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Development Conference
Infrastructure for Inclusive Growth
Financing Infrastructure

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Shaping sustainable futures

- Needs for Infrastructure finance notably in power is undisputed.
- Opportunities are there :
 - High GDP growth
 - Ability and willingness of African citizens to pay.
 - Many African countries are undertaking sector reforms.
- Financial resources will have to come from domestic and external, public and private resources.

2.1 Project pipeline

- Lots of project ideas in the pipeline
- Studies submitted to donors regularly have serious shortcomings. Donors play an increasingly active role in project development.
- Few well structured and bankable projects

- Private sector's risk appetite is fairly limited.
- private participation remains selective focusing on most financially viable and less risky projects.
- Long term visibility, contractual security and risk allocation is crucial to attract private financing

- Infrastructures in Africa are inherently regional
- This characteristic add difficulty, involving different actors, jurisdictions and multiple procurement authorities
- The structuring and development of regional projects are more complex and is time-consuming.

Infrastructure financing scheme differ by sector and country

- No “one size fits all” solution : the right financing structure will depend of the country’s institutional environment and sub-sector business models.
- Support is needed upfront to improve the legal and institutional framework.
- A mix of financial tools at the project level : guarantee, sovereign, non sovereign, commercial, concessional, grant for TA, equity, etc.

- ODA is important both as a direct financier and as a catalyst of private investments.
- Maximize the synergy between private and public donors :
 - more partnership and harmonized practices
 - pooling instruments: grants and loans; public and private
- New and additional financing tools.
- Adopt integrated infrastructure development approach

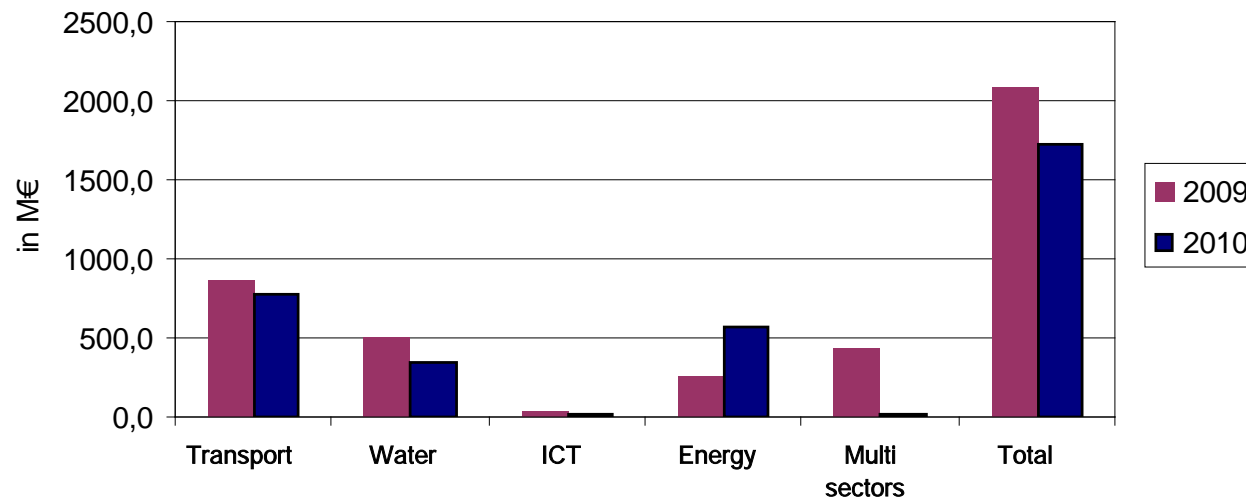
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AFD activities in the infrastructure in Africa

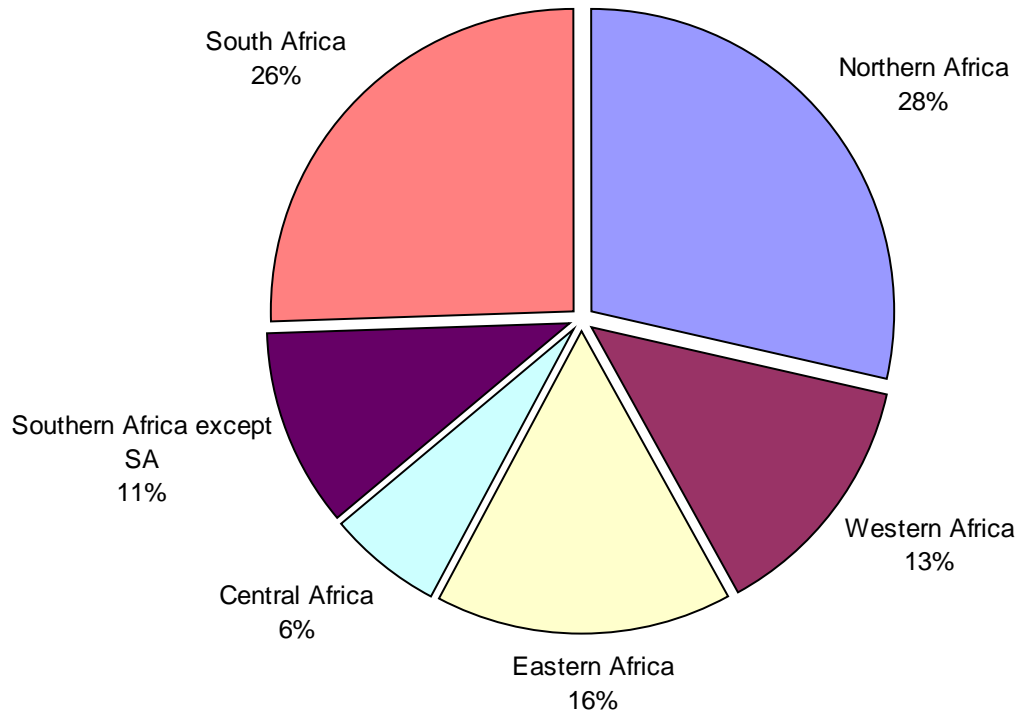
■ Total AFD commitments in infrastructure projects in Africa for 2009 and 2010 :

- 2009 : 2,1 billion EUR of which 0,5 billion EUR in North Africa
- 2010 : 1,7 billion EUR of which 0,6 billion EUR in North Africa

AFD commitments in Africa by nature of infrastructure



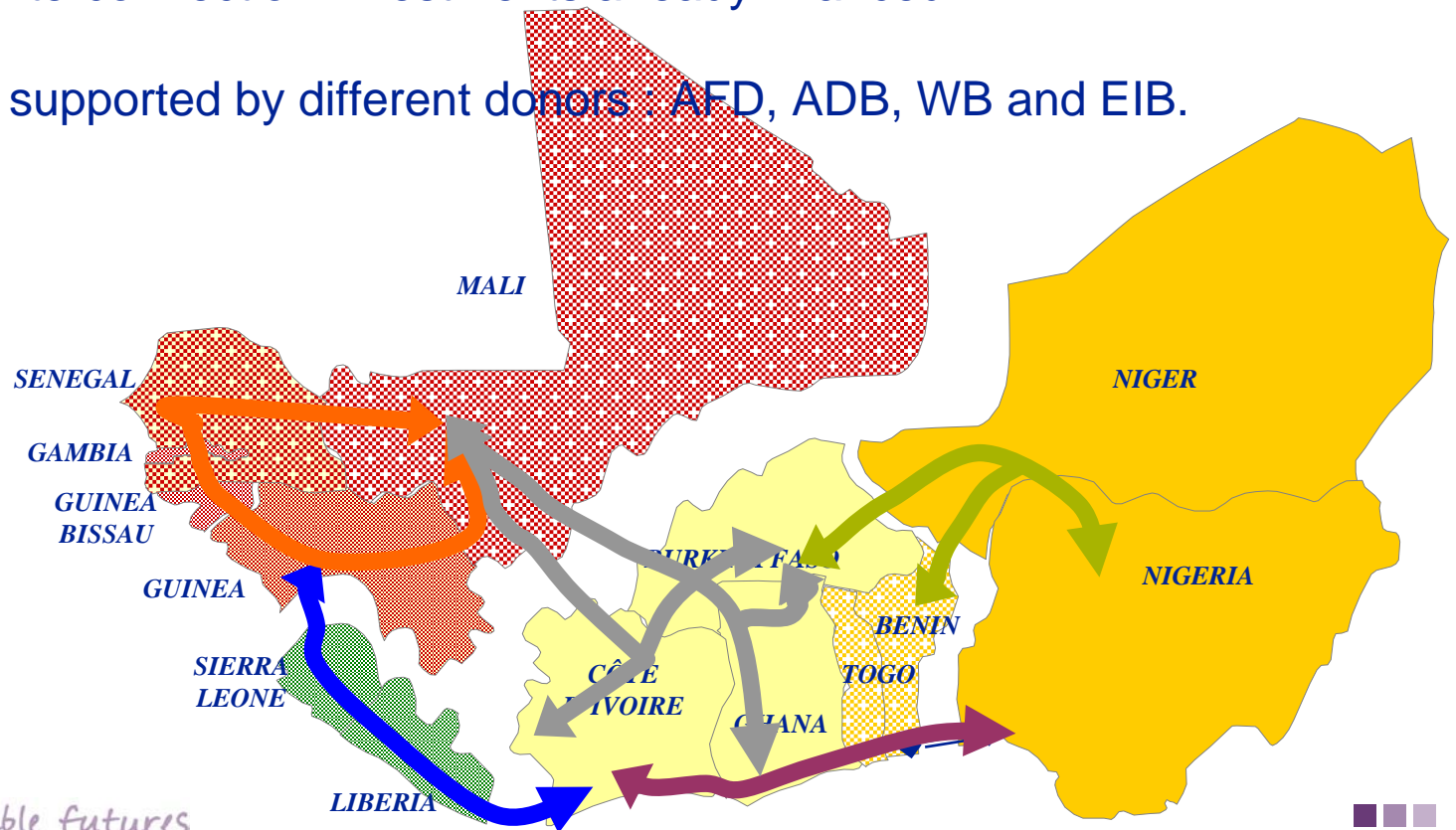
AFD commitments in 2009 and 2010 for infrastructure by region in Africa



5.2

WAPP : power interconnection projects

- WAPP objective : create a regional power market
- Regional Master plan and action plan established
- Multiple interconnection investments already financed
- Program supported by different donors : AFD, ADB, WB and EIB.



5.5 Port of Pointe-Noire – Congo Brazzaville



- Objective : increase the Port traffic
- Investments to extend and improve the port infrastructure
- Financing Plan : 166,2 M€
 - Investment : AFD (non sovereign), EIB, BDEAC (local currency), Public authority, private concessionaire
 - Technical Assistant (2,5 M€) : AFD, and European fund
- Container terminal private concessionaire
- Signature of an agreement between the government and the lenders.

5.4 Drinking Water in Senegal – SONES

- Institutional set up : PPP in drinking water
 - SONES : capital company – public –concession contract with the government
 - SDE : leasing company - private – leasing contract with the Government and SONES
 - No external regulator
- In 2007 : financing support to the drinking water and sanitation program (PEPAM).
- Program approach – total : 58.55M€
 - AFD : Non sovereign loan 20M€ + Grant 1,1M€
 - EIB : sovereign Prêt 15M€ + EU : grant 8.7 M€ + BOAD: loan 8500 M FCFA
- First disbursement in process



Thank You
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