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New regional roads, ports, airports and power generation schemes in Africa: examples of the 11 new projects funded by the EU Africa Infrastructure Trust Fund in 2009

In 2009, a total of 11 grant operations were approved by the EU-Africa Infrastructure Trust Fund to build large-scale energy, transport and information and communication technology infrastructures of regional importance across Africa. The Trust Fund, managed by the European Investment Bank, further expanded its budget in 2009. Total grant resources of € 372 million have been provided to the Fund since its launch and could leverage up to € 5 billion in loans from European or international development financial institutions and the private sector. The European Commission, the main contributor to the Fund, increased its participation by € 200 million.

“Regional integration is a key part of the recipe for a successful sustainable development of Africa. I intend to keep it high on the EU agenda: as Europe experience shows, no regional markets in Africa, no growth. The Trust Fund also shows how development aid can be used to leverage other funds. This is key for Europe since we provide 60% of global aid for development. We have to make better use of aid money and I have set a target that every aid Euro should leverage five euros of other kind of funding for aid. At the moment, the Trust Fund already exceeds that target ”, stated Andris Piebalgs, European Commissioner for development.

“The European Investment is pleased to work closely with the European Commission in managing the EU Africa Infrastructure Trust Fund and hosting the Secretariat. We congratulate the fund on its proven role as a catalyst capable of identifying new and innovative projects, and note its contribution to reinforcing cooperation with European Development Finance Institutions” added Plutarchos Sakellaris, European Investment Bank Vice President responsible for Africa, Caribbean and the Pacific lending operations.

The 11 projects (see annex), add to 8 projects approved in 2007 and 2008, include:

- Hydroelectric schemes, such as Felou in West Africa as well as,
- Electricity interconnection schemes, such as the Benin-Togo interconnection and the Caprivi (Namibia-Zambia) interconnection
- Roads, railways, airports and ports, such as Beira, Walvis Bay, Pointe Noire, Port Louis, the Jomo Kenyata International Airport or the Great Eastern Road in Zambia
- The East African Submarine Cable system (EASSy), a fibre optical cable linking Southern and Eastern African countries into the international communications network.
- Preliminary studies for Sambagalou and Gouina in West Africa or Ruzizi and Gibe hydroelectric schemes in Central and Eastern Africa

The activities of the fund will be discussed at the high level conference "Joining up Africa: Regional Economic Integration in Africa" on 4 March in London, in presence of Commissioner for Development Andris Piebalgs. It will look at how the European Commission and African institutions, donors, business and investors can better work together for regional integration in Africa.

2009 marked a record for the Trust Fund. The European Commission increased its participation by € 200 million; the UK also pledged to increase its financial contributions to the Fund by €20 million and Finland joined as the 13th donor with €5 million.

Since the Fund was launched in 2007, over € 96 million worth of grant funding has been allocated and a total of € 122 million earmarked for key infrastructure projects, leveraging to date € 1.5 billion. Based on current trends, the total grant resources of the Fund have the potential to leverage investments from financial institutions and European, African or international project sponsors, including the private sector up to € 5 billion.

Background

The EU Africa Infrastructure Trust Fund is the main financial instrument for the implementation of the Africa-EU Partnership on Infrastructure. The Partnership was launched in 2006, together with the European Investment Bank and Member States, and aims at reinforcing regional integration through the strengthening of large continental infrastructure networks. The African Union Commission is the main interlocutor of the European Union for the implementation and further development of the Infrastructure Partnership, in close dialogue with regional bodies, specialised agencies and African financial partners.

More information

EU-Africa Infrastructure Trust Fund: www.eu-africa-infrastructure-tf.net.

<http://www.eu-africa-infrastructure-tf.net/attachments/Publications/flyer%20sheet%20itf%2001%202010%20en.pdf>

Information about the Africa EU partnership is available at: http://www.africa-eu-partnership.org/index_en

Annex: 11 projects approved in 2009

| Approved Grant Operation | Sector | Scope | PFG Lead Financier | Co-Financiers | Grant Amount | date of ExCom approval | Project beneficiary countries | Description |
|--|-----------|-------|--------------------|---------------|--------------|------------------------|--|---|
| WAPP - Coastal Backbone | Energy | TA | EIB | tbd | 1.750.000 | 27/03/2009 | Ivory Coast, Ghana, West Africa | Support to WAPP for the procurement of consultancy for 2 preparatory studies for a power interconnection between Ivory Coast and Ghana |
| Update of the WAPP Masterplan | Energy | TA | EIB | na | 935.000 | 22/10/2009 | West Africa | Update of the WAPP Masterplan for production and transmission |
| Port de Pointe Noire | Transport | IRS | AfD | EIB | 6.600.000 | 10/11/2009 | Rep. Congo and Central Africa | Strengthening and extension of the external seawall; the rehabilitation of wharfs, public and access roads; the installation of a terminal for containers, and a wood storage zone |
| ECOWAS Electricity Regulation | Energy | DG | AfD | tbd | 1.700.000 | 10/11/2009 | West Africa | ITF Grant to be used by the nascent ECOWAS Regional Electricity Regulatory Authority (ERERA) to implement its first regulation activities. |
| Benin - Togo Power Rehabilitation | Energy | IRS | EIB | KfW | 12.250.000 | 10/11/2009 | Benin, Togo | Power grid and electricity transport reinforcement in Benin and Togo |
| SRESA - Strategic Regional Environmental & Social Assessment | Energy | TA | EIB | AFD, KfW | 700.000 | 14/12/2009 | Mozambique, Southern Africa | Study in the framework of the CESUL transmission backbone project connecting the central and southern electricity grids and generation sites |
| JKIA Upgrading and Rehabilitation | Transport | TA | EIB | AfD | 5.000.000 | 14/12/2009 | Kenya and connecting countries | Expansion of Nairobi Airport for the benefit of the East Africa region |
| Expansion of Port of Walvis Bay | Transport | TA | KfW | EIB, AFD | 450.000 | 14/12/2009 | Namibia and neighbouring countries | Update of the Environmental Assessment of the Walvis Bay extension project |
| Port de Pointe Noire | Transport | TA | AfD | EIB | 2.000.000 | 14/12/2009 | Rep. Congo and Central Africa | Consultancy services focussed towards implementing safe procedures, strengthening internal audit and capacity building for the financial and accounting staff of PAPN in order to help decreasing the credit risk for the Port's lenders. The Port Authority further needs external support for implementing an environmental management plan in the day-to-day operation period. |
| OMVG Phase 2 (Sambangalou Hydro Power) | Energy | TA | AFD | EIB, KfW | 350.000 | 14/12/2009 | Gambia, Guinea, Guinea-Bissau, Senegal | Updating economic and environmental study of the Sambangalou Hydropower Project |
| Gibe 3 Hydro Power Plant | Energy | TA | EIB | tbd | 1.300.000 | 14/12/2009 | Ethiopia, Kenya, Djibouti, Sudan | ESIA for the Lake Turkana region in the framework of the financing of a 1870 MW hydroelectric power plant |