

II. Boosting Economic Growth

Improved infrastructure is central to increased competitiveness and productivity, as well as enhanced livelihoods. Regional infrastructure, such as transport corridors and power pools, offers tremendous benefits. Given the costs involved, much greater investment from the private sector will be needed, including through public private partnerships.

In June 2010, the Government of Japan announced a “New Growth Strategy” and set promotion of “Development of Integrated Infrastructure Systems” as one of its national strategic projects. The government is strengthening support systems to enhance public-private partnerships in the infrastructure sector.

1. Infrastructure



Various regional infrastructure development initiatives for Africa have been taken up. Through the leadership of the AU and NEPAD, the 15th Ordinary Session of the African Union in July 2010 agreed to integrate several existing initiatives into the Programme for Infrastructure Development in Africa (PIDA), and endorsed the framework until the end of 2011. Currently, detailed investigations are underway in order to integrate national projects into regional and continental projects and to secure funding, targeting energy, water, transport, and ICT. In order to ensure consistency with PIDA, the Infrastructure Consortium for Africa (ICA), a platform for donors including Japan, is currently formulating a strategic business plan and moving ahead with donor coordination in individual projects within sectoral working groups.

The Status of Japanese Assistance – April 2008 - March 2011 (provisional)

The YAP target for grant aid and technical cooperation for this sector was already attained in 2009. However, more assistance is required in some sub-sectors, especially the irrigation sector.

Total amount of committed ODA projects in the infrastructure sector (April 2008-March 2011)

(100 million yen)

	Transport	Power	Water & Sanitation	Irrigation
Loans	386.85	1,225.39	224.99	131.78
Grant Aid & Tech. Coop.	533.28	211.33	412.86	123.92

Regional Transport Infrastructure

Japan’s financial and technical support is concentrated on selected important corridors in each region, focusing primarily on road projects but also including ports, bridges, urban transport and railways. The map on the next page indicates Japan’s cooperation since 2008, including new projects for 2010. Japan intends to contribute to the development of regional transport infrastructure based on regional priority projects. For that purpose, Japan intends to further strengthen its cooperation with AU/NEPAD and RECs.

Japan announced the expansion of “One Stop Border Posts” (OSBPs) to 14 locations to facilitate smooth cross-border procedures. Support has already been provided for ten locations and preparations are underway for the remaining four.

Japan considers infrastructure as an essential foundation to achieve the MDGs. In addition to its role of fostering efforts for economic

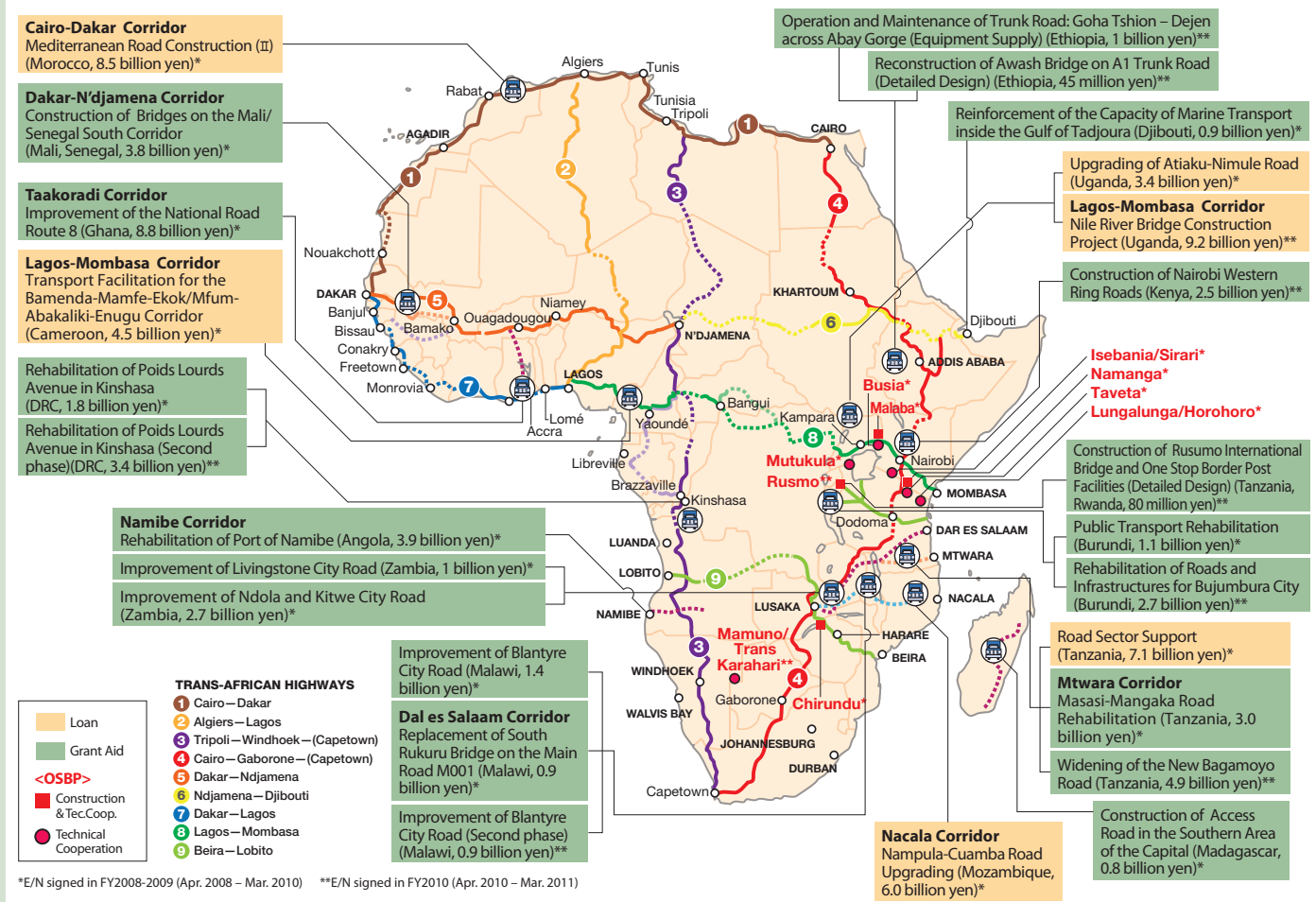
growth in the country and region, infrastructure services ensure the right of people to survive and live a secure and healthy life. Japan is aiming at achieving inclusive and equitable community empowerment through development of regional transport infrastructure, paying maximum attention to support systems for increased food production and access to social services. (ex. Nacala Corridor Development programme in Mozambique)

● Example of Japan’s recent assistance for the OSBP – at the border of Rusumo (Tanzania-Rwanda border)



OSBP at the Rusumo Border (rendering) (Photo: JICA)

Japan's cooperation for regional transport infrastructure



Involvement of Regional Institutions and Promotion of Public-Private Partnership

In recent years, Africa's Regional Economic Communities (RECs) have been promoting regional infrastructure projects to stimulate intraregional trade, and there have also been cases of the RECs conducting feasibility studies of regional projects. JICA is currently dispatching experts to NEPAD, the EAC, the ICA Secretariat and the West African Eco-

nomics and Monetary Union (UEMOA) and intends to dispatch an expert to the Southern African Development Community (SADC) within this fiscal year. The utilisation of Other Official Flows (OOF) is progressing in the infrastructure sector to promote public-private partnership that will facilitate business activities. (See Figures)

● Metro Construction Project in Cairo (signed on September 2, 2010)

JBIC signed a buyer's credit agreement totaling up to 7.9 billion yen with the National Authority for Tunnels (NAT) in Egypt. The loan will finance the procurement by NAT of a fleet of rolling stock from Mitsubishi Corporation for the first phase of Line 3 of the Greater Cairo Metro Network, which connects Cairo city with Cairo International Airport. The rolling stock to be delivered will be produced mainly by the Kinki Sharyo Co., Ltd., and Toshiba Corporation. JBIC

thus supported the exports of Japanese firms. This metro project, which will construct a public mass transit rail connecting the center of Cairo with suburban districts, is expected to help alleviate traffic congestion and enhance environmental performance in Cairo.



(image, Photo: Kinki Sharyo Co., Ltd.)

● Examples of Infrastructure Projects of Japanese Private Companies: Development of Electric Power Infrastructure by VISCAS

VISCAS Corporation* is just completing the Eskom's construction project of a 765kV overhead transmission line from Hydra substation to the Perseus substation (route length: 155km). This project covers a part of a plan drafted by the South African government to construct an extra high voltage power transmission network between Johannesburg

and Cape Town with total length of 1500km to cope with the chronic power shortage in the country. VISCAS has already completed two previous projects of the same network, with 250km (Mercury-Perseus) and 255km (Hydra-Gamma). VISCAS is also undertaking the MCA's project to build a high voltage submarine transmission line (132 kV, 100MW, route length: 38km) to Zanzibar (Unguja Island) from Ubungu power station in Dar es Salaam in Tanzania.

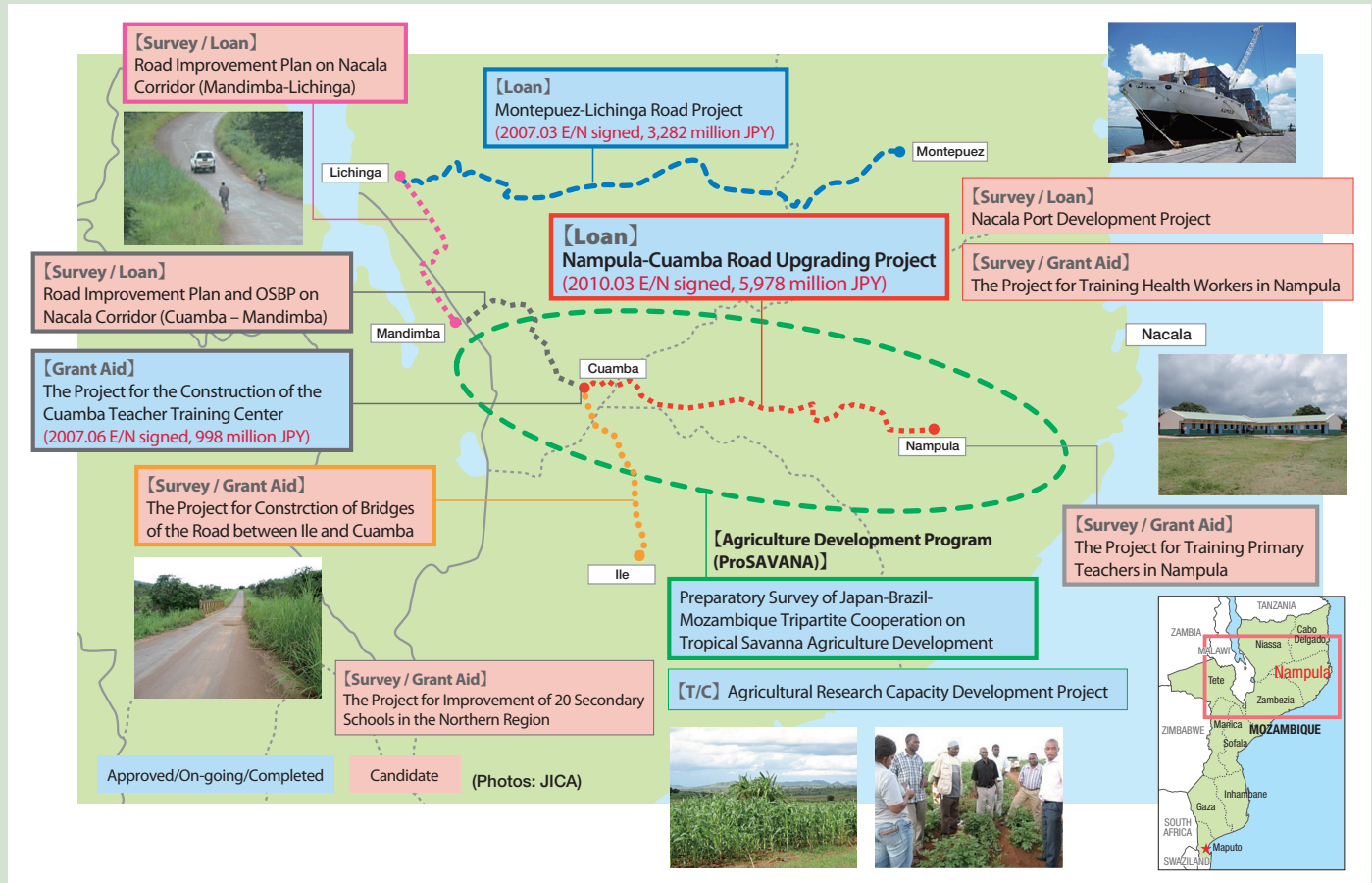
*VISCAS is a joint corporation of The Furukawa Electric Co., Ltd. and Fujikura Ltd.



(Photo: VISCAS)



Integrated regional development in Nacala Corridor, Mozambique



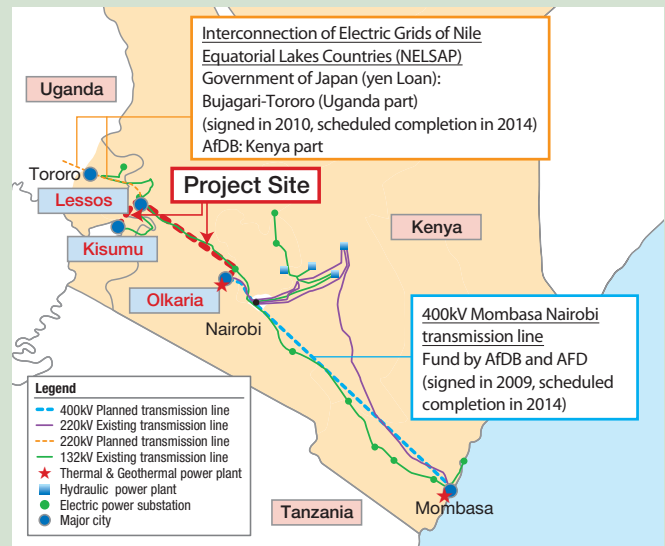
Regional Power Infrastructure

In collaboration with other partners, Japan is supporting power pools in each region.

Example of a major assistance project carried out by Japan in recent years:

“Olkaria-Lessos-Kisumu Transmission Lines Construction Project”

Japan has agreed to provide 12.41 billion yen in ODA loans to Kenya in December 2010 to support the construction of power transmission lines from the Olkaria geothermal field to Kisumu (spanning roughly 290km) and the expansion of the electric power station. In addition, this project aims to bring about stable electrical power supply in the East African region through coordination with ODA loan projects currently under implementation in neighbouring Uganda.



Efforts by Other TICAD Partners

Regional infrastructure is a priority of the WBG, which is working closely with other partners to develop a more strategic and harmonised approach to regional infrastructure development.

IDA/IBRD investments in infrastructure totaled \$7.5 billion in FY2010, with \$3.2 billion of IDA – the same amount as FY2009 – programmed to infrastructure projects. An increasing share is funding regional projects to address “missing links” in the continent’s infra-

structure. IFC has also ramped up infrastructure investments.

IBRD/IDA lending commitments for energy reached \$4.7 billion in FY2010, complemented by increased advisory services and knowledge sharing to improve the efficiency and capacity of key institutions. The Bank, IFC and MIGA are working closely together to maximize energy sector support.