Japan’s Initiative on Infrastructure Development in Africa and TICAD Process

Fifth Ministerial Meeting

NEPAD-OECD Africa Investment Initiative

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Deputy Director, Office for TICAD Process
Japan International Cooperation Agency (JICA)

Dakar, 26 April 2011
Towards a Vibrant Africa: Continent of Hope and Opportunity

- 51 African countries represented (41 Head of States/Governments)
- 33 partner countries
- 77 regional / international organizations

(Source: Kantei hp)
**Japan’s commitment: Fukuda Initiative**

"Doubling total ODA to Africa by 2012"

<table>
<thead>
<tr>
<th>ODA by Modality</th>
<th>Average Annual Level (2003-2007)</th>
<th>Targeted Amount in 2012 (Cumulative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants (Bilateral)</td>
<td>USD 0.7 billion</td>
<td>USD 1.4 billion</td>
</tr>
<tr>
<td>ODA loan (Net)</td>
<td>USD 80 million</td>
<td>Over USD 160 million</td>
</tr>
<tr>
<td>Disbursement to AfDB</td>
<td>USD 120 million</td>
<td>USD 240 million</td>
</tr>
<tr>
<td>Total ODA to Africa</td>
<td>USD 0.9 billion</td>
<td>USD 1.8 billion</td>
</tr>
</tbody>
</table>

**Average (2003-2007)**

- **Yen Loan**
- **T/C & Grants**

**ODA by Modality**

- **Grants (Bilateral)**
- **ODA loan (Net)**
- **Disbursement to AfDB**
- **Total ODA to Africa**

"Doubling total ODA to Africa by 2012"
Focused areas of the “Yokohama Action Plan”

I Boosting Economic Growth
1) Infrastructure
2) Trade, Investment and Tourism
3) Agriculture and Rural Development

II Ensuring Human Security
1) MDGs (Community Development, Education, Health)
2) Consolidation of Peace, Good Governance

III Addressing Environmental Issues and Climate Change

IV Broadening Partnership
Japan’s Support on Transport Networking in Africa

List of Projects Approved in JFY 2008-2009

- **Morocco**
  - Mediterranean Road Construction Project

- **[Mali / Senegal]**
  - The Project for Construction of Bridges over the Southern Corridor

- **Liberia**
  - Master Plan Study on Urban Facilities Restoration and Improvement

- **[DRC]**
  - The Project for the Rehabilitation of Poids Lourds Avenue in Kinshasa

- **Angola**
  - The Project for Emergency Rehabilitation of Port Facilities at the Port of Lobito and the Port of Namibe

- **[Burundi]**
  - The Transport Facilitation Program for the Bamenda-Mamfe-Ekok/Mfum-Abakaliki-Enugu Corridor

- **[Liberia]**
  - The Project for Improvement of the National Road Route 8

- **[Mali / Senegal]**
  - The Project for Construction of Bridges over the Southern Corridor

- **Malawi**
  - The Project for Improvement of Blantyre City Road
  - The Project for the Study of the Rehabilitation of the Sena Railway

- **[Angola]**
  - The Project for Public Transport Rehabilitation
    - The Rehabilitation of Public Transportation Project
    - Study for Ports Masterplan
    - Project for Establishing Digital Topographic Database for Bujumbura

- **Nigeria**
  - The Project for Improvement of the National Road Route 8

- **[DRC]**
  - The Project for the Rehabilitation of Poids Lourds Avenue in Kinshasa

- **[Liberia]**
  - Master Plan Study on Urban Facilities Restoration and Improvement

- **[Burundi]**
  - The Project for Purlibc Transport Rehabilitation
    - Project for Public Transport Rehabilitation
    - Project for Establishing Digital Topographic Database for Bujumbura

- **[Kenya]**
  - The Project for the Construction of Nairobi Western Ring Roads

- **[Tanzania]**
  - Road Sector Support Project
  - The Project for the Improvement of the Eastern Corridor
  - The Project for the Improvement of Blantyre City Road
  - The Project for the Improvement of the饮料
  - The Project for the Improvement of the Enga Road
  - The Project for the Improvement of the Ura Road

- **Madagascar**
  - The Project for Construction of Access Road in the Southern Area of the Capital
  - The Project for the Study of the Rehabilitation of the Sena Railway

- **Zambia**
  - The Project for the Improvement of Livingstone City Road
  - The Project for Improvement of Ndola and Kitwe City Roads

**ODA Loan**

**Grant Aid**

**Technical Cooperation**

**<OSBP>+ T/C**

**Japan International Cooperation Agency (JICA)**
Japan’s Support on Electricity Networking
Kisumu - Olkaria Power Transmission Project

UGANDA
KISUMU
OLKARIA
NAIROBI
KENYA

Nile Equatorial Lake Subsidiary Action
Program (NELSAP)

Financed by JICA (Bujagali-Tororo, Ugandan side) and AfDB (Tororo-Lessos, Kenyan side)
L/A signed in 2010, completed by 2014

LEGEND

400kV Transmission Line
220kV Existing Transmission Line
220kV Planned Transmission Line
132kV Existing Transmission Line
Thermal-Geothermal Power Plant
Hydroelectric Power Plant
Substation
Major City

Mombasa-Nairobi Transmission Line Project
Financed by AFD and AfDB
L/A signed in 2009, completed by 2012
Commit JICA ODA loans up to 1 billion USD over the next 5 years since 2005
Partnership with RECs

ECOWAS
CEMAC
EAC
ECCAS
SADC
SACU
IGAD
UMA
COMESSA
COMESA
UEMOA
AU
Infrastructure Consortium for Africa (ICA)

- ICA was created in 2005 following the Gleneagles G8 Summit.
- ICA addresses national and regional constraints to infrastructure development, with an emphasis on regional infrastructure.
- Membership: G8 members, WB, AfDB, EC, EIB and the DBSA

**Goal:**
Increase finance for sustainable infrastructure in Africa from Public, Private, and Public-Private sources

**Purpose:**
Place the ICA on firm foundation to advocate successfully for sustainable infrastructure development and finance in Africa

**Outcomes:**
- Enhanced Coordination
- Facilitation of Regional Programs
- Knowledge and Information
- Communication

*Source: ICA Strategic Business Plan 2010-2012*
## ODA Loan Infrastructure Projects in Africa

**approved and/or pledged FY2008-2010 (As of March 2011)**

<table>
<thead>
<tr>
<th>Borrower</th>
<th>Project</th>
<th>Area</th>
<th>Co-Financer</th>
<th>Amount (100 Million Yen)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uganda</td>
<td>Interconnection of Electricity Grid of the Nine Equatorial Lakes Countries</td>
<td>Electricity</td>
<td>ADB (EPFA/ACFA)</td>
<td>54.06</td>
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<tr>
<td></td>
<td>Upgrading of Arikar − Nimule Road Project</td>
<td>Transport (Road)</td>
<td>WE</td>
<td>33.95</td>
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<tr>
<td></td>
<td>Construction of A New Bridge Across River Nile at Jinja</td>
<td>Transport (Road)</td>
<td>WE</td>
<td>91.90</td>
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<tr>
<td>Tanzania</td>
<td>Road Sector Support Project</td>
<td>Transport (Road)</td>
<td>ADB (EPFA/ACFA)</td>
<td>71.19</td>
<td></td>
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<tr>
<td></td>
<td>Klaus-Sinyavea Backbone Transmission Investment Project</td>
<td>Electricity</td>
<td>ADB (EPFA/ACFA)</td>
<td>60.45</td>
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<tr>
<td>Mozambique</td>
<td>Nampula-Cucuca Road Upgrading Project</td>
<td>Transport (Road)</td>
<td>ADB, Korea Eximbank/Own Finance</td>
<td>43.70</td>
<td></td>
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<tr>
<td>Zambia</td>
<td>Increased Access to Electricity Project</td>
<td>Electricity</td>
<td>WE</td>
<td>55.15</td>
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<tr>
<td>Kenya</td>
<td>Olkaria I, Unit 4 and 5 Geothermal Power Project</td>
<td>Electricity</td>
<td>WE, KfW, EIB</td>
<td>205.16</td>
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<tr>
<td></td>
<td>Olkaria-Loosos-Kisumu Transmission Line Construction Project</td>
<td>Electricity</td>
<td>ADB, AFD</td>
<td>124.10</td>
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<tr>
<td>Cameroon</td>
<td>Transport Facilitation Program for the Bamenda-Enshow-Elorko/Abakaliki-Benue Corridor</td>
<td>Transport (Road)</td>
<td>ADB (EPFA/ACFA)</td>
<td>45.50</td>
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<tr>
<td></td>
<td>Project to Strengthen and Extend the Electricity Transmission and Distribution Network</td>
<td>Electricity</td>
<td>ADB (EPFA/ACFA)</td>
<td>29.30</td>
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<tr>
<td>Mauritius</td>
<td>Grande Base Sewage Treatment Project</td>
<td>Water and Sanitation</td>
<td></td>
<td>70.00</td>
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</tbody>
</table>

### Sub-Total Sub-Saharan Africa

990.00

### Egypt

<table>
<thead>
<tr>
<th>Project</th>
<th>Area</th>
<th>Co-Financer</th>
<th>Amount (100 Million Yen)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya Integrated Solar Combined Cycle Power Plant Project (Additional Loan)</td>
<td>Electricity</td>
<td>GEF</td>
<td>94.40</td>
<td></td>
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<tr>
<td>Energy Control System Upgrading Project in Upper Egypt</td>
<td>Electricity</td>
<td></td>
<td>107.60</td>
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<tr>
<td>Gulf of El Zaat Wind Power Plant Project</td>
<td>Electricity</td>
<td>KfW, EIB</td>
<td>383.64</td>
<td></td>
</tr>
</tbody>
</table>

### Tunisia

<table>
<thead>
<tr>
<th>Project</th>
<th>Area</th>
<th>Co-Financer</th>
<th>Amount (100 Million Yen)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tunis Suburban Commuter Line Electrification Project (Additional Loan)</td>
<td>Transport (Railway)</td>
<td></td>
<td>45.56</td>
<td></td>
</tr>
<tr>
<td>Gabes-Mednine Trans-Maghrebain Corridor Construction Project</td>
<td>Transport (Road)</td>
<td></td>
<td>150.84</td>
<td>Pledged in FY2010</td>
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<tr>
<td>Local Cities Water Supply Network Improvement Project</td>
<td>Water and Sanitation</td>
<td></td>
<td>60.04</td>
<td>Pledged in FY2010</td>
</tr>
<tr>
<td>Provincial Cities Water Supply Project</td>
<td>Water and Sanitation</td>
<td></td>
<td>164.97</td>
<td></td>
</tr>
<tr>
<td>Mediterranean Road Construction Project (Additional Loan)</td>
<td>Transport (Road)</td>
<td>EU, Italy, Abu Dhabi Fund</td>
<td>84.25</td>
<td></td>
</tr>
<tr>
<td>Rural Road Improvement Project (II)</td>
<td>Transport (Road)</td>
<td>WE, EIB, ADB etc.</td>
<td>89.81</td>
<td>Pledged in FY2010</td>
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<tr>
<td>Fez and Meknes Regions Water Supply Project</td>
<td>Water and Sanitation</td>
<td></td>
<td>173.40</td>
<td>Pledged in FY2010</td>
</tr>
</tbody>
</table>

### Sub-Total North Africa

1,322.00

### ADB

<table>
<thead>
<tr>
<th>Project</th>
<th>Area</th>
<th>Co-Financer</th>
<th>Amount (100 Million Yen)</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>EPSA Non-sovereign II</td>
<td>Private Sector Support and Infrastructure Development</td>
<td></td>
<td>231.00</td>
<td></td>
</tr>
<tr>
<td>EPSA Non-sovereign III</td>
<td>Private Sector Support and Infrastructure Development</td>
<td></td>
<td>84.40</td>
<td>Pledged in FY2010</td>
</tr>
</tbody>
</table>

### Total Africa

2,714.00
How to mobilize FDI to Infrastructure?

FDI Inflows to Africa and Asia
(by value and as a % of gross fixed capital formation, 1995-2008)

Source: UNCTAD, WIR 2009
JICA uses PFI in Cambodia, Mongolia, Ukraine and Zambia as a useful tool for capacity development in investment.

Besides public/private financial inflows, capacity development is essential to strengthen policy framework and enabling environment in Africa.

TICAD Yokohama Action Plan describes “Japan … promote African efforts in investment policy reform, using multilaterally-endorsed instruments such as the OECD Policy Framework for Investment…”
New Initiative for Private Sector Investment

Preparatory Research Study

- PPP Infrastructure F/S Support Program
- BOP Business F/S Support Program

Financial Support

- Private Sector Investment Finance (PSIF)
PPP Capacity Building

- PPP is promoted in various ways in JICA’s cooperation
- Detailed Planning Survey Scheme for PPP Infrastructure Feasibility Study: to support qualified F/S on PPP infrastructure project planning proposed by private sector, introduced in 2010
- Capacity building for PPP Units and related organisations: collaboration with NEPAD-OECD programme is being planned
- Actual PPP case using JICA loan scheme in hydropower sector in Uganda (see next slide)
Aid for investment in infrastructure: Asian experience and Africa

- In Asia, infrastructure (transport and power) paved the way for successful industrialisation.
- Nexus of investment and infrastructure: ODA-based Infrastructure induced investment in manufacturing, which induced economic growth and private investment in infrastructure.
- JICA supports in combination of infrastructure development and investment promotion in Asia (ex. Great Mekong Subregion, Cambodia etc.)
- It is being followed in Africa.
JICA Strategy for Infrastructure and Economic Development

- Long-term Political Commitment for development
- Public Sector-led Initial Investment
- Enabling Business Environment both in Physical Infrastructure and Capacity Development ⇒ Private Sector-led Development and Growth
- Infrastructure+Regional Development ⇒ Inclusive and Beneficial Growth also for local workers, farmers and households ⇒ Maximizing local resources and potentialities
- Benefiting from Globalization by finding African advantages in global market
- Private Sector Partnership by New technical/financial initiatives: PPP Infra/BOP Business F/S Program, Private Sector Investment Finance etc.
JICA’s VISION

“Inclusive and Dynamic Development”

http://www.jica.go.jp/english
http://www.jica.go.jp/french

Thank you

Merci

Jerejef