, best practice and accelerate delivery of projects under (specific) regional programs
- **Providing reliable and updated information and knowledge** – to help support planning processes, enhance sector knowledge and support stakeholders make informed choices on necessary policy reforms and investments to help close the infrastructure gap (such as the ICA-commissioned “AICD”- Africa Infrastructure Country Diagnostic, or other sector studies and reports).

**Figure: ICA Member commitments to infrastructure in Africa, 2005-2010 (bn US\$)**



### **Key issues:**

**The ICA's role to advocate for increased and adequate public and private infrastructure spending helps to improve infrastructure and foster growth.**

**ICA members' commitments alone to infrastructure in Africa have grown from US\$7bn in 2005 to US\$ 29bn in 2010 (increasing by yet another 44% over 2009).** Commitments of other financiers such as China, India and Arab Funds have also substantially increased over the time period – therefore requiring a more concerted approach to the pooling of ICA efforts, e.g. under the G20 and / or with the private sector.

**But, infrastructure spending needs in Africa total at least US\$93bn p.a.**

The AICD study estimates that US\$93 billion are needed annually over the next decade. Almost half of this amount is needed to address the continent's current power supply crisis. The new estimate amounts to roughly 15% of the continent's gross domestic product (GDP), comparable to what China invested in infrastructure over the last decade.

**Scaling up ICA's work from a G8 to a G20 platform promises to bring major infrastructure investors around a common agenda to improve delivery of infrastructure on the Continent.** The ICA is endorsed at high level by AUC and other African Stakeholders and will play a key role in mobilizing resources, providing infrastructure knowledge, coordinating with financiers, and fostering collaboration.

### **Next Steps and actions (ICA expansion from G8 to G20, ongoing process):**

- Decision to expand ICA from G8 to G20 - taken in May 2011 at ICA Annual Meeting, and recommended by the G20 Development Working Group (DWG)
- ICA to be observers of G20 discussions and involved in MDB discussions, drafting of MDB paper and the High-Level Panel (HLP) for infrastructure
- ICA to formally invite G20 Members to join the Consortium, and to inform the G20 about ICA activities and work (ongoing, with AfDB)
- ICA to formalize expanded membership (with those who have accepted) following the G20 summit and the ICA Members' Meeting in Tunis in Nov. 2011