



## FOURTH MEETING OF THE STEERING COMMITTEE OF THE EU-AFRICA PARTNERSHIP FOR INFRASTRUCTURE

ADDIS ABABA, 29 MARCH 2012

### JOINT STATEMENT

The fourth meeting of the Partnership Steering Committee on Infrastructure took place in Addis Ababa, Ethiopia, on 29<sup>th</sup> March 2012 at the AU Conference Centre with the participation of members of the Partnership Steering Committee (PSC), list attached.

#### Considerations

The members of the **Partnership Steering Committee**

**RECALLING** the 3<sup>rd</sup> Africa-EU Summit of 29/30 November 2010 that in its Declaration

- Confirmed the Joint Africa –EU Strategy as the framework for the future Africa-EU cooperation, guiding the transformations the world needs to: tackle the effects of climate change; conflict prevention; good governance; achieve a sustainable energy market including investment particularly in renewable energy resources; develop infrastructure; provide food security; achieve the Millennium Development Goals; combat HIV/AIDS; address the realities and challenges of migration and its links to development, as well as to promote gender equality;
- Agreed to step-up joint Africa-EU efforts especially in encouraging investment growth, creating employment and to work for the young generations entering the labour market, notably in Africa;
- Reiterated the commitment to spread the success of entrepreneurship, to promote the private sector as a key driver of inclusive and sustainable economic growth and as an important actor in providing for more equal and balanced development.
- Recognised the accompanying policy framework measures that are necessary for the private investment to flourish.
- Adopted the Summit Action Plan 2011 – 13 as the new commitment to the realisation of this Partnership.

**NOTING** the Communication of the European Commission on "increasing the impact of the EU Development Aid: and Agenda for Change "aiming, inter alia, to

- Increasing the volume and share of EU aid to the countries most in need and where the EU can have a real impact, including fragile states;
- Enhancing the importance of good governance trends in determining the mix of instruments and aid

modalities at country level;

- Focusing on investing in drivers for inclusive and sustainable economic growth, providing the backbone of efforts to reduce poverty;
- Increasing the share of EU aid provided through innovative financial instruments, including under facilities for blending grants and loans;
- Helping to reduce developing countries' exposure to global shocks such as climate change, ecosystem and resource degradation, as well as volatile and escalating energy and agricultural prices, by concentrating investment in sustainable agriculture and energy;

**NOTING** the final declaration of the 4<sup>th</sup> High Level Forum on Aid Effectiveness in Busan calling for infrastructure development and a more direct engagement with private sector actors to improve the business environment and to develop financial mechanisms to leverage private finance for development goals.

**HIGHLIGHTING** the adoption by the African Heads of State and Government on 30 January 2012 of the Programme for Infrastructure Development in Africa (PIDA), representing a milestone in the global understanding of the African infrastructure sector priorities and facilitating continental integration through improved regional infrastructure. PIDA is:

- Providing a common strategic framework, along with institutional provisions, sectoral objectives and policies, on prioritised regional and continental infrastructure investment programmes over the short, medium and long term;
- Promoting sectoral reforms and investments in transport, energy, information and communication technology (ICT) and transboundary water networks to boost trade, spark growth and create jobs;
- Resulting to strong, sustained and inclusive economic growth.

**WELCOMING** the current initiative of UN Secretary-General Ban Ki Moon's on "Sustainable Energy for All" (SE4All) to meet three interlinked targets by 2030:

- Achieving universal access to modern energy services,
- doubling the rate of improvement in energy efficiency,
- doubling the share of renewable energy in the global energy mix.

Supported by the African Union and European Union while underlining the need to ensure synergies and complementarities between the current initiative and the partnerships of infrastructure and energy.

## **Conclusions**

In consideration of the above, the members of the PSC

**INSIST** that the improvement of infrastructure contribute to the achievement of the Millennium Development Goals (MDGs)

and

**UNDERLINE** the need to include in the national priorities the various PIDA projects and programmes and to implement at national and regional level the identified policy reform measures, the infrastructure investment

priorities and supporting programmes or actions while also benefitting from synergies with focused initiatives of the international community, such as the "Sustainable Energy for All".

For the successful achievement of the various activities entrusted to the PSC, its members will work closely with other national and regional stakeholders – both public and private – in the context of other ongoing international and global initiatives in the domain of infrastructure.

#### **a) On governance of Partnership**

Having regard to the above, the members of PSC

acknowledge the critical importance of regional and continental infrastructure within the African development agenda and of the necessity to improve the effectiveness and visibility of the EU-Africa Partnership on Infrastructure.

agree that the governance of the EU-Africa Partnership on Infrastructure is fundamental and should ensure proper visibility as well as adequate and effective cooperation with related partnerships under the EU-Africa Joint Strategy, notably the partnerships of Energy (partnership n°5) and Science, Information Society and Space (partnership n°8) for ICT.

agree that the institutional status and place of the Africa-EU Infrastructure Partnership should be examined in the framework of the review of the overall institutional structure of the Joint EU-Africa Strategy. Until then a reference group should ensure the exchange of information, knowledge sharing and coordination between the sectors of transport, energy, ICT and transboundary water.

ask to be informed through a regular report on the progress of the PIDA Implementation Work Plan 2012-13. Considering the critical role of the appropriate regulatory and enabling environment for mobilising domestic and private sources of financing and in promoting sustainable infrastructure services, reporting should cover the relevant issues and their implementation under PIDA.

call for using the opportunities of structured dialogue, within the Joint Africa-Europe Strategy (JAES), to further develop and identify areas where the European Union could contribute, through knowledge sharing or in any other manner as may be deemed appropriate, to accelerate the programme's implementation and reaching of its objectives. In this regard African and European partners will particularly assist in identifying the synergies between PIDA and the "Sustainable Energy for All" at appropriate level to develop complementarities, coherence and ownership.

#### **b) On advocacy and harmonisation of procedures**

The members of the PSC

acknowledge the fundamental role of AU in ensuring advocacy and harmonisation of regulations, procedures at continental-level to support regional infrastructure provision. This need is recognised in the PIDA study which observes that weak policy alignment and harmonisation were the principal drags on efficiency of regional development programmes.

acknowledge their support for activities currently being pursued by the AUC in infrastructure including harmonisation of road and vehicle standards and loading, road safety and road maintenance in transport sector, support to specialised institutions, hydroelectric projects including Inga, financing and public-private partnership (PPP) policies in energy sector and open access cross-border guidelines and policy harmonisation agenda in ICT sector.

express support notably for the following actions related to the implementation of PIDA-PAP

- Study of institutional, regulatory and procedural measures and ICT, energy network provision for identification and provision of "Smart" transport corridors as proposed within PIDA-PAP

- Organisation of Energy and Transport Fora to promote public-private sector adhesion for PIDA-PAP implementation and partnership agenda, noting that the Africa-EU Energy Partnership Forum is planned to be held in Cape Town on 9 - 10 May 2012

welcome the mobilisation of presidential champions under the Presidential Infrastructure Champion Initiative (PICl) as necessary political-level coverage for the related work of AUC, Regional Economic Communities (RECs) and associated functions, such as proposed Trans-African Highway (TAH) Coordinators.

### **c) On capacity building of regional organizations and actors**

The members of PSC

Recognise the good and effective working relationship established between the AUC and the European Commission and encourage further strengthening to maintain and reinforce coherence between national, regional and continental level in the implementation of the partnership.

take note of the Institutional Architecture for Infrastructure Development in Africa (IAIDA) as the implementation framework of PIDA and the critical role of regional actors in this regard.

acknowledge the important role of the AUC in ensuring the function of the secretariat of the Partnership, notably for communication, coordination and dissemination of PSC activities and outputs and recognize the need to ensure the continued delivery of these services

reaffirm their commitment and support to:

- Reinforcing communication and exchange on best practices, including the organisation of energy and transport fora in 2012 to promote public-private sector adhesion for PIDA-PAP implementation and partnership agenda;
- Strengthening of institutional structures for regional infrastructure development in Africa, in line with the national, regional and continental architecture and considering the roles defined within IAIDA
- identifying the capacity constraints of the relevant structures and the necessary measures to increase the pace of regional infrastructure development

For the transport sector, interconnections between the African networks and the Trans-European transport networks will be explored, notably in the context of the Motorways of the Sea concept (MedaMOS for the Mediterranean region) and the extension of such concepts to other seaports in Africa to facilitate inter-regional trade. The European Union reiterates its continued support through its active involvement in such initiatives and in making available all information on the Trans-European Network programme and MedaMOS project.

### **d) On reinforcing of project preparation activities**

The members of PSC

recognize the need to ensure an appropriate mix of public and private funding for preparation activities of PIDA-PAP projects, indicated at an amount increasing from \$200M to 500M per year to bring projects to maturity.

recall the high level of support already provided by the international community and the continental efforts to streamline and optimise this support. In this context welcome ongoing discussions on the management and disbursement through appropriate mechanisms and organisations such as the Special Fund of the NEPAD Infrastructure Project Preparation (NEPAD-IPPF).

acknowledge the significant progress on the projects implemented under the EU funded 'Port Moresby Agreement' by the African Union Commission (AUC), with technical assistance (TA) support and in collaboration with the RECs, key beneficiaries and the EU. It is further noted that all projects form part of the PIDA-PAP and call for their continued active support.

**e) On ensuring resources for implementation of the PIDA Priority Action Plan (PIDA-PAP)**

The members of PSC

acknowledge the considerable scale of investment required in regional infrastructure under the PAP, totalling \$68 billion<sup>1</sup> for first batch of projects to 2020, principally in the energy and transport sectors; whilst recognising that such investment should be possible as it represents less than 0.2% of African GDP or 1% of national budgets over the period.

stress the importance of an increased mobilisation of domestic funds as a sustainable solution for infrastructure provision, such as through national infrastructure bonds, loan guarantees or other financing instruments to support both publicly and privately financed infrastructure projects, whilst fully recognizing the need to accompany the process at political, regulatory and institutional level.

reiterate their support for use of private sector financing, and call for the strengthening of conducive enabling frameworks, notably for legal and regulatory provisions and their implementation.

call for the active participation and support to this process of the European Union, European Investment Bank and the European development financing institutions, in line with the criteria of the EU-Africa Infrastructure Trust Fund and of other EU financing instruments.

call on the EU to provide full support for the implementation of mature projects, referred to as "quick starts and early wins" under PIDA-PAP.

**f) On EU-Africa Infrastructure Trust Fund**

The Members of the PSC

note with satisfaction of the continued progress of the Trust Fund in 2011 as presented in the 2010 Annual Report. The progress in the mobilization of resources and identification and implementation of projects is encouraging, with twelve EU countries participating financially in the Trust Fund and a total of 59 grant operations approved to date. All projects form part of a regional interconnected network and provide the basis for reinforcing the economic and social capacities at regional and continental level.

also note that their previous guidance, issued at the 3<sup>rd</sup> Steering Committee, on widening and diversifying the areas of infrastructure support was attended to by the Executive Committee.

expect that in the coming years the same degree of attention to good quality sustainable projects is maintained

recommend that, in order to further expand and strengthen the pipeline of the Trust Fund projects, to prioritise efforts in the following areas:

Reinforced dialogue and exchanges between the Secretariat and financiers of the Trust Fund, the European Commission, the African Union Commission, the RECs and the potential recipient countries to identify regional and continental priority and sustainable projects that are sufficiently mature to be incorporated to the Trust Fund pipeline. It is further agreed in this respect that the ad-hoc information meeting between the AUC with the Members of the Executive Committee of the Trust Fund can be repeated.

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<sup>1</sup> Report on the Programme for Infrastructure Development in Africa (PIDA), Assembly of the Union, Eighteenth Ordinary Session, 29-30 January 2012, "Chapter V. Programme Costs"

Closer cooperation with African regional development banks and private sector to explore possibilities of investments of common interest;

Define the appropriate responses, on the basis of the conclusions of the currently on-going Mid-Term Evaluation and the strategic perspectives offered by the adoption of PIDA and the "Agenda for Change"

Support the development of African responses contributing or benefiting from international initiatives, such as the "Sustainable Energy for All".

#### **g) On implementation of European Development Fund (EDF) actions in support of the EU-Africa Infrastructure Partnership**

The members of PSC

note the AUC's continued commitment to make further progress in the implementation of the €55 million EU support programme until 2014, in order to improve AUC expertise in the infrastructure sector to play an effective role in ensuring the active participation of the African stakeholders in the EU-Africa Infrastructure Partnership.

express their support to the actions forming part of the €24 million 'Intra-ACP programme' for infrastructure development, as detailed in the Road Map and call on the EU to explore funding possibilities for other actions identified therein.

#### **h) On cooperation with other initiatives**

The members of the PSC

recognize the international initiatives in the area of coordination of development partners (DPs), notably the Infrastructure Consortium for Africa (ICA) and the G20 Development Working Group and High-level Panel on Infrastructure.

note the increasing presence of bilateral and South-South cooperation initiatives, that PIDA process can equally inform

#### **i) On the private sector**

The members of the PSC

reconfirm the common position of the 3<sup>rd</sup> PSC meeting on the importance and the role the private sector can have to promote and finance infrastructure provision.

welcome the increased attention the European Union is attaching to innovative financing mechanisms and to the associated policy framework at the continental level for Public-Private Partnerships (PPPs). The strategy is aiming principally at assessing potential contribution of the private sector and a framework for mobilisation of user charge methods for cost recovery, with necessary social accompanying measures. The PPP policy framework should provide the components for achieving private sector mobilisation through the strengthening of the enabling legal, fiscal and regulatory environments.

support initiatives aiming to provide greater coherence and visibility at a continental level and encourage

- Intensified contacts and cooperation with relevant private sector organizations for their involvement in the funding of regional infrastructure in the context PPPs;
- The promotion of the active participation of the private sector, research institutions and Civil Society in the implementation of the Africa – EU Infrastructure Partnership;
- The definition of financing tools that will better respond to the funding needs of the projects, while in parallel ascertaining the market transparency in using public resources.

**j) On the action plan, road map and monitoring and evaluation**

The members of the PSC

confirm their support to the attached Road Map and encourage its regular updating.

welcome the on-going Mid-Term Evaluation of the EU-Africa infrastructure Trust Fund, launched by its Executive Committee.

agree to ensure adequate dissemination of information related to EU-Africa Infrastructure Partnership to the stakeholders and, where relevant, to the wider public.

**k) On the road to the next AU-EU Summit (2013)**

In preparation of the AU-EU Summit in 2013, a set of coherent actions supported by the Infrastructure Partnership will be elaborated with assistance of the Secretariat.

This may include:

- Progress of implementation of PIDA and “Sustainable Energy for All”
- Progress of the Summit Action Plan 2011-13
- Other actions which may be identified by the EU-Africa Infrastructure Partnership

Adopted by the Steering Committee of the EU-Africa Infrastructure Partnership in Addis Ababa on 29<sup>th</sup> March 2012.