



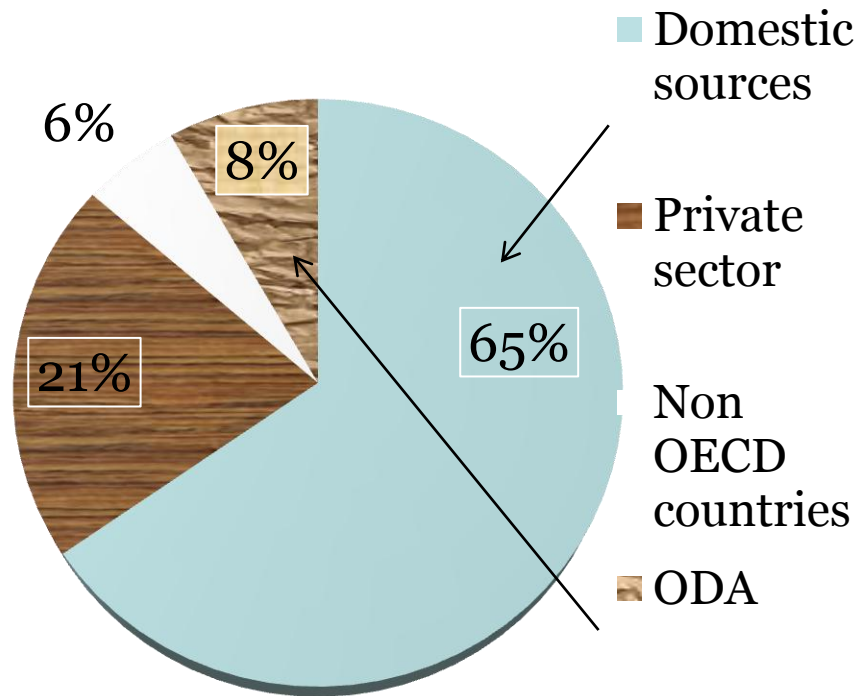
Aid for Investment in Infrastructure: Preliminary Findings of Mapping Exercise

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Aid for Investment Project

- AfI is a 2 year project of two OECD committees: the DAC and the Investment Committee
- Mapping report first step of the AfI
- Results are preliminary – further iterations to follow

Current Spending on SSA's Infrastructure, 2001-2006



Current spending is US\$45 billion but US\$93 billion is needed, leaving a gap of US\$48 billion

Source: World Bank/ AICD, 2009

Some Key Findings

- ODA disbursements have doubled – from US\$2.7 billion to US\$5.3 billion between 2002 and 2009
- Multilaterals provide roughly 60%; bilaterals 40%
- Top five donors: Germany, France, Japan, Denmark, Netherlands
- Top five recipients: Ethiopia, Tanzania, Mozambique, Ghana, Uganda

Enabling Environment

- The policies, regulations, laws and institutions that guide investment, construction, operations and maintenance of infrastructure
- Donors engage in capacity building, training of govt staff in planning and operations, working with RECs on common PPP frameworks,

Forms of Donor Support

- Helping to design regulatory frameworks for infrastructure
- Working with RECs to harmonise regional frameworks e.g. for power trading
- Training of govt staff (e.g. utilities and line ministries) on technical aspects of infrastructure mgt
- Funding consensus-building workshops, knowledge resources (studies etc)
- Technical assistance on setting up specialised institutions (e.g. PPP units)

Concrete Examples

1. USAID supported Mozambique to set tariffs for electricity to integrate wind into the energy mix and attract investors
2. Austria has worked with the ECOWAS Ctr for Renewable Energy and Energy Efficiency on knowledge mgt and advocacy for renewable energy

Donors Approach to the Enabling Environment

- Not many donors have explicit strategies or dedicated programs for infrastructure
- Important regional initiatives: PIDA, Infra Action Plan (World Bank), Infra Crisis Facility, EU-Africa Infra Partnership
- Some bilateral donors focus on specific sub-sectors, or have certain priority countries
- Most bilateral donors direct their support through multilateral orgs and facilities (e.g. PPIAF, AWF)
- Donors of course also engage in broader activities on good governance, anti-corruption etc – help to create a conducive environment for infrastructure

Follow-Up Questions

1. What else are donors doing to leverage private investment in infrastructure? (guarantees, insurance, pooling mechanisms, blending etc)
2. How can donors tailor their approach to specific regional and country needs (fragile states, etc)
3. What else is needed to strengthen the enabling environment? Can it be classified?
4. Analysis of non-traditional donors' (China, India, Arab states...) approach
5. Survey : what do investors need and how can donors and governments work together to respond?

Thank You

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