



INFRASTRUCTURE CONSORTIUM FOR AFRICA

The Infrastructure Consortium for Africa (ICA) was launched in 2005, with the mission to help improve the lives and economic well-being of Africans by supporting and promoting increased investment in infrastructure in Africa, from both public and private sources.

Better infrastructure is key to accelerating Africa's growth, reducing poverty, realizing the Millennium Development Goals (MDGs) and promoting regional integration. The ICA is committed to improving infrastructure service delivery and advocates for increased investment and financing for infrastructure development.

ICA's work in infrastructure covers four sectors: **Water, Energy, Transport, and ICT.**

ICA acts as a platform to catalyse donor and private sector financing of infrastructure projects and programmes in Africa to:

- increase financing,
- highlight and help remove policy and technical barriers,
- facilitate greater cooperation, and
- increase knowledge through monitoring, reporting and sharing best practices.

ICA MEMBERS & SECRETARIAT

ICA members include the G8, World Bank (WB) Group, African Development Bank (AfDB) Group, European Commission, European Investment Bank and Development Bank of Southern Africa.

Membership on the African side is led by the AfDB, while the African Union Commission, the New Partnership for Africa's Development (NEPAD), and Regional Economic

Communities participate as observers in ICA meetings. ICA recently decided to extend membership to all G20 countries.

ICA is supported by a small Secretariat that is funded by voluntary contributions, and staffed by a combination of permanent AfDB staff and experts on secondment from ICA members. ICA is hosted by the AfDB in Tunis, Tunisia.

ICA & WATER SECTOR

INVESTMENT CHALLENGES

ICA supports the African Infrastructure Country Diagnostic (AICD), a comprehensive WB study to assess the magnitude of Africa's infrastructure needs. The 2009 AICD Flagship report, *Africa's Infrastructure: A Time for Transformation*, revealed many important challenges for African water infrastructure, including climate change and the implications of energy, food and financial crises.

Challenges include:

- Existing funding gap that hinders achievement of Water & Sanitation MDGs.
- Institutional, political and regulatory barriers to water infrastructure implementation.

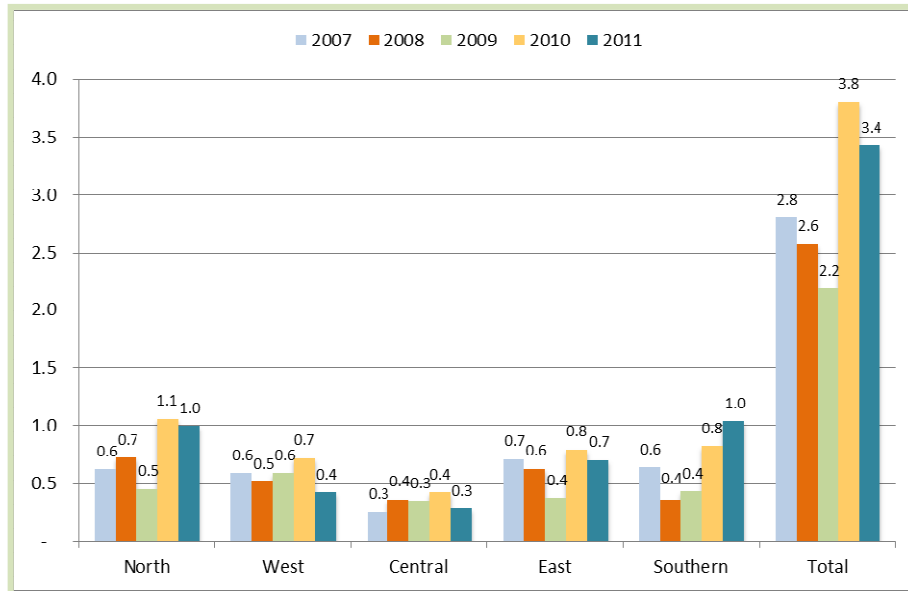
- Need for cooperation among riparian states and affected sectors for efficient, integrated management of national and transboundary water resources.
- Increase in regional hydrological variability due to climate change, and need for adaptation and climate-resilient approaches.

Integrated Water Resource Management remains a challenge at the national level and gains complexity at regional level. Implementation is slow despite capacity building and technical assistance programs to develop strategies and remove institutional, political and regulatory hurdles. The lack of bankable projects and concrete investment plans, along with inadequate financing resources, all form major bottlenecks to water infrastructure development.

FINANCIAL SUPPORT BY ICA MEMBERS

Although in 2011, ICA members' assistance to water sector projects declined slightly (by 10 %) to USD3.4bn, the water sector still is of increasing importance to ICA members. Around 29% of the overall commitments by the ICA members in 2011 amounting to USD11.9bn were invested in the water sector. Support remained stable in most regions with slight decreases in the West African, North African and

East African Region and slight increases in the Southern African Region (including South Africa). The top three donors for water related infrastructure investments in 2011 were World Bank (31%), France (21%) and Germany (11.2%). Approximately 82% of total support was in the form of ODA.



ICA Funding to Water Sector by African Region 2006-2010, in billions US\$.

ICA WATER PLATFORM

The ICA Strategic Business Plan (2010-2012) encouraged greater involvement of ICA members in sector-related activities. It proposed 'sector ownership', whereby an ICA member could champion assignments and provide leadership, benefitting from ICA's 'convening power' and base within an African institution.

The ICA Water Platform (WP) was established in 2011 and is **championed by Germany**, which provides financial support and an infrastructure expert to supervise implementation of WP activities. The WP facilitates cooperation and matchmaking between ICA members, key African

stakeholders and the private sector, including regular dialogue leading to joint investment activities.

ICA's WP is a pro-active, results-oriented initiative that encompasses all aspects of water infrastructure development in Africa, from water provision (e.g. potable water supply, sanitation, irrigation) to water resource management (e.g. storage, dams) and climate change (e.g. adaptation measures).

The WP complements and adds value to existing initiatives in the African water sector.

WATER PLATFORM OBJECTIVES

- **Increase finance for sustainable water infrastructure in Africa** from public, private and public-private sources.
- **Identify and promote bankable water-related projects**, with a focus on **regional projects**.
- **Facilitate dialogue on financing** between African stakeholders, development partners and the private sector to promote best practices, remove bottlenecks and facilitate regional Water Infrastructure Programs and member initiatives.
- **Foster greater co-operation** (in alignment with African priorities, e.g. African Water Vision 2025, Sharm-El Sheik Declaration) among ICA members, relevant initiatives and partnerships, and other important sources of water infrastructure finance, via regular Water Platform Meetings, support of the AMCOW work plan and matchmaking activities.